

# **DISCUSSION PAPER**



**Cherry Growers Australia Inc**

ABN 77797945686

**Discussion paper for the review of current levies set by the**

**Australia Cherry Industry**

**August 2015**



## To the Australian Cherry Industry

I am writing to you as President of the Cherry Growers Australia Board.

Many of you would be aware we have to review the current Cherry Levies that provide support to the Australian industry going forward.

The CGA Board over the past 12 months has been working with the State Association members and listening to growers to develop this discussion paper.

The CGA Board has been delayed in the process due to:

- the change over of Horticulture Australia Limited to Horticulture Innovation Australia and the ongoing use of levy funds;
- the outcomes of the Senate Review on Levies that delivered its report at the end of June this year.

The discussion paper is for you to read and think about the future of the industry over the next 3-5 years and beyond.

The CGA office will be holding a series of workshops around the country leading to a final ballot paper being developed and approved by the CGA Board and then will go to a Formal Ballot in November.

The results from the poll will go into a final report to be sent to the Federal Minister of Agriculture by the end of 2015.

The review process will not affect the levies to be collected this financial year but any voted changes should be in place for the 2016/17 financial year.

Please give Simon Boughey, the CGA CEO a call or email him if you need anything clarified, his details are on page 13 of the Discussion Paper?

We look forward to your input in this important process.

Yours sincerely



Andrew Smith  
President CGA Board  
25 August 2015

## History

**CGA became a member of the original Horticulture Research and Development Corporation back in 1987 and established a Research and Development Levy of 1 cent per kilogram to be used by the industry for a range of projects that would assist the industry grow and develop.**

The Levy Revenue Service (LRS) based in the Federal Department of Agriculture administers the LRS collection process and forwarding on of funds collected to Horticulture Australia Ltd now Horticulture Innovation Australia Ltd.

This was done on fee for service however over the last four years a new cost recovery system was put in place with costs to the industry stated below, from the LRS report published by them 30 June 2014\*.

*2011/12	\$21,779
*2012/13	\$102,562
*2013/14	\$57,566
*2014/15	\$50,800 to be finalised in July/August 2015 once all levies collected and follow up required
2015/16 possible cost recovery with efficiencies built in and discussion with the CGA	Estimated at \$52,000 to be finalized by CGA/LRS

Once the levies have been collected HAL (now HIAL) secure their Corporate Cost Recovery that has ranged from 13.9% down to now 10.6% that provides the Australian Cherry industry along with all other industries access to centralised services for our industry such as:

- Industry Services Manager for average of 1 day a week.
- Marketing Manager for average of ½ day a week.
- Centralised service and administration of projects and contracts.
- Whole of horticulture projects.
- Multi industry and across industry projects.
- General policies, service provision and decisions made by the HAL/HIAL Board.
- Web management for projects.
- Annual IAC /Cherry industry report.
- Coordination other services the industry uses, such as:
  - Australia Fresh
  - Office of Horticultural Market Access
  - Whole of horticulture seminars on export and marketing

These are all under review with the interim operational arrangements in place over the next 12 months, with the transition from HAL to HIAL, industry will be consulted on these processes.

## **Review of Levies**

**The review of levies is the role of the peak industry body, Cherry Growers Australia Inc, to discuss, vote on and make recommendations to the Federal Minister on any changes.**

**In 2006**, the Australian Cherry Industry agreed to implement the following:

- A new Research and Development Levy of 4 cents per kilogram; and
- A new Marketing and Promotions Levy of 3 cent per kilogram.

This was agreed too and came into force with collection occurring in the 2007/08 financial year. At the time of setting the Levy, it was agreed that CGA would consult with industry, review the levies and put the continuation of the levies in the hands of the industry through another vote, that these would appropriately be adjusted as required.

**In August 2010**, there was another review and vote for the period of 2010/11 to 2012/13:

- Reducing the Research and Development Levy from 4 cents per kilogram to 3.97 cents per kilogram
- Maintain the Marketing and Promotions Levy of 3 cents per kilogram;
- Introduce a new Plant Health Australia levy set at 0.03 cents per kilogram; and
- Introducing a new Emergency Plant Pest Response Levy set at 0.00 cent per kilogram.

These changes only came into force through the approval of the Federal Government, commencing on the 1<sup>st</sup> of November 2012 to begin for the 2012/13 financial year.

After the vote in 2010, no follow up process was put in place by the previous CEO to get the change through the system, after the vote in August 2010. This was corrected and acted upon by the new CEO in 2011, but it still needed time to work through the system, so it was 18 months late in final implementation.

**In August 2013**, the next review of the levy was set to occur, but due to a number of factors, the review was held back until 2014/15 financial year. These included:

- Review of HAL in early 2014, where levy management options were discussed;
- Trying to get some consensus in the industry on the future of the levy before further consultation took place;
- The refusal by Federal Parliament to approve change to levies agreed to by the Federal Minister in relation to the onion, mango and mushroom industry, that had been in process for 2 years ( this was finally approved); and
- As a consequence of this, a Senate Review was set up entitled:  
***Inquiry into the industry structures and systems governing the imposition of and disbursement of marketing and research and development (R&D) levies in the agricultural sector.***

This reported on 30 June 2015 to the Federal Minister. Depending on the recommendations adopted and acted upon, see Appendix A, it could affect all levy collection industries going in to the future. CGA made a submission to this on the 14<sup>th</sup> of October 2014.

**PLEASE NOTE:**

All levies across Agriculture under the legislation have a Sunset Clause and will need to be reviewed again. For the cherry industry that means:

The three regulations relating to the cherry levy and charge, and their sunset dates are:

- Primary Industries Levies and Charges Collection Regulations 1991 – sunseting 1 October 2018.
- Primary Industries (Excise) Levies Regulations 1999 – sunseting 1 April 2019.
- Primary Industries (Customs) Charges Regulations 2000 – sunseting 1 October 2019.

Sunset requirements, including review and remaking (i.e. extension) of regulations, are governed by the *Legislative Instruments Act 2003*.

Regardless of these processes, the CGA Board agreed to push on with the levy review and wrote to the Minister on the 30<sup>th</sup> of October 2014, indicating that the review would take place and the industry would report back to him by the 30<sup>th</sup> of June 2015.

The Federal Minister wrote back on 5 December 2014 accepting that the review take place.

There has been slippage in this process due to the Senate Committee Review of Agricultural Levies and its recommendations that were released on the 30<sup>th</sup> of June 2015, see attached in Appendix A, and some of the uncertainty of the HIA processes and use of the levies raised by the Australian cherry industry.

With the change over from Horticulture Australia Limited (HAL) to Horticulture Innovation Australia Limited (HIAL), there has been some discontent through the industry relating to the management of levies. This has come about as some levy payers fear the cherry industry is going to lose control of the spending of its own levy funds and that a large percentage of funds are already lost to levy collection costs of about \$50,000 per annum and HAL/HIAL corporate cost recovery fees of 10-15% per annum.

The CGA Board requested a written assurance that all monies raised through the cherry levy in 2014/15 will be allocated to cherry industry projects in 2015/16 and any strategic projects, after consultation and approval from CGA.

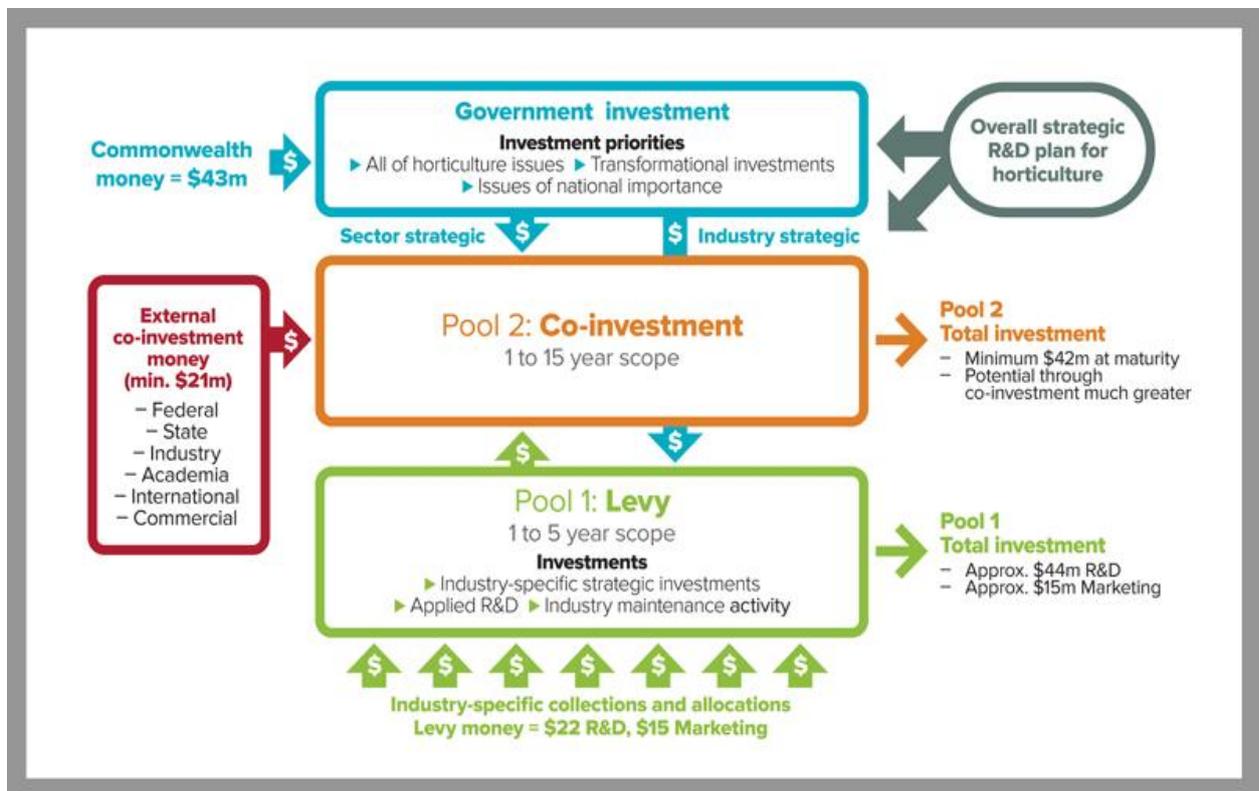
CGA sees this as vital, as the industry has requested CGA roll out our Biosecurity Management Programme and Systems Approach project across Australia and needs to ensure specific Research and Development projects are undertaken to meet our market access and market improvement needs.

Levy payers are concerned that industry funds will be allocated to new, non-specific cherry industry related HIAL projects. These fears may have been allayed by the communications to all industry in 2015.

In relation to funding of future projects, this is from the CEO of HIA John Lloyd on the 26<sup>th</sup> of February 2015:

### HIA Transition Investment Arrangements

As you may recall, a set of transition investment policies and principles to operate, pending full implementation of the HIA model (31 December 2015), has been provided to stakeholders over recent months. A summary of those policies can be found on the [HIA website](#).



### Interim Advisory Arrangements for Levy Investments

As previously indicated, current industry strategic and annual investment plans have been adopted by HIA and will remain in operation during the transition process. This recognises the significant work and industry consultation that has gone into preparing these documents and the industry investment priorities they detail.

HIA will continue to implement the programs embedded within these documents in accordance with the Board investment policy decisions outlined above.

In addition to the strategic and annual investment plans, the Board has recently approved arrangements for advice on industry investments that will operate during the transition period.

The inclusion of growers and relevant IRBs will be fundamental features of these interim arrangements, as will the flexibility to tailor them to any particular industry as and when they are needed.

**This was set up by HIA after some discussions with the CGA Board and had its first meeting on 18 June 2015 as a first step to ongoing consultation with the industry on the levy spend in 2015/16 and out to 2020 and further meetings are planned for 2015.**

## **Mid Term Review - June 2014**

A mid term review of the Australian Cherry Strategic Plan 2012-2017 was carried out in early 2014 with over 30 of the key players and growers in the industry.

The Australian Cherry Strategic Investment Plan 2012-2017 and its components:

- Australian Cherry Research and Development Plan 2012-17;
- Australian Cherry Strategic Marketing Plan 2012-17;
- Australian Cherry Export Roadmap 2012-17; and
- Australian Cherry Communications and Extension Strategy 2012-17;

These components were agreed to and signed off by HAL and the industry on funding priorities as well as the spending of levies collected. These can all be viewed on the CGA website: [www.cherrygrowers.org.au](http://www.cherrygrowers.org.au)

### **The Strategic Intent of the Plan is:**

The best quality Australian cherries to meet consumer needs!

### **Key Aspirations of the Plan are:**

- The Australian cherry industry aspires to grow the industry to capture domestic and export market opportunities. This will be achieved through the development of efficient and effective supply chains, which maintain industry profitability and consumer confidence.
- It aims to ensure that, throughout the Australian season, consumers can purchase a quality cherry product that meets or exceeds their expectations.

### **Key Objectives of the Plan are:**

- To build a competitive supply of Australian cherries to ensure that consumers can confidently purchase consistently high quality, fresh cherries, at retail level.
- To facilitate a profitable production sector by increasing demand for Australian cherries in line with increasing supply.
- To ensure the Australian cherry industry has appropriate and sufficient capacity to manage change and industry expansion.

### **The agreed objectives of the mid term review were to consult with industry leaders to:**

- Determine the appropriateness of the current levy arrangements
- To identify changed conditions impacting the Australian Cherry Industry (since the commencement of the Plan)
- Identify key issues impacting the industry
- Identify gaps / inadequacies in the content and implementation of the current SIP
- Identify achievements to date against the objectives of the current SIP (review KPIs and investment analysis within the SIP).
- Provide recommendations on how the current SIP might be better aligned with the needs of industry
- Provide recommendations on other possible actions that might be undertaken to achieve improved outcomes for the industry.

### **The Key findings of the mid term review were:**

The significant majority of interviewees did not support an increase in the overall levy rate of above 7 cents per kilogram.

- The majority of respondents thought the R&D component of the levy should be either retained at the current 4 cents per kilogram or that it should be increased (thus reducing the marketing component).
- There was a mixed response as to the value of the marketing levy, although the majority of interviewees thought the marketing levy should be retained, even if this was at a lower rate.
- The majority of those consulted emphasised the importance of gaining / maintaining market access to key export markets, in particular China and Thailand – and as such a desire to see greater investment in R&D projects that could assist in achieving these outcomes.

***PLEASE NOTE: SINCE THE MID TERM REVIEW THERE HAVE BEEN SOME MAJOR CHANGES FROM HAL TO HIA , PLEASE RREFER BACK TO PAGES 4 AND 5 THAT HAVE CHANGED MANY GROWERS VIEW ON THE USE OF LEVIES AND CREATED MUCH DISCUSSION ACROSS THE AUSTRALIAN CHERRY INDUSTRY.***

### **Key changes to the Australian Cherry Industry in 18 months**

One key change to the industry, the Cherry Export Working Group recommended to the CGA Board in February 2014 that the:

**Australian Biosecurity Management Programme** and framework be developed to assist in export of cherries globally with the key statement being:

***“Australian cherries are free of pest and disease of quarantine concern”.***

This was launched in September 2014 and continues to be fully supported by the Australian cherry industry. This comes as we move forward and seek market improvement for all growing regions in to protocol and non protocol markets and also domestic trade across State borders. The other key change is that industry is also going through some expansion, with new plantings coming online and with a number of new orchards planned to be developed over the next few years in all States.

This is in response to the growing demands for high quality cherry fruit coming from the across the full Asian region; be that the Middle East, the southern Asian area, the East Asian area and also other global markets as Australian growers can deliver their fruit to markets within 48-72 hours of being picked in the orchard.

With all of this process, including formal and informal discussions with growers, levy payers and State associations, over the past 12 months and to the changes occurring HAL to HIAL, a number of options have been discussed. However the CGA Board at meetings taking place in March, June and August 2015, approved the following options to be discussed across industry.

### **Option 1 - Keep the levies at the current rates of 7 Cents/ Kilogram:**

- 3.97 (Cents /Kilogram) for Research & Development that is matched \$ for \$ by the Federal Government;
- 0.03 (Cents /Kilogram) for Plant Health Australia Levy , that is not matched by the Federal government;
- 3.00 (Cents /Kilogram) for Marketing & Promotional activities, that is not matched by the Federal government; and
- 0.00 (Cents /Kilogram) for the Emergency Plant Pest Response levy that will be matched or otherwise as agreed to under regulations and agreements from the EPPRD.

**See page 11 for totals and explanation linked to seasonal crops and potential levies to be collected. This spend of these funds will be subject to the assessment process linked to the new HIA in both Research and Development and also Marketing and Promotion.**

**There is push by the Voice of Horticulture and industries to secure from HIA and the Minister to have set % of Levies collected to be provided to the Peak Industry Body ie CGA to run operations linked to key services and consultation on issues such as plant health, market access, market improvement and general industry issues.**

**CGA can also be a service provider on other key projects as agreed to by HIA using industry levies.**

### **Option 2 - Keep the levies but at the rates below :**

- 3.97 (Cents /Kilogram) for Research & Development that is matched \$ for \$ by the Federal Government;
- 0.03 (Cents /Kilogram) for Plant Health Australia Levy , that is not matched by the Federal government;
- 1.00 (Cents /Kilogram) for Marketing & Promotional activities, that is not matched by the Federal government;
- 0.00 (Cents /Kilogram) for the Emergency Plant Pest Response levy that will be matched or otherwise as agreed to under regulations and agreements from the EPPRD; and
- 2.00 (Cents /Kilogram) collected as a voluntary levy by CGA, that is not matched by the Federal government and can be used for activities the industry identifies it wants to spend as it collects it.

**See page 11 for totals and explanation linked to seasonal crops and potential levies to be collected.**

**The spend of these funds will be subject to the assessment process linked to the new HIA in Research and Development, marketing and promotion and by the Australian Cherry industry for the voluntary levy collected with the National office and state members agreeing on how this would be spent.**

**CGA can also be a service provider on other key projects as agreed to by HIA using industry levies.**

### **Option 3 - Keep the levies but at the rates below:**

- 5.97 (Cents /Kilogram) for Research & Development that is matched \$ for \$ by the Federal Government;
- 0.03 (Cents /Kilogram) for Plant Health Australia Levy , that is not matched by the Federal government;
- 1.00 (Cents /Kilogram) for Marketing & Promotional activities, that is not matched by the Federal government; and
- 0.00 (Cents /Kilogram) for the Emergency Plant Pest Response levy that will be matched or otherwise as agreed to under regulations and agreements from the EPPRD.

**See page 12 for totals and explanation linked to seasonal crops and potential levies to be collected. The spending of these funds will be subject to the assessment process linked to the new HIA in both Research and Development and also Marketing and Promotion.**

**Also there is push by the Voice of Horticulture and industries with HIA and the Minister to have set % of Levies collected to be provided to the Peak Industry Body ie CGA to run operations linked to key services and consultation on issues such as plant health, market access, market improvement and general industry issues.**

**CGA can also be a service provider on other key projects as agreed to by HIA using industry levies.**

### **Option 4 - Keep the levies but at the rates below :**

Keep the levies but at the current rates below and look at new funding models for the Australian cherry Industry and how it is managed and serviced :

- 0.00 (Cents /Kilogram) for Research & Development that is matched \$ for \$ by the Federal Government;
- 0.00 (Cents /Kilogram) for Marketing & Promotional activities, that is not matched by the Federal government; and
- 0.00 (Cents /Kilogram) for Plant Health Australia Levy , that is not matched by the Federal government;
- 0.00 (Cents /Kilogram) for the Emergency Plant Pest Response levy that will be matched or otherwise as agreed to under regulations and agreements from the EPPRD.

**See page 12: New models on how this would operate are being discussed by the CGA Board and CGA would collect funds through a membership approach depending on tonnes produced at a range of levels for example:**

Tonnes Produced	Membership fee by \$	
1000 plus	\$30,000	
700 to 1000	\$20,000	
400 to 700	\$10,000	
100 to 400	\$5,000	
40 to 100	\$2500	
1 to 40	\$500	

## Predicted Cherry Levy income produced per financial year at:

Rounded off and Biosecurity levy inside R&D and compared to the projected tonnes of cherries grown per season across Australia that could be affected by seasonal issues too.

Cherry levied by tonnes per financial year	Research and Development amounts raised	Matched by Federal Government	Total	Marketing and Promotions amounts raised	Total
<b>OPTION 1</b>	<b>CURRENT STAUS</b>			<b>CURRENT STATUS</b>	
10,000	4c/kg - 400,000	400,000	800,000	3c/kg – 300,000	\$1.1M
12,500	4c/kg - 500,000	500,000	1,000,000	3c/kg - 375,000	\$1.375M
15,000	4c/kg - 600,000	600,000	1,200,000	3c/kg – 450,000	\$1.65M
20,000	4c/kg - 800,000	800,000	1,600,000	3c/kg – 650,000	\$2.25M
.	This would all be administered by HIAL and their processes with industry input and advice on Pool 1 and Pool 2 strategic projects	CGA could apply for project funding here as a service provider	..	This would all be administered by HIAL and their processes	Industry input and advice on Pool 1 and Pool 2 strategic projects
<b>OPTION 2</b>					
10,000	4c/kg - 400,000	400,000	800,000	1c/kg – 100,000	\$ 900,000
12,500	4c/kg - 500,000	500,000	1,000,000	1c/kg – 125,000	\$1.125m
15,000	4c/kg - 600,000	600,000	1,200,000	1c/kg – 150,000	\$1.350m
20,000	4c/kg - 800,000	800,000	1,600,000	1c/kg – 200,000	\$1.800m
	This would all be administered by HIAL and their processes with industry input and advice on Pool 1 and Pool 2 strategic projects.	CGA could apply for project funding here as a service provider		This would all be administered by HIAL and their processes..	Industry input and advice on Pool 1 and Pool 2 strategic projects
	<b>Voluntary Levy</b>				
10,000	2c/kg – 200,000				
12,500	2c/kg - 250,000				
15,000	2c/kg – 300,000				
20,000	2c/kg – 400,000				
	Industry Development and Capacity Building Voluntary Levy collected by CGA national office on behalf on the Australian Cherry industry and spent on industry agreed projects with member associations, see columns to the right for examples:	BMP Program, Market Access & improvement Export Registration	Trade shows International marketing and domestic marketing	State capacity building and promotions funding up to \$20,000 per member	National Extension program linked to research and development

Cherry levied by tonnes per financial year	Research and Development amounts raised	Matched by Federal Government	Total	Marketing and Promotions amounts raised	Total
<b>OPTION 3</b>					
10,000	6c/kg - 600,000	600,000	1,200,000	1c/kg – 100,000	\$1.3M
12,500	6c/kg - 750,000	750,000	1,500,000	1c/kg - 125,000	\$1.625M
15,000	6c/kg - 900,000	900,000	1,800,000	1c/kg – 150,000	\$1.95M
20,000	6c/kg - 1,200,000	1,200,000	2,400,000	1c/kg – 200,000	\$2.60M
	<b>This would all be administered by HIAL and their processes with industry input and advice on Pool 1 and Pool 2 strategic projects. CGA could apply for project funding here as a service provider.</b>			<b>This would all be administered by HIAL and their processes with industry input and advice on Pool 1 and Pool 2 strategic projects.</b>	

<b>OPTION 4</b>			
Tonnes Produced	Membership Based only	Number	Amounts raised based on Approximate 2014/15 figures
1000 plus	\$30,000	4	\$ 120,000
700 to 1000	\$20,000	5	\$ 100,000
400 to 700	\$10,000	10	\$ 100,000
100 to 400	\$5,000	25	\$ 125,000
40 to 100	\$2500	40	\$ 100,000
1 to 40	\$500	150	\$ 75,000
<b>TOTAL</b>			<b>\$600,000</b>
	<b>Collected by CGA National Office on behalf on the Australian Cherry industry and spent on industry agreed projects with member associations, for example: Communications, website: Capacity building and promotions, for growing regions: BMP Program, market access&amp; improvement, export registration: Trade shows and international marketing: domestic marketing and National Extension program linked to research and development.</b>		<b>ALSO LOOK TO OTHER FUNDING SOURCES FROM GOVERNMENT PROGRAMS , SPONSORSHIP AND REVENUE RAISING OPPORTUNITIES</b>

## WHAT WOULD YOU LIKE TO SEE HAPPEN IN THE FUTURE WITH YOUR LEVIES?

### IT'S TIME TO HAVE YOUR SAY!!

#### WHERE TO FROM HERE?

Consultation with the Australian Cherry Industry via its growers and levy payers is required under the 12 Levy Principles introduced by the Federal Government in 1997.

CGA intends to meet these principles by:

- Circulating this discussion paper to the CGA database for comment and feedback;
- Conducting 10 workshops across the growing regions in October 2015 for example:
  - Western Australia in Donnybrook
  - South Australia in the Riverland and Adelaide Hills
  - Victoria in the and Yarra Valley and Wangaratta
  - New South Wales in Young and Orange
  - Queensland in Brisbane
  - Tasmania in Launceston and Hobart

#### **HAL/HIAL Cherry Levy Investment for the period 2007-14 (March 2015)**

To assist this process HAL and HIAL have completed a summary of how the levy funds have been spent in a full range of projects, since 2008 to the end of 2014/15 financial year, please go to the link:

[http://www.cherrygrowers.org.au/assets/Cherry\\_investment\\_2007\\_to\\_current\\_-\\_Project\\_Outputs.pdf](http://www.cherrygrowers.org.au/assets/Cherry_investment_2007_to_current_-_Project_Outputs.pdf)

Feedback and also your comments and views are vital part of the process as we move forward and can be discussed at the CGA AGM and National Directions Forum 2020 to be held on 18 September in Melbourne.

Also please provide any feedback by writing, emailing or calling the CGA National Office by the 30<sup>th</sup> of September 2015.

**Simon Boughey, Chief Executive Officer**  
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**Email: ceo@cherrygrowers.org.au**

Once all feedback has been received the industry will need to vote formally on the final options through a ballot that will be officially run by Tasmanian Electoral Office in November 2015 once approved by the CGA Board.

Results of this ballot will be collated and final report provided to the Minister by 31 December 2015 for his consideration, so any changes will be implemented prior to the 2016/17 financial year collection period.

## APPENDIX A

Recommendations from the Senate of Australia:

Rural and Regional Affairs and Transport References Committee released on 30 June 2015

*Industry structures and systems governing the impositions and disbursement of marketing and research and development (R&D) levies in the agriculture sector.*

### Recommendation 1

**4.19** The committee recommends that the *Primary Industries Levies and Charges Collection Act 1991* be amended, consistent with subsections 27(3) and 27(3A), to enable the collection and distribution of levy payer information which will allow the creation of levy payer databases for all agricultural industries that pay agricultural levies. The committee further recommends that levy payer databases be established within two years of the legislative amendment.

### Recommendation 2

**4.20** The committee recommends that data collected for the purposes of levy databases and held by the Department of Agriculture should be limited to information sufficient to enable organisations responsible for spending or allocating levy funds to communicate with levy payers and enable votes to be allocated on a production basis. Data should include location, contact details, crop or enterprise type and production volume and/or value. Databases should be held by the appropriate levy-payer owned body, and be available to appropriate authorities under circumstances of biosecurity emergencies.

### Recommendation 3

**4.21** The committee recommends the establishment of a cost-effective, automated agricultural levy system. The system should identify levy payers against levies paid. The automated system should provide for more immediate settlement of levy fees paid and the allocation of voting entitlements where relevant. It should be subject to regular independent auditing and verification.

### Recommendation 4

**4.22** The committee recommends that where industry sectors are subject to levies by both states and territories and the Commonwealth, the merging of record keeping and levy collection should be investigated to avoid duplication and reduce costs to producers.

### Recommendation 5

**4.28** The committee recommends that the Department of Agriculture provide agricultural industries with a timeframe for levy application and amendment decisions.

## **Recommendation 6**

**4.29** The committee recommends that the Department of Agriculture, in cooperation with relevant agricultural industries, conduct a review of the process to establish and amend agricultural levies including modifications to levy components. The review should identify methods to provide for a more cost-effective and responsive process while maintaining an appropriate level of accountability.

## **Recommendation 7**

**4.32** The committee recommends that the Department of Agriculture review and if necessary, redraft the criteria for Prescribed Industry Bodies (PIBs) with a view to developing a transparent, uniform and contestable process, including published criteria and thresholds as applicable, for the recognition of PIBs for the purposes of collecting levies.

**4.33** The committee further recommends that PIBs already recognised under legislation should be required by the Department of Agriculture to conclusively demonstrate, within a period of no more than five years, that they meet the criteria referred to in Recommendation 7 in order to remain the recognised PIB for their relevant industry sector.