1. **What is the grains levy and who pays it?**

Grain producers pay a levy on the grain they harvest to fund investments for various purposes. The individual components for this are: research and development; biosecurity activity; biosecurity response; and the National Residue Survey. This is governed by legislation, with the relevant section of the legislation being Division 26 (Grain) in the Primary Industries (Excise) Levies Regulations 2024 HERE. At (26.6) this section says:

The levy on grain is payable by the person who owns the grain immediately after it is harvested.

2. **Does it apply to all grain crops – what are they?**

This section (Division 26 – Grain) of the regulations shows the leviable crops which are divided into four categories, as below:

- *Wheat.*
- *Coarse Grains — barley, sorghum, oats, triticale, canary seed, cereal rye, millet, maize*
- *Oilseeds — linseed, rape seed (canola), safflower seed, soybean, sunflower seed.*
- *Grain legumes — chickpeas, common beans, common vetch, cowpeas, faba beans, field peas, lentils, lupins, mung beans, pigeon peas, wild cowpeas, black gram, peanuts.*

3. **Are all rates the same for all crops?**

This Table HERE outlines the GPA proposal and clearly shows the rates for each of the crops. Maize (coarse grain) is a minor crop with a lower percentage rate for the research and development component (0.693%) and biosecurity activity component set at 0.007%. The National Residue Survey does not apply to some other minor crops (e.g. millet) and these are therefore calculated at 1.005%. GPA is not proposing any change to the NRS component, as part of this proposal, or the biosecurity response one. More info is available at the DAFF website HERE

4. **What does the levy fund?**

Levies fund industry good investments which provide collective /shared benefits for different purposes, such as those described above for research and development, biosecurity protections and grain product integrity and market access (NRS). These funding/investments deliver collective/shared benefits across the Australian grains industry (including bulk grain handlers and traders), and the broader community, national economy, and environment.

5. **Why is GPA doing this review?**

GPA has responsibilities representing all Australian grain producers who pay these levies, with roles to the various levy-recipient bodies. These representative roles were transferred to GPA, from the previous representative body, the Grains Council of Australia, in 2010. This serves the purpose of providing oversight and accountability of spending, for the levy-payers. Assessing the suitability of levy rates, and consultations to determine the appropriate advice to provide the government on behalf of growers/industry, is fundamental to these responsibilities. GPA supports improved accountability and transparency, in the providing and administering of these national representative roles, such as this levy-review poll, giving growers a say on their levy rates.

6. How are growers' views being sought/consulted?

Growers can express their views directly to the consultation process by voting in the poll that's being conducted for GPA by Australian Regional Insights – click HERE.

Data analysis and reporting will be conducted by Australian Regional Insights, with all results presented in a non-identifiable, aggregated format.

7. How long will it take me – will it interrupt harvest?

The survey length is expected to take 3-5 minutes and is being made available digitally, to ensure the widest possible consultations. The key purpose of this consultation process to hear directly from growers. Other questions will be asked, to validate grower levy-payers. All information will be collected and securely handled by Australian Regional Insights in accordance with Australian privacy legislation. Policy HERE

8. What questions are being asked in this consultation process?

This poll is asking all growers to provide a 'Yes' or 'No' response to the proposal's specific question on adjusting levy rate components. This will provide quantitative data, to inform the review's consultation processes, for the final report, in making a determination on outcomes. Growers can also provide broader feedback/views on other matters relevant to the levy system, which are separate to the review's quantitative question. This provide qualitative feedback which can help inform considerations on future processes.

9. Can all growers have their say?

Yes. GPA is making this proposal widely accessible, using modern resources and consultation options – including digital tools, and online meetings HERE. GPA also encourages all growers to share these resources with other growers, to encourage their participation. It's not compulsory to vote, but we want all growers to participate and have their say, to ensure the widest possible consultations, for this groundbreaking survey/poll.

10. What is the timeline/timeframe?

This part of the consultation process giving growers a direct say and vote on the levy rates will run from (Monday 29 September, and scheduled finish Friday 24 October. This closing date can also be extended, based on the rate of responses, at that time. All growers are encouraged to have their say – and share this important opportunity with other growers.

11. How will the results be determined?

GPA's review consultation processes follow the government's Levies Guidelines – in particular the use of a secure online poll. Section 4.1 of these Guidelines (excerpt below) states that voting on proposed levy changes should be on a one-vote-per-levy-payer basis.

> **A majority in a ballot or voting activity**
> The government considers a majority to be 50% plus one of levy payers who choose to vote.
>
> Ballots and votes should demonstrate a majority on a one-vote-per-levy-payer basis.
>
> Examples of majority outcomes from a ballot or vote:
>
> - If 120 people voted, a majority vote in support of the proposal would be 61 (or more) yes votes.
> - If 2,643 people voted, a majority vote in support of the proposal would be 1,322 (or more) yes votes.

Australian Regional Insights will provide a report on this poll, to GPA, with quantitative and qualitative data. This will be used to inform the review summary and help with making the final determination, on this groundbreaking review. Australian Regional Insights is a specialist agricultural and regional market research agency.

12. How will the results be used?

GPA will provide the results of the 'Have your say process' to the Federal Minister for Agriculture, to communicate the views of growers on levies. This 'secure poll' will inform the levy review's final report and recommendations, to support government decision-making. This will conclude the review process GPA initiated, meeting consultation processes recommended in the Guidelines.

13. What do the Guidelines say about the grain levy-payer register?

> **Accessing contact details for levy payers and collection agents**
>
> The department may give you a list of collection agents if you have an existing levy.
>
> Some RDCs have established a levy payer register. You may wish to approach relevant RDCs to request access to their levy payer registers to assist in consulting levy payers about your proposal, or to request RDCs' assistance in sending consultation materials to levy payers on your behalf.
>
> Note that the RDC would need to seek the approval of the secretary of the department to give you access to levy payer information.
>
> For more information, contact your case manager.

GPA understands the Register has not been used for this express purpose, for industry consultations on a levy-rate proposal, since it was established, following the 2014 Senate inquiry where it was recommended. GRDC's was the first Register to be developed/implemented, following these legislative changes. GPA and GGL issued a joint statement on this development HERE at the time (2019).

GPA's policy on the Register's applications supports it being used to: *ensure greater accountability to grain producer levy payers*. This extends to democratic processes, such as this consultation giving growers the opportunity to have a say on their levy-rates, with a legitimate democratic process. GRDC also has policies on the Levy-Payer Register's use and procedures, as below.

LEVY PAYER REGISTER POLICY HERE
LEVY PAYER REGISTER PROCEDURE HERE

14. When was the last time the grains levy was reviewed?

This is the first time such a review process has been conducted where grain producers (levy-payers) have the opportunity to have their say/vote, to determine the final outcome. Consultation between government and industry representatives occurred when the Emergency Plant Pest Response (EPPR) levy was implemented in 2008. This was the last time that the grain levy rate changed – but this process did not include any such poll of levy-payers.

When the system was first introduced (about 1989-90), for the research and development component, GPA's predecessor, the Grains Council of Australia (GCA), was the appointed Representative Organisation for levy-paying growers. Initially, as the national grower representative body, GCA provided formal industry advice on the levy rate, to the Federal Agriculture Minister. This advice was established through an annual Grains Week event, where stakeholders met to discuss issues and industry trends. This provided a formal process to legitimise the industry consultation and subsequently determine suitable rates. This was initially held at annual intervals, to facilitate the views of growers (levy-payers) and industry.

15. How many levy-paying growers are there?

The 2023-24 GRDC Annual Report shows there was 24,331 grains levy payers. In the previous year's Annual Report, the number for that time period was 22,491. This lower number of growers, however, was responsible for producing (record) national Gross Value of Production in 2022-23 of about $33 billion *HERE*. This Table above shows the Australian grains industry has produced total crop production valued at about $140 billion, over the past five years. This year's crop is expected to be the third largest, 62 million tonnes, valued at about $26.5 billion.

GRDC's 1990 annual report – when the system was first established – doesn't record a total number of levy-payers (grain producers), at that time. However, information/data provided in other sources HERE shows 52,000 wheat growers contributed to national wheat pools (1988 -1990).

16. How big is the Australian crop now?

The summary tabled shows the total value of the national Crop was $3.4 billion in 1990-91 and $4 billion the following year. Despite 22,491 growers in 2022-23 – compared to about 52,000 wheat growers in 1990 (one crop variety only) – a record $33 billion national grain crop was produced. This year's crop is expected to be the third largest, 62 million tonnes, valued at about $26.5 billion.

17. What about other surveys/consultation processes?

As the initiator of this review process, GPA is not aware of, or been made aware of, any other proposals which would be in compliance with the government legislation/Guidelines. GPA understands some other organisations may be conducting their own separate 'surveys' – but these are not proposing any specific questions to growers about individual components of the grain levies. Given no formal notification has been provided to GPA, of any specific proposal/s being initiated or consultations conducted, it won't directly impact the consultation processes GPA has initiated which have also included formal correspondence being provided by GPA, to all stakeholders.

18. Why now?

Now is as good as time as any. GPA policy supports a fair and equitable approach to grain levies, for the different purposes they provide benefits for. And to optimise the system's capacity to deliver value for levy-paying growers and other shared beneficiaries. Recognising the level of reserves funding was at record highs, and escalating due to record crop production in past years and future ones, GPA initiated this review process to assess whether grain levies were fit-for-purpose.

GPA's review analysed key factors, with financial modelling that considered the different component rates, and potential adjustments, to improve outcomes for growers and industry. The final report forecast the level of reserves, for research and development, would accelerate beyond spending capacity ($350 million, by 30 June 2023). It also considered sustainable investment in biosecurity priorities, to improve preventative actions and planning for priority pest threats and risks such as Khapra. It made key recommendations for suitable/appropriate rate adjustments (increased biosecurity activity component), without impacting future research and development spending and activities. This report concluded components of the grains levy could be adjusted, without impacting 'in any material way' on GRDC's delivery of research and development. These reserves are currently now more than double, at $730 million.

The report (October 2022) was subsequently shared with all industry stakeholders – including the Federal Agriculture Minister – as part of the consultation process recommended in the Guidelines. The report provided specific advice on the consultation steps required, which GPA has followed, to ensure this process – especially this grower poll/vote now being held, to conclude the process and determine the outcome – complies with the Guidelines.

GPA's review report (excerpt below) also highlighted the benefits of regular, periodic review.

The Commonwealth Government recommends industry levies should be reviewed regularly to ensure they continue to meet the needs and priorities of industry and continue to deliver benefits to industry. However, unlike the dairy and wool industries which have specific regulatory arrangements for periodic polling of levy payers on R&D and marketing levy rates, there are no legislative requirements governing the conduct or frequency of reviews for grains industry levies.

19. **Did this report make any other recommendations, of benefit to industry, which do not form part of the quantitative data process, in the 'Have your say consultation?**

Yes. Further Recommendation 2 said:

'Grain Producers Australia (should) consider whether the exemption from paying the grains industry levies remains relevant for grain growers who would incur levies of less than $25 in any one financial year, being those with total grains sales less than $2,450 in value. Should Grain Producers Australia agree this exemption is no longer relevant, GPA should consult with growers on the removal of this exemption from paying the grains industry levies.'

20. **Have rates ever gone down?**

Yes. Research and analysis in GPA's review showed rates have been adjusted, up and down, since the system was introduced, to adapt to changing circumstances and seasonal production and pricing fluctuations. This system is complemented by the application of an 'ad valorem' levy (Latin phrase meaning 'according to value'), calculated on commodity value, at the point of sale.

Using WA wheat rates as an example, the research and development component was 2.77% in 1990, and it increased to 3.00% from 1991-1993. In 1994, the NRS component was added – and this halved in 1996, to its current rate 0.015%. This reduction took the total rate to 3.015%, and this was maintained from 1996-1999.

In 1999 the research and development component was reduced from 3.00% to 1.00% taking the total of the component rates to 1.015%. In 2003, the research and development component was reduced again (from 1.00% to 0.099%) when the biosecurity activity component was introduced. The biosecurity activity component was 0.01% and therefore the total was unchanged at 1.015%, at this time. As referenced earlier, the biosecurity response component (EPPR levy)) was implemented in 2008, adding 0.005% to the total. This is the last time that the total changed, and it has therefore remained at 1.02%, over the past 17 years.

21. **Why no gift voucher?**

The survey only takes a few minutes to complete and is a worthwhile investment on your own future. Voting is compulsory in Australia, once you become eligible, and people can be fined if they don't vote. In some other democracies voting is not compulsory. Taking the opportunity to participate and vote on this proposal, having your say on your future, is motivated by contributing to the collective outcome of your industry, and the Australian community of grain producers – and not any offer of 'free' gifts, or going into a draw to win prizes, or other similar incentives.