

AUSTRALIAN HONEY BEE INDUSTRY COUNCIL INC

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INCREASE IN THE NATIONAL RESIDUE SURVEY COMPONENT OF THE HONEY LEVY

Introduction

Currently the honey levy is 4.6 cents per kilogram. It is made up of:-

- 1.5 cents per kilogram (Research and Development component) paid to the Rural Industries Research and Development Corporation for research
- 2.9 cents per kilogram (Emergency Plant Pest Response [EPPR]) paid to Plant Health Australia for the Contingency Fund which funds the National Bee Biosecurity Program and the National Bee Pest Surveillance Program plus other Biosecurity related issues and responses to exotic incursions
- 0.1 cents per kilogram (Plant Health Australia component) paid to Plant Health Australia (PHA) from which the annual membership subscription is paid plus levy collection costs and other allowable projects
- 0.1 cents per kilogram to the Department of Agriculture and Water Resources to run the National Residue Survey (NRS).

The NRS program was put in place so our industry could export honey to the European Union (EU) plus the results are also used to show that Australia is producing honey that is suitable for export to other overseas markets.

In 2009 the composition of the honey levy at that time was changed. The NRS levy was reduced from 0.3 cents per kilogram to 0.1 cents per kilogram and the Emergency Animal Disease Response (EADR) levy was increased from 0.5 cents per kilogram to 0.7 cents per kilogram. See http://www.austlii.edu.au/au/legis/cth/num_reg_es/pilar20093n210o2009666.html

The reserves in the NRS had been accumulating to a level where it was felt these needed to be reduced and the EADR levy was being increased to allow for a pool of money to be available when an exotic incursion occurred.

It was noted in the Explanatory Statement that the NRS levy would need to be put back to 0.3 cents per kilogram within two (2) years. However, the reserves within the NRS account have been such that the NRS has been able to operate with the levy income plus reducing reserves for a period longer than originally anticipated.

The EADR levy has since been replaced with the EPPR levy held within Plant Health Australia (PHA). Reserves held within EADR managed by Animal Health Australia (AHA) have been transferred to PHA.

Proposal

The Australian Honey Bee Industry Council (AHBIC) Executive has identified that the NRS levy needs to be increased as the reserves are at a level where they will be depleted within a couple of years if not increased. Failure to keep the NRS program in place will mean that Australia can no longer export honey to the EU. The NRS levy needs to be restored to its original level of 0.3 cents per kilogram.

There are two ways of increasing the NRS levy to 0.3 cents per kilogram.

1. Increase the current honey levy from 4.6 cents per kilogram to 4.8 cents per kilogram.
2. Re-arrange the current levy to allow for the increase in the NRS levy but not increase the overall levy. This is the preferred option of the AHBIC Executive.

1. Increase the current levy from 4.6 cents per kilogram to 4.8 cents per kilogram

The AHBIC Executive feel that it would be inappropriate to increase the honey levy at this point in time given a run of poor production seasons. However it is a possible option. The honey levy was increased to 4.6 cents per kilogram back on 1 July 2015 to fund the National Bee Biosecurity Program.

2. Re-arrange the current levy to allow for the increase in the NRS levy but not increase the overall levy.

The AHBIC Executive is proposing in this option that the current EPPR levy of 2.9 cents per kilogram be reduced to 2.7 cents per kilogram and the NRS levy be increased from 0.1 cents per kilogram to 0.3 cents per kilogram.

This option would reverse the change previously made in 2009.

It is envisaged that the programs, currently funded by the EPPR levy, will continue uninterrupted. There are presently reserves in the EPPR fund which will allow these activities to continue.

In conversations with PHA they have no objection to this proposal and they will continue to deliver the current programs.

The AHBIC Executive believes that the EPPR fund has sufficient reserves to meet the cost of most biosecurity incidents whilst continuing the current programs. If there are insufficient reserves in the EPPR fund to cover the cost of a major incident, there are provisions in the Emergency Plant Pest Response Deed for the Federal Government to underwrite the cost and be paid back through the EPPR levy over a period of time.

Unless we return to above average honey crops in Australia, this will be a temporary solution, and the honey levy will need to be increased at some stage in the future to stop the depletion of reserves in the Contingency Fund.

The AHBIC Executive puts forward these proposals for consideration at upcoming State beekeeping conferences during May, June and July. Those levy paying beekeepers who cannot attend the conferences can make a submission to the AHBIC Executive Director at:-

P.O. Box 4253
Raceview Q 4305

Or

Email: ahbic@honeybee.org.au

The decisions of the State conferences, plus submissions from levy paying beekeepers who could not attend State conferences, will be tabled at the Annual AHBIC Conference on 8 July, 2017. A decision will be taken at the AHBIC Annual Conference for submitting to the Minister for Agriculture and Water Resources.

If you have any questions, please contact the AHBIC Executive Director as per above.

A handwritten signature in cursive script that reads "Trevor Weatherhead".

Trevor Weatherhead
Executive Director
8 April, 2017