

# Agricultural Levies Institute of Australia

'Partners With Producers'  
www.leviesinstitute.com.au

The Hon Barnaby Joyce, MP  
Minister for Agriculture  
Parliament House  
CANBERRA ACT 2600

Agricultural Competitiveness White Paper Submission - IP292  
Agricultural Levies institute of Australia  
Submitted 16 April 2014

Through:

Agricultural Competitiveness Taskforce  
Department of the Prime Minister and Cabinet  
PO Box 6500  
CANBERRA ACT 2600  
Australia

Dear Minister

Attached is the submission to your Agricultural Competitiveness White Paper from the **Agricultural Levies Institute of Australia** (ALIA) ('the Institute') on behalf of institute members.

The Institute has been established to enable levy payers to better informed about the implementation, use and ongoing management of levies and agriculture related customs charges. The Institute has adopted the slogan, '*Partners with Producers*', to signify the organisation's dedication to the rural sector and its constituents. However, the institute works for its members on a range of disparate and important agricultural issues and this submission is provided to you on that basis.

The submission incorporates the following key concerns of producers which, if changed, could help increase agricultural competitiveness for Australian farmers:

1. Examination of, and changes to, the assessment protocols by the APVMA of beneficial overseas agricultural chemicals, for example in the control of grain weevils (streamlining that process);
2. A review of the port efficiency arrangements that can lead to delays in the loading and unloading of produce, especially grain;
3. Examination of, and changes to, the basic costs of farming such as:
  - a. The price of farm Chemical (adds to crop spraying expenses);
  - b. Port fees and charges;
  - c. Truck registration fees;
  - d. Property Rates;
  - e. Examining the rates of depreciation on farm machinery, accelerated rates
  - f. Reviewing the workers pay rates and ensuring that penalty rates match the job and productivity.
  - g. Quarantine pre inspection before ships arrive at the terminal.

---

PO Box 105  
Jamison Centre  
CANBERRA ACT 2614  
Phone: 0401 414 981

# Agricultural Levies Institute of Australia

'Partners With Producers'  
www.leviesinstitute.com.au

---

- h. Fuel price stability;
  - i. Fertilizer price stability;
  - j. At times of high exchange rates the ability to reduce the burden of pricing to export market, whether through reduction in fees and charges or other administrative limitation;
  - k. Examine efficiency changes to railway operations through improved infrastructure to ensure timely and cost effective movement of product to port;
  - l. Examine improved systems for unloading of trucks which can cause delays within domestic supply chains;
  - m. Incentives for locally manufactured farming equipment;
  - n. Improving visa conditions for overseas farm labour (see Attachment re request for longer working term).
- 4. Moving the responsibility for tree clearing from the NSW Department of Environment to the NSW Primary Industries portfolio while ensuring native vegetation is defined appropriately and simply for landholders.
  - 5. Grain levy imposition discrepancies should be imposed on ex farm gate value price not delivered price.
  - 6. There remains significant gaps in the understanding of the development and status of levies within agriculture. A key issue is to seek clarity about the role the government plays in the imposition of agricultural levies and customs charges on farmer's agricultural products.
  - 7. More accountable research and development expenditure.

Thank you for providing the opportunity to put forward a submission to you on the important aspects of agriculture that can increase competitiveness and help Australian farmers compete on both domestic and overseas markets. I look forward to discussing these issues with you in the future.

Yours sincerely



Spiro Adamopoulos  
Chief Executive Officer  
*'In the Interests of Farmers'*

16 April 2014

---

PO Box 105  
Jamison Centre  
CANBERRA ACT 2614  
Phone: 0401 414 981

**SUBMISSION TO THE  
AGRICULTURAL COMPETITIVENESS**

**WHITE PAPER**

**APRIL 2014**

**from**

**AGRICULTURAL LEVIES INSTITUTE  
OF AUSTRALIA**

**'Partners with Producers'**

*In the Interests of Farmers*



[www.leviesinstitute.com.au](http://www.leviesinstitute.com.au)

**CONTACT INFORMATION**

Spiro Adamopoulos  
Chief Executive Officer

PO Box 105  
JAMISON CENTRE ACT 2614  
Email: [ceo@leviesinstitute.com.au](mailto:ceo@leviesinstitute.com.au)

## Executive Summary

This submission outlines some of the burdens and challenges faced by producers which make day to day farming uncompetitive. It is hoped that through this submission, the Government, through the Hon Barnaby Joyce MP, Minister for Agriculture, can make changes which could help increase competitiveness for Australian farmers through:

1. Examination of, and changes to, the assessment protocols (ie, streamlining the approval process) of beneficial overseas agricultural chemicals by the APVMA, for example in the control of grain weevils;
2. A review of the port efficiency arrangements that can lead to delays in the loading and unloading of produce, especially grain;
3. Examination of, and changes to, the basic costs of farming such as:
  - a. The price of farm chemicals (adds to crop spraying expenses);
  - b. Port fees and charges;
  - c. Truck registration fees;
  - d. Property Rates;
  - e. Examining the rates of depreciation on farm machinery, with the potential to initiate accelerated depreciation rates;
  - f. Reviewing workers pay rates and ensuring that penalty rates match the job and productivity;
  - g. Undertake quarantine pre-inspection before ships arrive at the terminal for unloading onto Australian soil;
  - h. Fuel price stability;
  - i. Fertilizer price stability;
  - j. Examine efficiency changes to railway operations through improved infrastructure to ensure timely and cost effective movement of product to port;
  - k. Examine improved systems for unloading of trucks which can cause delays within domestic supply chains;
  - l. Incentives for locally manufactured farming equipment;
  - m. Improving visa conditions for overseas farm labour (see Attachment re request for longer working term).
  - n. At times of high exchange rates the ability to reduce the burden of pricing to export market, whether through reduction in fees and charges or other administrative limitation;
4. Moving the responsibility for tree clearing from the NSW Department of Environment to the NSW Primary Industries portfolio while ensuring native vegetation is defined appropriately and simply for landholders.
5. Grain levy has in some cases been imposed on the delivered price (rather than the ex farm gate value). This anomaly should be examined to ensure that compliance with levy legislation is correct;
6. There remain significant gaps in the understanding of the development and status of levies within agriculture. A key issue is to seek clarity about the role the government plays in the imposition of agricultural levies and customs charges on farmer's agricultural products.
7. More accountable research and development expenditure.

## **Introduction**

This submission outlines some of the obstacles that are inhibiting the Australian farmer from being or becoming competitive. The submission seeks to provide issues that, if changed, can lead to increasing the ability of Australia's agricultural producers to do business.

In order to do business effectively, farmers should also have available to them an effective, committed and knowledgeable public service serving farmers and the Minister. Often officials within the Agriculture portfolio (Department) are not equipped with the appropriate skills to deal with agricultural issues. The Levies Institute membership has flagged this as a significant barrier to doing business.

## **Institute Background**

The Institute has been established to enable levy payers to be better informed about the implementation, use and ongoing management of levies and agriculture related customs charges. The Institute has adopted the slogan, '*Partners with Producers*', to signify the organisation's dedication to the rural sector and its constituents. The Institute's area of academic responsibility has been positioned to be able to provide policy advice to farmers in all area of agriculture including drought policy, biosecurity (animal and plant disease cost sharing), international trade and conservation.

## **Australian Pesticides and Veterinary Medicines Authority (APVMA) Policy**

Examination of, and changes to, the assessment protocols (ie, streamlining the approval process) of beneficial overseas agricultural chemicals by the Australian Pesticides and Veterinary Medicines Authority (APVMA), for example in the control of grain weevils.

There are currently various beneficial chemicals used overseas in agriculture by many of our trading partners. These chemicals are not available to Australian farmers because of the reluctance of the APVMA to assess and approve use in Australian farming operations. The reasons why the APVMA does not approve beneficial chemicals is not clear or published.

These new chemicals could significantly improve farmer competitiveness.

## **Port Efficiency Improvements and Rail Infrastructure**

Current port operations and inefficiencies can lead to significant delays in the loading and unloading of produce, especially grain. These delays add to the costs of doing business and decrease the competitiveness of farmers.

Better port operations can lead to efficiencies that can improve competitiveness and reduce costs to producers.

A review of the port efficiency arrangements should be undertaken to identify changes and improvements to port operations.

Rail infrastructure is letting down farmers and impeding competitiveness. The rail system generally is suffering from privatisation and the degradation of services.

Changes to railway operations through improved infrastructure should be examined to ensure efficiency, timely and cost effective movement of product to port. These changes are crucial to the competitiveness of farmers doing business domestically and internationally.

### **Reductions in Farming Costs**

Many costs of doing business in farming could be improved easily. These costs to farming and agricultural production if reduced could lead to significant competitiveness in Australian agriculture. Minor but incremental costs may seem small but when accumulated impose high costs per tonne of produce.

There should be an examination of, and changes to, the basic costs of farming such as:

- a. The price of farm chemicals (adding to crop spraying expenses);
- b. Port fees and charges;
- c. Truck registration fees;
- d. Property Rates;
- e. Examining the rates of depreciation on farm machinery, with the potential to instigate accelerated depreciation rates;
- f. Reviewing workers pay rates and ensuring that penalty rates match the job and productivity;
- g. Undertake quarantine pre-inspection before ships arrive at the terminal for unloading onto Australian soil;
- h. Fuel price stability;
- i. Fertiliser price stability;
- j. Examine improved systems for unloading of trucks which can cause delays within domestic supply chains;
- k. Improving visa conditions for overseas farm labour (see Attachment re request for longer working term);
- l. At times of high exchange rates the ability to reduce the burden of pricing to export market, whether through reduction in fees and charges or other administrative red-tape.

### **Changes to Tree Clearing Guidelines and Conservation Measures**

Inconsistencies in the application of laws and guidelines related to conservation and land clearing currently exists within the NSW Environment and Heritage Portfolio.

These inconsistencies may be associated with the dislocation of the needs of farming within the conservation dossier. Such inconsistencies may relate to simply ensuring

native vegetation is defined appropriately and simply for landholders. A holistic approach to farming and conservation is key to the productive capacity of the land. For example, an understanding of land clearing guidelines that does not penalise farmers while considering and potentially adopting conservation initiatives used in other countries, eg the UK system of environmental measures that do not impact on the accessible farming land system.

The appropriateness of conservation officials to make decisions on farm productivity should be examined and changes made where necessary. **Moving the responsibility for tree clearing from the NSW Department of Environment to the NSW Primary Industries portfolio** will help farmers to sensibly discuss and assess land clearing operations and issues.

### **Local Manufacturing Innovation and Incentives**

Australian built farm machinery is often the best and most tailored to Australian conditions and farming operations. This ingenuity in Australian manufacturing of farm equipment is vital to the reputation and income of the Australian agricultural sector.

Incentives for locally manufactured farming equipment should be examined and adopted as soon as possible to enable intellectual property associated with innovative engineering to remain in Australia and that these benefits can be provided to Australian farmers.

### **Grain Levies**

An anomaly has arisen where in some cases agents are imposing levies on the delivered price, rather than the ex farm gate value. **This anomaly should be examined to ensure that compliance with levy legislation is correct.** While this may seem a small cost impost on a consignment, over time these costs accumulate to a high cost of production.

### **Levies**

There remain significant gaps in the understanding of the development and status of levies within agriculture. A key area is to seek clarity about the role the government plays in the imposition of agricultural levies and customs charges on farmer's agricultural products. **Competitiveness in agriculture can be improved** through the ability to flexibly amend levies to cope with economic and environmental situations.

The key issues for Australian agriculture is to enable a transparent and effective levies system, a transparent and effective use of farmer levies, transparency in research and development expenditure, a clear and definitive process for the imposition and collection of levies, a lawful and supported declaration of prescribed bodies for levies and a clear and definitive approach to **what is in the public and national interest** – eg **restoration of the brand 'Australian Quarantine'**. The use of

levies and customs charges is even less well understood and the Institute will be seeking a review of how levies are used to benefit the people who pay them.

Under the relevant levies and charges acts, it is incumbent on the relevant Minister to make a declaration, as Minister, in respect of 'representative bodies', 'Prescribed bodies', 'Authorised bodies', 'Declared bodies' and other like terms when referring to those industry bodies, whose responsibility it is to determine levies on behalf of their respective sectors.

The Levies Institute recommends that a 'Levies Summit' be held to advise you on the interpretation of the use of the terms and in particular we will be seeking to understand the authority under which these terms are used and how those bodies are taken to be representative of the participant's/farming communities engaged in the specific agricultural commodity, especially in the area of statutory levies and their use.

Information provided to the Institute suggests that the 'Levies Principles and Guidelines', are not well understood both at an administrative level, ie within the Department of Agriculture (DoAg) and at an industry level because they have little or no historical context and/or legislative imprimatur. These may be issues that need to be canvassed at regional gatherings when we are disseminating information to levy payers. At the Institute we have found that farmers are not confident with the system for establishing levies and charges. The application and reliance on the 'Levies Principles and Guidelines' by governments and levy payers remains an issue.

Support should be provided through the Levies Institute to hold information sessions, seminars and conferences in rural regions to enable producers to be better informed about the role the government plays in the imposition of agricultural levies and customs charges on their agricultural products.

#### **More accountable research and development expenditure.**

Publication of levy collections, and the cost of collecting those levies, is imperative to the understanding of how these funds are spent on marketing, biosecurity, residue testing or research and development. However, the Department has ceased publishing these statistics. In 2008-09 almost \$600 million was collected in total agricultural levies.

The Federal Department of Agriculture is considered the third largest collector of duties of excise after the Australian Taxation Office and Australian Customs.

This is an important issue for Australian farmers and it is the moral responsibility of the Minister to better inform Australian Farmers.

## **Acknowledgments**

The Agricultural Levies Institute of Australia would like to acknowledge the input of individual members of the NSW Farmers Association in compiling the information in this submission.

The Institute consulted with farmers in producing this submission.