



Australian Government
Department of Agriculture

Senator the Hon. Bill Heffernan
Chair
Senate Rural and Regional Affairs and Transport Legislation Committee
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Senator Heffernan

The department provided an incorrect answer to a question taken on notice at the Budget Estimates May 2014 hearing conducted by the Senate Rural and Regional Affairs and Transport Legislation Committee on 29 May 2014, which I would like to correct.

In response to question 13 on Levies the following answer was provided in regard to the percentage of voters who participated in the ballot on an increase to the mango levy.

'There was a low rate of participation in the ballot of 18.4 per cent (135 valid grower votes versus an estimated 793 eligible voters).'

While the number of voters is correct, the calculation of 18.4 per cent is incorrect. The correct calculation is 17.0 per cent. The correct answer is:

'There was a low rate of participation in the ballot of 17.0 per cent (135 valid grower votes versus an estimated 793 eligible voters).'

I enclose a standalone copy of the corrected response.

Yours sincerely

Travis Power
A/g First Assistant Secretary
Agricultural Productivity Division

7 October 2014

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2014

Agriculture

Question: 13

Division/Agency: Agricultural Productivity Division

Topic: Levies

Proof Hansard page: 37 (29/05/2014)

Senator STERLE asked:

Mr Koval: I am not aware of the number of mushroom enterprises that voted; but, of those who voted, 75 per cent of the enterprises said yes. I could find out the actual number for you, if you would like; all three of them?

Senator STERLE: Yes, please; all three. I am a little bit concerned, because in the beef industry—say if MLA wanted to change the way they do the R&D or the levy—they have to have 75 per cent of members vote.

Answer:

1. For the mushroom levy changes at ballot, 46 mushroom grower enterprises voted and of these 33 votes were in favour, 11 votes were opposed and there were two informal votes. There was a high rate of participation in the ballot of 68 per cent (46 actual grower votes versus 68 eligible grower voters).

A number of major producers have formally and publicly indicated their support for the levy proposal. They are listed in the Australian Mushroom Growers Association (AMGA) (the peak industry body) levy submission and are among the largest producers. Combined, they represent over 40 per cent of Australian *Agaricus* mushroom production. Additionally data from AMGA, indicates that at least 53.7 per cent of the industry's levy collections are received from growers who have declared their support for the AMGA's levy proposal.

2. For the onion levy changes at ballot, 45 onion grower enterprises voted. Of these:

- 20 votes were in favour of an increase in the research & development component of the levy/export charge, and a decrease in the National Residue Survey levies, 18 were opposed and there were 7 informal votes.
- 20 votes were in favour of a new marketing component of the levy/export charge, 15 were opposed and there were 10 informal votes.
- 26 votes were in favour of a new Plant Health Australia (PHA) and Emergency Plant Pest Response (EPPR) components of the levy/export charge, 11 were opposed and there were 8 informal votes.

Question: 13 (continued)

There was a low rate of participation in the ballot of 18.4 per cent (45 actual grower votes versus 244 known onion growers who received voting papers).

In addition, Onions Australia, the peak industry body, received testimonial letters from 14 major growers/packers confirming support for the proposed levy. These growers/packers represent approximately 127 900 tonne of onions or around 60 per cent of national production (214 135 tonnes).

3. For the mango levy ballot, 135 mango grower enterprises voted and of these 69 were in favour and 66 were opposed to the changes to the PHA component of the levy/charge. On a production-weighted basis (capped at 20 votes per enterprise) out of the total 381 votes, 269 were in favour and 112 were opposed to the changes to the PHA component of the levy/charge.

For the EPPR component of the levy/charge, of the 135 mango grower enterprises which voted, 74 were in favour, and 61 were opposed. On a production-weighted basis (capped at 20 votes per enterprise) out of the total 380 votes, 285 were in favour and 95 were opposed to the change to the EPPR component of the levy/charge.

There was a low rate of participation in the ballot of 17.0 per cent (135 valid grower votes versus an estimated 793 eligible voters).

A ballot proposing increases to the marketing and R&D levies on mangoes was also held. The proposal received a majority vote, though by a narrow margin. However, objections received during the formal objection period resulted in a decision by Australian Mango Industry Association (AMIA), the peak industry body, not to pursue increases to the marketing and R&D levies.