The Hon. (NAME OF MP/SENATOR/MINISTER)

TITLE (ie Member for Grayndler/Senator for NSW)

via email: FIRSTNAME.LASTNAME.mp@aph.gov.au or Senator.LASTNAME@aph.gov.au

XX JANUARY 2024

**Re: Request for Immediate Reversal of Flawed Biosecurity Tax Proposal**

Dear (NAME of MP/SENATOR/MINISTER)

Recently a joint letter was sent to the Prime Minister, Treasurer and Agriculture Minister from about 50 agricultural industry representative groups, expressing shared views and serious concerns about the proposed biosecurity tax that’s being imposed on agricultural producers. These groups represent the interests of levy-paying producers across the broad spectrum of agricultural commodities including grains, livestock, horticulture, forestry, seafood, etc. A more detailed summary of the concerns is listed below.

I’m writing to support these concerns and requests for an immediate reversal of the government’s flawed, ‘one-size-fits-all’ tax proposal, as also put forward by producers and industry representatives in their letter.

Producers support a robust biosecurity system and already pay significant amounts in levies to underpin biosecurity programs, including the work in partnership delivered by Plant Health Australia and Animal Health Australia. Funding of these agencies is not matched by governments. Other producer levies co-fund RD&E investments, with matching taxpayer funding, through rural Research and Development Corporations (RDCs). Many industries also provide levies for non-matched marketing investments. RDCs also contribute significant funding to deliver investments that strengthen biosecurity outcomes for the nation. For example, the Grains Research and Development Corporation's overall biosecurity investment over the past six years totals about $220 million, which includes $42.3 million in 2022/23. For Meat and Livestock Australia this total was more than $26 million for 2023. Many producers also pay state-based levies.

However, the 2023 federal budget announced a new “Biosecurity Protection Levy” which fundamentally undermines the levy principles. Put simply, it is a tax, not a levy, and it undermines trust and confidence in this important system. The principles of this policy proposal do not accord with the recent Productivity Commission report into levies, which assesses the policy against well-understood criteria. The independent Productivity Commission analysis also supports industry’s view that this is a tax. It is proposed to be non-hypothecated and carries multiple risks and consequences.

An immediate reversal of the government’s flawed tax proposal would help start the process of repairing the damage that’s already been inflicted on trust and confidence in the existing levy system, and key partnerships with producers. It will also allow a more considered approach to accommodate levy payers’ concerns. The longer this proposal is allowed to continue, the further it will exacerbate these tensions and undermine the vital trust and the bipartisan approach producers need on biosecurity matters.

Given the urgency of this matter, your support is critical to ensure government makes the right decision to reverse its position and pursue other options which are more equitable and fairer for producers. This would also circumvent what will be a disorderly debate and chaotic legislative process while attempting to pass the legislation in the Upper House in coming weeks, ahead of the proposed July 1 implementation date.

Yours sincerely

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**The following provides an overview of the shared views and common concerns held by the producer representative groups in calling for an immediate reversal of the government’s flawed tax proposal.:**

* This is a new tax, not a levy, given it’s not hypothecated and the funding will be re-directed into consolidated government revenue, and therefore not delivered in partnerships with industry.
* Inequity – producers are being forced to pay more whilst free riders continue getting a free ride.
* It creates unintended consequences for future RD&E projects and investments – including biosecurity – given producers may now lower their existing levy-rates in response.
* No transparency or accountability on how funds will in fact be spent, to strengthen biosecurity.
* Non-disclosure of budget proposal by government during ‘consultation’ processes on ‘sustainable’ biosecurity funding model, creating the view industry has been deceived by the govt’s processes.
* Government failed to consult with producers and representative groups on basic proposition of how existing levies can be re-directed, to strengthen biosecurity protections/shared outcomes.
* This tax/levy proposal was not a recommendation of the Senate Biosecurity inquiry, where industry also participated in good faith with views on current policy priorities ie need for container levy.
* Risk-creators are not contributing directly to ongoing costs of biosecurity incursions, unlike agricultural producers who pay emergency response levies and pay direct on-farm business costs.
* Policy proposal singles out agricultural producers by not properly accounting for the full spectrum of actual ‘beneficiaries’ of biosecurity.
* No economic modelling provided to industry members in order to scrutinise proposal’s details.