



**13 October 2023**

**Oysters Tasmania submission re proposed federal biosecurity protection levy**

Thank you for the opportunity to comment on the proposed federal biosecurity protection levy.

Oysters Tasmania represents Tasmania's 45 oyster farmers.

Oysters Tasmania supports the submission of Seafood Industry Australia, and its recommendation that a federal biosecurity protection levy not be applied to the Australian seafood industry.

The beneficiaries of federal biosecurity efforts are the importers who are granted permission to import despite their creation of biosecurity risks. The costs of federal biosecurity efforts should be entirely recovered from importers.

If revenue must be collected from domestic sources, the form of revenue collection should be efficient. This suggests that broad existing taxes should be relied on. Any attempt to create from scratch a federal taxing regime on the Australian seafood sector (and within that, the Tasmanian oyster farming sector) would involve:

- great transitional costs (given that the Australian Government knows neither the identity of seafood industry participants, nor the value of their production),
- significant arbitrariness (given inevitably different treatment between different parts of the seafood industry), and
- administration and compliance costs that represent a prohibitively high proportion of revenue collected.

Nonetheless, if the Australian Government were to proceed with plans to impose a federal biosecurity protection levy, Oysters Tasmania provides the responses overleaf to the consultation questions posed.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Duncan Spender".

Duncan Spender  
Chief Executive Officer  
Oysters Tasmania



**1) How should a producer be defined for the purposes of the Biosecurity Protection Levy?**

**a) Are definitions from existing levies legislation appropriate (see levies related legislation)?**

**b) If your submission relates to a commodity that is not subject to existing agricultural levies, how would you define a producer for that commodity?**

There are no existing agricultural levies on bivalve molluscs.

To ensure that no producer is given a competitive advantage over another, 'producer' must include:

- recreational and commercial producers,
- producers of farmed and wild-caught product, and
- producers of all species — including all species of oysters, and other bivalve molluscs including mussels.

No organisation represents, or has contacts or data, for all these producers.

**2) What should the levy rate look like for the commodities of interest to you, noting that:**

**a) the Biosecurity Protection Levy is intended to be 10 per cent of the 2020-21 statutory agricultural levy and charge rates collected.**

**b) some commodities are not subject to agricultural levies.**

If a levy is to be imposed, it should be imposed as a proportion of bivalve mollusc value.

- Different species of bivalve molluscs have different values, and, within a specific species of bivalve molluscs, different grades and sizes have different values.
- There is no robust data on bivalve mollusc value. Some State Governments produce estimates of the value of commercial bivalve mollusc production, and these estimates are used by ABARES and the ABS to create their own estimates. But these estimates are based on unverified reporting from commercial operators and are not sufficiently reliable to be used as a basis for designing a new federal taxing regime.

The overall revenue generated from bivalve molluscs, relative to the overall value of bivalve molluscs, should align with the ratio of collections-to-value in other sectors.



### **3) Should any thresholds and/or exemptions be considered?**

If a levy is to be imposed, there should be no thresholds or exemptions, as any threshold or exemption would provide a competitive advantage to those under the threshold or provided an exemption.

### **4) How should Biosecurity Protection Levy collection arrangements and mechanisms be implemented for your commodity of interest?**

#### **a) How should the levy be collected?**

#### **b) How regularly should the Biosecurity Protection Levy be paid? If paid annually, should it be paid at the end of each financial year or calendar year?**

#### **c) Are there other options to reduce administrative burden and/or harmonise with existing levy and charge arrangements?**

There should be no establishment of a new taxing regime for the federal government to tax bivalve mollusc production.

Establishing such a new regime would involve prohibitively high administration and compliance costs relative to the revenue collected, no regime could be established to apply from July 2024, and it is not clear how the federal government could possibly ensure contact with and payments from each bivalve mollusc producer.

There is no suitable charging regime at a state or territory level that the federal government could replicate.

- Some states have no charge based on mature bivalve mollusc numbers, weights, or values (e.g. Tasmania).
- Other states have charges based on mature bivalve mollusc numbers, weights, or values (e.g. New South Wales and South Australia), but these regimes:
  - are selective (e.g. none cover recreational producers, wild-caught producers, or all species of bivalve molluscs);
  - differ from each other; and
  - may involve a degree of double counting and double taxation (as the same bivalve mollusc may be owned by different producers throughout its life and may be counted and taxed at different points throughout its life).



There is no reasonable proxy for bivalve mollusc numbers, weights, or values. For instances, as outlined in the submission of Seafood Industry Australia, the number of marine farm leases, or the total hectares of marine farm leases, do not correspond to bivalve mollusc numbers, weights, or values.

**5) What information would be important to you to have confidence the levy is proportionate to biosecurity system benefits?**

Currently there is no confidence that bivalve mollusc producers benefit from the federal biosecurity system.

No levy should be imposed without demonstrating that there is non-negligible benefit to bivalve mollusc producers from federal:

- frontline biosecurity services;
- coastal surveillance of plant and animal health;
- community awareness-raising and education;
- development of improved biosecurity preparedness and prevention activities; or
- development of biosecurity detection technologies and diagnostic tools.