



Honey Bee Industry Levy Reform Business Case:

**An AHBIC subcommittee proposal for equitable
and sustainable funding of industry programs**

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Abbreviations

AQBBBA	Australian Queen Bee Breeders Association
AHBIC	Australian Honey Bee Industry Council
BBO	Bee Biosecurity Officer (funding with industry biosecurity levies)
BOLT	Biosecurity Online Training
CPAA	Crop Pollination Association of Australia
CPI	Consumer Price Index (measure of inflation)
DAFF	(Aust Government) Department of Agriculture, Fisheries and Forestry
EADRA	Emergency Animal Disease Response Agreement
EPPRD	Emergency Plant Pest Response Agreement
GVP	Gross Value of Production
NBBP	National Bee Biosecurity Program
NBPSP	National Bee Pest Surveillance Program
NSR	National Residue Survey
PHA	Plant Health Australia
RDC	Research and Development Corporation
RD&E	Research, Development and Extension
RIRDC	Rural Industries Research and Development Corporation (now AgriFutures)
T2M	Transition to Management (Program for Varroa mite in Australia)

Key Point Summary

The statutory honey levy and export charge, first established in 1962, funds research and development, biosecurity response, and national residue testing. The levy does not fund Australian Honey Bee Industry Council (AHBIC), however AHBIC is tasked with oversight of levy-funded programs which are managed by our industry partners. A subcommittee of AHBIC has been established to review the current levy structure as well as the levy's application and scope.

The AHBIC subcommittee has recommended changes to the levy to make it fairer and better able to meet industry needs. To proceed with the proposed changes, AHBIC must follow a formal Australian Government process. The first steps in that process are defining the levy related problem, designing a levy amendment business case (this document) and consultation with industry.

Key challenges outlined in the business case are:

- The honey levy no longer raises enough funds to cover industry priorities including port surveillance, Bee Biosecurity Officers and honey testing for chemical residues.
- Inflation has diminished the purchasing power of the funds collected at the same time as the cost of programs has increased.
- There is only a small number of beekeepers contributing for the benefit of the whole industry, and of that honey is the only revenue stream levied.
- Historically low national honey crops due to several externalities reduces the levy revenue and creates greater instability from year to year.
- Levy funded programs benefit all beekeepers including recreationalists, queen bee suppliers, and those who provide pollination services.
- Efficiencies in levy collection mean that the current threshold at which the honey levy is paid (sales of 1,500 kg/year) could be lowered to improve industry equity.
- A simple increase in the existing honey levy doesn't improve equity between beekeepers or the narrow focus on declining sales of honey.
- The queen bee R&D levy was set to zero in 2014. A reinstated levy would benefit from efficiencies in collection costs and growth in the queen bee market.
- There is support from industry for the reinstatement of a honey marketing levy. A marketing levy would promote quality Australian honey here and in export markets.
- Industry is changing from one that primarily produces honey to one that has a greater alternative revenue source in paid pollination services. Varroa is expected to accelerate this shift.
- Legislative changes mean that it is now possible to establish a levy on paid pollination services.

Proposed changes to the honey bee industry's levy arrangements are:

- Expand the number of products levied to include honey, pollination services, and queen bee sales.
- Reduce the leviable production threshold from 1,500kg of honey per year to 1,000kg per year.
- Introduce a marketing levy component.
- Convert the current volume-based honey levy (5.6c/kg) to a percentage of value (ad valorem) levy set at 1.25% at first point of sale for honey, pollination services, and queen bees.

The ad valorem levy is forecast to generate \$2.2 million per annum. These proposed changes will allow industry to expand the current levy programs to include a proposed industry honey marketing program, improved national biosecurity coordination and meeting the costs of the existing programs.

The next steps in the levy reform process are:

- Use this levy reform business case as the foundational document to develop industry communications to be distributed through the ten key peak industry bodies, posting on the AHBIC website and social media, and notification in relevant industry media, to inform actual and potential levy payers of the proposed changes.
- Consult with those who may have a role in levy collection (e.g. honey packers/pollination brokers and levy management e.g., AgriFutures/DAFF).
- Refine the levy amendment proposal based on feedback received on the business case from industry.
- Conduct an online ballot, overseen by an independent returning officer, of those who would be affected by the levy reform to demonstrate industry support. If majority accept the proposal, then we move to the next phase, if unsuccessful then amendments to the levy design will be made and another ballot will be conducted.
- Submit the levy proposal business case to the Minister for Agriculture for their consideration.
- Conduct a minimum 30-day objection period, address any objections and convey outcomes to the Minister.
- Prepare and submit a final business case to the Minister. If agreed by the Minister, the revised levy can be implemented into law.

The authors of this business case note that initial industry consultation completed in the first half of 2025 produced a neutral response from industry¹. Attendees at state

¹ One individual objected on the grounds that levying both honey and pollination was 'double dipping' and this objection is addressed in the body of the business case.

conferences viewed the proposal as a ‘necessary evil’ to address program funding deficits and the need to lift the price received on Australian honey.

Alignment with Australian Government Levy Principles

In January 1997 the Australian Government introduced 12 levy principles to guide new and amended levy proposals. The government’s guidelines to assist industries in creating proposals that will meet those principles were updated in 2020. The business case’s alignment with these principles is summarised in the table below, noting that at this point many of the activities are planned rather than complete.

Table 1: Business Case Alignment Australian Government 12 Levy Principles

Aust Government Levy Principle	Proposal Alignment
1. Program must relate to a function in which there is a market failure. Market failure refers to the ineffective distribution of goods and services if left to the free market.	- Honey bee programs are subject to unacceptably high numbers of free riders (benefits are non-excludable) and spillovers. - Spillovers are when costs and benefits are incurred by the wider community in the absence of appropriately funded biosecurity, research, and honey testing programs.
2. Support received from the widest number of industry bodies. All relevant parties informed and given the opportunity to comment.	- Preliminary consultation completed at 2025 state beekeeper conferences targeting existing and potential levy payers secured a neutral response. - Comprehensive program of consultation planned, including those who have a role in levy collection (e.g., honey packers) and levy management (e.g., AgriFutures). - Direct Consultation will commence with honey bee industry peak bodies – 10 in total including pollination (CPAA) and queen bee breeder (AQBBA) associations. - Posting of the business case on the AHBIC website and notification in relevant industry media. - A series of short explainer type extension material will be produced and targeted at existing and potential levy payers through all our communication channels. - A formal ballot with an independent scrutineer will be used to determine levy payer support for the proposal.
3. Assess extent, nature, and source of any opposition to the proposal.	- Initial concerns addressed in this document and will be augmented as required following consultation. - The proposal is not ‘double dipping’ and is similar of levies paid by other primary industries (e.g. sheep meat & wool, cattle transaction and cattle slaughter).
4. Amount of levy to be raised and a levy payer accepted plan for its use.	- Proposed ad valorem levy will raise \$2.2M including \$1.25M from honey sales, \$0.75M from pollination contracts, and \$0.22M from queen bee sales. - Current honey levy raises \$920,000 per annum.
5. Agreement on the levy collection mechanism.	- Proposed mechanism (lodging a levy return via the DAFF portal with the option of first receiver collection and payment) is the same as currently used for the honey levy. - Consultation will be completed with businesses that may have a role in levy collection/payment (e.g., honey packers) to ensure the administration cost is acceptable.

6. Levy imposition must be equitable between levy payers.	- Levy proposal has been designed to reduce current inequity between beekeepers who benefit from levy funded programs and the few who pay for them. - Under the proposal more beekeepers will pay the levy including smaller commercial beekeepers, queen bee suppliers, and those who provide pollination services. - While some may argue that an ad valorem levy is inequitable (e.g., producers of high value honey and breeder queens pay more), these levy payers have additional capacity to pay and may draw additional benefits from industry programs (e.g., loss of income will be greater for these beekeepers if poor surveillance allows <i>Tropilaelaps</i> to establish in Australia). - Because the percentage is fixed, the levy does not favour large or small sellers in rate terms; it scales automatically with market outcomes.
7. Imposition of the levy must be on inputs, outputs or units of production value.	The proposed levy will be on the three most valuable outputs generated by managed honey bees – honey, pollination services, and queen bee sales.
8. Levy collection system must be efficient and practical.	- Current collection system is being retained. - Alternatives, especially for the new pollination services levy, were reviewed and found to be less efficient. - Alternatives assessed (but rejected) for pollination services included crop growers as levy agents (pay levy on beekeepers behalf), a surcharge on existing crop grower levies, and use of pollination brokers as levy collection agents.
9. Organisation(s) managing levy expenditure must be consulted prior to levy introduction.	- The three organisations currently engaged to manage levy investment will continue in this role. - DAFF – National Residue Survey. - PHA – EPPRD, NBP, NBBP, and PHA Membership. - AgriFutures – continue to manage RD&E as well as a new marketing program. Clarke 2019 canvassed AgriFutures willingness to manage a marketing program and the then GM answered in the affirmative. This response will be checked as part of the planned consultation process.
10. The body managing expenditure of levy monies must be accountable to levy payers and to the Commonwealth.	All three organisations that will manage the levy are accountable to the Commonwealth. DAFF is an Australian Government department. PHA is a recognised levy recipient body and AgriFutures is a statutory RDC.
11. Levies must be reviewed at regular intervals.	- The current business case is the first substantive review since the levy was increased to 4.6c/kg in 2015. - If this business case is successful, AHBIC will complete a routine check of levies performance at year 2 of implementation and a more comprehensive review at 5 years post implementation.
12. Establish a case for change and the additional amount to be raised. Where the additional amount will be spent and the benefit to the levy payer.	- Increasing costs of existing programs and diminishing revenue from current levies is a fundamental driver for levy reform. - An increase in total levies is needed to fund current program deficits (port surveillance, BBOs, honey testing) and a new honey marketing program. - A honey marketing strategic plan is currently being prepared by the University of Sydney and subsequent cost benefit analysis will show the return on levy funds

	invested. It is proposed that differentiation and promotion of Australian honey will increase prices paid in both local and export markets more than the cost of marketing funds invested.
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1. Introduction

Background

The honey bee industry established a honey levy in 1962 at a half penny per pound of honey produced above 600kg. This was later amended to 2.3c/kg in 2003 when the Emergency Animal Disease Response Agreement (EADRA) levy was introduced. In 2015, the honey bee industry signed the Emergency Plant Response Deed (EPPRD) and increased the honey levy to 4.6c/kg. Allocation amendments were made in 2018 leaving overall levy unchanged at 4.6c/kg. In 2025, industry approved a 1c/kg temporary increase in the levy to repay the Varroa eradication response and transition to management program.

Since allocation amendments in 2018, no adjustments to the biosecurity programs have been made, yet the Consumer Price Index (CPI) has steadily increased the cost of program delivery. The current levy is collecting less than what is being spent, and historical reserves have been depleted.

It is important to note that AHBIC is not funded by industry levies but provides an oversight function for levy-funded programs and activities.

Business Case Purpose

In 2024, AHBIC established a subcommittee to review levies and provide recommendations on reform and future proofing the system. The subcommittee's recommendations are the basis for the proposed changes outlined in this business case.

The most compelling of recommendations is that if there is no change to the levy system, the biosecurity programs and national residue program must be scaled back to fit the diminished budget that is available.

2. Current Framework (as of July 1, 2025)

- The honey levy now stands at **5.6 cents per kilogram**, up from 4.6 cents. This includes:
 - 0.3c/kg National Residue Survey
 - 1c/kg Biosecurity Response component
 - 2.8c/kg Biosecurity Activity component
 - 1.5c/kg Research and Development component
- The 1c/kg increase in the Biosecurity Response component is temporary— put in place to repay the industry's share of the costs of responding to the 2022 *Varroa*

destructor incursion and transition to management program. It will remain in place until the debt is repaid.

- The levy applies to commercial and amateur beekeepers selling over 1,500 kg of honey per annum.

3. Purpose of the Honey Levy

Funds collected through the honey levy are allocated to the following activities:

- The **National Residue Survey** (NRS) which randomly tests 180 honey samples per year from around the country for a long list of residues. This program is in place to monitor chemical residues in honey, helping protect Australia's reputation as a supplier of clean, safe, premium honey. The NRS is a requirement for market access into some export markets including the European Union.
- **Biosecurity Response Component** is in place to meet the honey bee industry's agreed obligations in cost sharing national biosecurity response where the industry is deemed a cost sharing partner. Biosecurity response component funds are administered by Plant Health Australia (PHA) who provide a funding mechanism to contribute to **National Cost-Shared Biosecurity Response** costs, apportioned to the honey bee industry. Examples of recent cost-shared responses include the NSW Varroa Response and Transition to Management (T2M), Asian Honey Bees in Townsville, and Red Dwarf Honey Bees in WA.
- The **Biosecurity Activity Component** is administered through PHA and delivers key national biosecurity activities. These include:
 - The **National Bee Biosecurity Program** (NBBP) which provides funding to jurisdictions for the Bee Biosecurity Officers (BBO's) in each state. It was also the original source of funding for the development of the Biosecurity Code of Practice.
 - The **National Bee Pest Surveillance Program** (NBPSP) which is a partnership between several pollination dependent industries and state governments to provide port surveillance at high-risk ports around the country. The project provides an early warning system for exotic honey bee pests and provides protection for the honey bee industry.
 - Plant Health Australia Membership – National coordination of plant pest responses, Biosecurity Online Training (BOLT) course and key industry biosecurity documentation updates.

- The **Research and Development Component** is managed by AgriFutures Australia through the Honey Bee and Pollination Advisory Panel. Expenditure on R&D is matched with Australian Government funds (to a maximum of 0.5% of GVP) and research projects align with the industry driven Honey Bee and Pollination 5 year R&D Strategic Plan. This includes focus areas such as improving hive productivity, floral resource access, industry capacity building, and recognition for quality Australian honey.

4. Defining the Levy Problem

Revenue Less than Costs

The problem put simply is that the current honey levy collects on average \$920,000 per annum, the total cost of all programs is \$1,131,000 per annum. This creates a funding deficit of \$211,000 per annum.

In the transition from EADRA to EPPRD significant reserves were transferred which have been underwriting the annual deficit. Based on current projections, AHBIC expects Biosecurity Activity programs and the NRS program to run out of reserves in the next two years.

Australian Honey is Not Being Promoted

There has been a significant increase in the volume of low cost honey imported into Australia since 2014 – increasing from 3,000 tonnes per year to 8,000 tonnes per year (Clarke and Le Feuvre 2024). Some imported ‘honey’ is not honey bee derived and is made from low-cost sweeteners such as corn syrup. Australian beekeepers have lost market share in both local manufacturing (e.g., breakfast cereals) and low cost lines sold in Australian supermarkets.

Australian honey exports have also declined. In the 1990s Australia exported 10,000 tonnes of honey per year. In the 2020s this has declined 80% to 2,000 tonnes per year (Clarke and Le Feuvre 2024). However, the most recent export figures are showing exports trending higher with mid-year to date exports close to 5,000t, up on previous years.

Australian honey is a series of unique floral products derived mostly from native flora. These products offer consumers a range of taste and health benefits including wound care and prebiotics. Funds are needed to promote the unique attributes of Australian honey in both local and overseas markets and secure an increased return for Australian beekeepers.

Market Failure

The existence of market failure is a necessary precondition for Australian Government support for a new or amended compulsory levy (Levy Guidelines 2020).

Market failure can be put simply as an ineffective distribution of production or use of goods or services if left to the free market. In these situations, an individual's pursuit of self-interest leads to results that are ineffective and can be improved upon from a societal point of view. Government intervention is then justified to optimise society's position.

This is the situation in the Australian honey bee industry with respect to biosecurity, research and generic marketing (Malfroy and Clarke 2013):

- The benefits of these activities are non-excludable and individuals or even groups of beekeepers attempting to provide these services in the absence of government intervention will be undermined by 'free riders'. In the absence of government intervention, for example in the form of a compulsory levy, 'free riding' individual beekeepers will rely on the efforts of others to lower their pest and disease control costs. 'Free riding' in the absence of government intervention will undermine a biosecurity, research, or generic marketing program leaving voluntary contributors to shoulder an inequitable share of total cost.
- Spillover costs – the cost to individuals of entering and exiting the honey bee industry is relatively low and as a consequence the market, operating on its own, is powerless to design an economic incentive that compels negligent beekeepers to manage their biosecurity failings. Beekeepers who do not manage their pests and diseases create a honey bee health trap for foraging bees belonging to other beekeepers. In economic terms this 'negative externality' is also a form of market failure and requires government intervention to resolve. Government intervention might include support for a funding mechanism (e.g. a compulsory levy set at an appropriate level) and some form of legislation (e.g., a legislated Code of Practice) that ensures negligent beekeepers comply with a pest and disease management program.
- Spillover benefits – honey bee biosecurity, research, and generic marketing results in spillover benefits for the Australian community. In the absence of government intervention, the Australian community will forfeit some spillover benefits i.e. the market will supply these benefits in sub-optimal amounts or at higher prices than would otherwise have occurred. Spillover economic benefits arising from effective honey bee biosecurity, research, and generic marketing include a reliable and low cost supply of food including honey and the fruits, vegetables, grains and pastures whose growth is either completely or partially dependent on honey bee pollination.

5. Key Challenges

Equitability – Relatively Few Beneficiaries are Paying the Levy

The Department of Agriculture Fisheries and Forestry (DAFF) levy payer register lists 1,400 commercial beekeepers contributing levies from a national population of 49,000 registered beekeepers (Clarke and Le Feuvre 2024). While the majority of hives are managed by a few beekeepers (1,800 registered commercial beekeepers managing 75% of all hives), these few beekeepers are paying for the benefits enjoyed by the many.

Beekeepers may pay their levy directly or can have levy paid on their behalf, often by a honey packer (collection agent) who can recover that amount from the levy payer. Across the industry there are approximately 200 collection agents paying levies directly as a beekeeper levy payer or on behalf of another levy payer.

All beekeepers benefit from levy funded programs and activities. For example, the Varroa T2M program provided training and extension officers nationally. These training and extension opportunities have been attended by more recreational beekeepers than commercial beekeepers, yet it is only the larger commercial beekeepers who have contributed to the cost of training and extension.

Threshold for Payment of the Honey Levy

The current levy threshold, for which beekeepers must pay a levy, is set at 1,500 kg (i.e., any beekeeper selling more than 1,500 kg/year is required to pay the levy). This threshold was set in 2015 to reflect the cost of collection charged by DAFF and ensure that monies collected from smaller honey producers are greater than the cost of their collection². To further reduce the cost of collection levy agents (typically honey packers) can pay levies on the behalf of many beekeepers creating a single collection point.

In 2025, modernisation and cost efficiencies mean that the cost of levy collection threshold is lower. AHBIC estimates that if actual charges imposed by DAFF are divided by 1,400 levy paying beekeepers, the 'breakeven' threshold for collection is now less than 1,000 kg/year. Lowering the threshold will add levy payers (a cost) but will capture a greater proportion of the industry, create greater equality between beekeepers, and increase overall revenue (a benefit).

Beekeepers self-report honey production to determine if they meet the threshold for levy payment. Self-reporting allows beekeepers to underreport production and remain outside the threshold for levy payment. If the 1,500 kg/year threshold for levy payment is removed completely to plug a source of levy leakage, challenges will emerge:

² Currently costs \$40 per levy payer to collect levy from 1,400 beekeepers. An annual total of \$56,000.

1. Significantly more levy payers with additional DAFF cost deducted from levy revenue (levy payers could increase from 1,400 to 49,000 levied beekeepers) potentially overwhelming the system.
2. Cost of collection will be more than is collected for most beekeepers (AHBIC estimates a 1,000 kg/year 'breakeven' threshold on cost of collection in 2025).

Inflation Impacts Program Costs

The cents per kilogram levy rate provides a fixed income that is not adjusted for lost purchasing power caused by inflation. Over time, the purchasing power of the fixed levy income diminishes as the cost of delivering services to industry increases. Designing a levy that caters for CPI increases (as well as changes in beekeeper capacity to pay) will provide a more robust and future proof system that will negate the need for regular reviews and increases.

An ad valorem model allows for levy payments and program revenue to fluctuate as the value of honey fluctuates. Ad valorem simply means percentage of value, in this case percentage of honey bee generated goods (i.e., honey and queen bee sales and services (i.e., paid pollination contracts).

Over a 10-year period as honey and pollination prices increase (if only from inflation) so will the levy income allowing for CPI adjustments to be made on programs delivered for industry. Programs will retain the level of inputs, outputs, outcomes, and impacts envisaged when they were designed with industry.

6. Reform Options

Do Nothing

No levy reform will result in a cut to existing programs. This will result in a significant reduction in port surveillance activity and in Bee Biosecurity Officers in each state. It would also mean a reduction in the number of samples taken for the NRS which could in turn limit access for honey to some international markets (not meeting a minimum sampling ratio to maintain market access).

Only Increase the Honey Levy

The AHBIC subcommittee examined the level of increase that would be necessary if the existing levy arrangements were used to fund current programs and a modest honey marketing program. Increasing the current honey levy from 5.6c/kg to 10c/kg of honey sold when selling more than 1,500 kg would be required to maintain sufficient reserves to account for CPI over the next 10-years. Complicating this is the changing landscape due to varroa. As *varroa destructor* spreads, feral honey bee populations will decline,

creating greater demand for pollination hives in turn potentially decreasing honey production.

Simply increasing the current honey levy would not address challenges associated with a small number of beekeepers shouldering the burden of the levy or levying only honey sales when industry produces a range of products and services. Furthermore, pollination services are forecast to be a greater share of industry income and honey less important over the next 10-years. A simple increase in the honey levy is not the AHBIC subcommittee's preferred option.

Introduce a Pollination Levy

Recent legislation passed by the Australian Parliament makes it possible to impose a levy on specific agricultural services. This means that a biosecurity, research, residue testing or even marketing levy can now be imposed on paid pollination services. Such an approach would spread the burden of levy payment more broadly than the current honey only focus. Such an approach would be more equitable than simply increasing the honey levy. A levy on pollination services also recognises the increasing importance of pollination income as honey yields and resultant income declines.

Reinstate the Queen Bee Levy

The queen bee levy was previously imposed at 0.5% for queen bees sold under \$20 and \$0.10 for queens sold over \$20. In 2010, the queen bee levy raised \$8,000 and incurred collection costs of \$3,000 per annum. The queen levy remains in place but set at \$0.

Queen bee prices currently average \$35 for a production queen and up to \$2,000 for an AI mated breeder queen (Clarke 2025). Queen sales have grown in line with growth in recreational beekeeping and are expected to grow as localised Varroa makes it more difficult for beekeepers to breed their own queens. Efficiencies in DAFF's collection system should mean a lower cost of collection if the queen bee levy is reinstated at a non-zero amount.

Re-establishing the queen bee levy would make a positive contribution to program funding. It would also supplement the honey levy, reduce reliance on one source of industry revenue, and improve equality in the industry's levy arrangements.

Reinstate the Marketing Levy

A marketing levy has been discussed by industry for many years. Industry funded marketing has occurred in the past but was discontinued in the early 1990s when it was decided that marketing was the responsibility of honey packers.

A strong push from the honey bee industry for generic Australian honey marketing and export development has prompted the AHBIC subcommittee to recommend the

introduction of a marketing levy. A marketing levy would need to be managed by AgriFutures as one of the three prescribed levy recipient organisations for the honey bee industry. AgriFutures has previously indicated a willingness to undertake this role (Clarke 2019). It is noted that Hort Innovation, which has considerable experience in managing levy funded marketing programs, might be an alternative candidate for marketing program management.

Convert the Honey Levy to Ad Valorem

Under this option the honey levy would be converted from a cents per kilogram (c/kg) charge to a percentage of value at first point of sale levy. Levy collection would continue to rely on the support of honey packers and the honesty of beekeepers who sell through alternative channels (e.g., roadside stalls, farmers' markets, food service sector).

Advantages of an ad valorem levy include (Clarke 2019):

- Reflects the products true value and the beekeeper's capacity to pay.
- Produces a stable levy income – falls in production volume are offset by increases in product price.
- If the price of honey declines, then the levy payment made by an individual beekeeper also declines.
- Doesn't penalise producers of lower value honey (e.g., canola) who currently pay the same as producers of high value honey (e.g., Manuka).
- Has the potential to capture a share of the value of niche high value honeys such as Manuka and Jarrah.

Disadvantages of an ad valorem levy include (Clarke 2019):

- An ad valorem levy may increase the levy administrative burden on agents (honey packers) who would need to report by honey type/grade or value rather than total volume handled (System automation and AI should help address this disadvantage).
- There is some 'moral hazard' in underestimating the value of the honey sold (but this is equally true for the current cents per kilogram levy).
- An ad valorem levy will be the most difficult to manage for integrated businesses that produce, retail, manufacture, and export honey (again system automation and AI should help address this disadvantage).
- Lack of acceptance by those producing high value honeys who would see a marked increase in levy contributions.

An ad valorem levy has precedent in Australian primary production. For example, the vegetable industry has an ad valorem levy imposed at 0.485% for R&D. Sweet potato has an ad valorem levy rate of 0.5 for R&D and 1.0% for marketing (Clarke 2019).

7. AHBIC Subcommittee Recommendations

Broaden the Income Sources from which Levy is Collected

Modern beekeeping businesses usually have two or three significant income sources. They are honey, pollination services and queen bee sales. The AHBIC subcommittee argues that the levy program benefits all three segments of the industry, and that all three segments should contribute to program funding.

Reduce Honey Levy Payment Threshold from 1,500 kg to 1,000 kg

Currently the threshold for honey levy payment is based on the cost of collection. This has ensured that, at the margin, levy collected from an individual beekeeper is greater than the cost of collecting it. Imposition of this threshold results in 46,600 beekeepers not contributing to the levy programs from which they benefit. The AHBIC subcommittee recommends reducing the threshold for levy payment to 1,000 kg which will allow more beekeepers to contribute and keep collection cost under control. It is noted that prior to 2015, the levy payment threshold was 600 kg.

Ad Valorem – Levy Based on Percentage of Product/Service Value

Introducing a percentage of value-based levy will help future-proof revenues and the programs they support. Over time as the value of pollination, honey and queen bees sold increases, so will the income received from levies. This will allow for inflationary pressures on the delivery of the levy programs. Continuing with a fixed cents per kilogram levy will mean regular small increases will be likely to keep up with inflation. Change to an ad valorem is recommended by the AHBIC subcommittee.

Reinstating a Marketing Levy

A marketing levy would be used to promote Australian honey to consumers nationally. It would also be used to promote and develop export markets with the ultimate aim of increasing and stabilising the farm gate prices received by beekeepers. The marketing levy would be managed by AgriFutures which is the organisation most suitable and recognised under legislation to receive honey and queen bee levies and oversee marketing activities.

8. Proposed Levy Reform

Income Received from the Proposed Levy

An ad valorem levy of 1.25% of the value of all honey, pollination services and queen bees sold would replace the current volume-based honey levy but retain levy agents

(the ability for packers/brokers to pay the levy on their behalf). The AHBIC subcommittee proposal is:

- Honey - 1.25% of value at first point of sale with payment to be made when sales exceed 1,000kg/year.
- Pollination - 1.25% of value for all pollination contracts with no minimum payment threshold.
- Queens – 1.25% of all queen bee sales with queens raised for the beekeeper's own use excluded from the levy.

This ad valorem levy will generate approximately \$2.2 million annually based on the following assumptions:

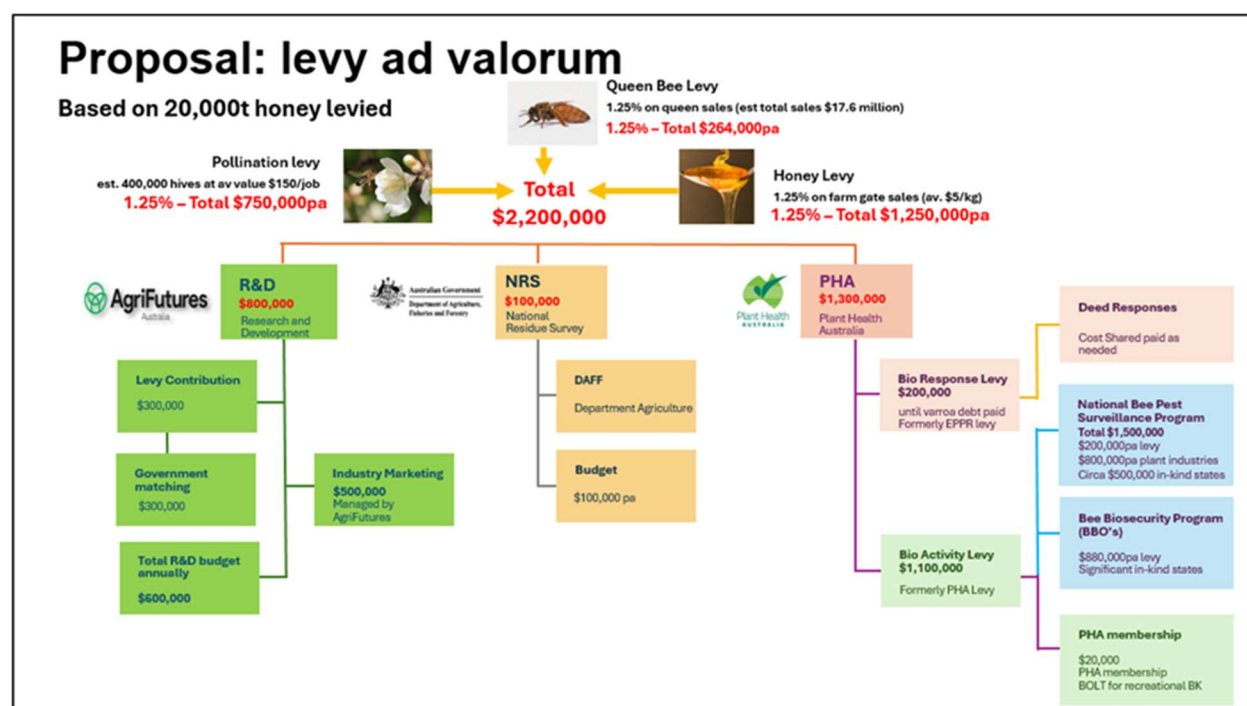
- An average annual leviable honey production of 20,000t (long-term average for beekeepers who each produce more than 1,000kg).
- Average hive numbers used annually for pollination is 400,000 hives. This estimate is conservative and assumes a high level of non-payment.
- Queen sales of 503,000 per annum at an average value of \$35 each with a total sales value of \$17.6 million.

Figure 1 summarises the AHBIC subcommittee ad valorem levy proposal. Table 1 provides additional income detail.

Table 2: Proposed Levy Income by Source

Revenue stream and comment	Production	Unit Value	Estimated GVP	Levy@1.25% of GVP
Honey - Optimistic production when 1,000kg threshold applied - Unit value historically low	20,000,000 kg	\$5.00/kg	\$100,000,000	\$1,250,000
Pollination contracts - Allows for high levels of non-payment (leakage). - Unit value may be driven up by Varroa (currently \$200+)	400,000 hives	\$150/hive	\$60,000,000	\$750,000
Queen bee sales Queen sales and GVP estimated at half this total by Clarke 2025	503,000 queens	\$35/queen	\$17,605,000	\$220,000
			Total	\$2,220,000

Source: AHBIC subcommittee

**Figure 1.** Proposal for an Ad valorem levy

Proposed Program Investment

National Residue Survey – managed by DAFF

It is proposed that this program continues unchanged with a slight increase in funding allocation from \$60,000 pa to \$100,000 pa to allow reserve build up. Currently this program costs \$81,000 pa.

Biosecurity Response component - managed by PHA

This fund is used to pay the cost sharable component of any national biosecurity response under the Emergency Plant Pest Response Deed where the honey bee industry is deemed an affected party. \$200,000 pa would be allocated to this fund until the Varroa eradication and T2M debt and any other response debts are repaid.

Biosecurity Activity Component – managed by PHA

National Bee Pest Surveillance Program (NBPSP) – managed PHA

It is proposed that the honey bee industry increase its contribution from \$150,000 to \$200,000 pa. This program is supported by a number of pollination dependent industries and jurisdictions with the total program cost around \$1.4 million annually.

National Bee Biosecurity Program (NBBP) – managed PHA

This program supports the industry funded Bee Biosecurity Officers around the country. Coordinated by PHA and overseen by AHBIC, this program would include the addition of a national bee biosecurity officer position. Sitting in AHBIC this officer would support the program and assist in the coordination and information sharing across the jurisdictions. This resource would also be used to assist in biosecurity responses and activities. AHBIC currently provides this support in-kind, but with an ever-increasing burden it has become unsustainable for AHBIC to maintain in-kind support.

PHA membership, BOLT subsidy and maintenance of biosecurity plans and documents – managed by PHA

This component of the levy supports administrative activities including paying the annual PHA membership and supports updates to key industry biosecurity documents and preparedness activities. There is no change proposed to this fund.

Research and Development – managed by AgriFutures

Currently the R&D component generates an average of \$300,000 pa which is matched by the Australian Government. There is no change proposed for the industry contribution.

Industry Marketing – managed by AgriFutures

It is proposed that a marketing fund of \$500,000 per annum be established. This marketing component would be managed by AgriFutures as one of the prescribed recipient organisations under legislation. The fund would be overseen by an industry panel that would provide funding on a competitive bases under the existing R&D frameworks. This levy would be used to:

- Increase domestic per capita consumption of honey

- Expand export markets
- Promotion Australian Honey

A 10-year marketing plan is currently under development by the University of Sydney in consultation with industry. The plan will guide expenditure and measure the performance of levy investment.

Table 3: Proposed Program Investment

Program	Program Manager	Annual Expenditure (\$)
National Residue Survey	DAFF	\$100,000
Biosecurity Response EPPRD	PHA	\$200,000
National Bee Pest Surveillance Program (NBPSP)	PHA	\$200,000
National Bee Biosecurity Program (NBBP)	PHA	\$880,000
PHA Membership, BOLT, Document Management	PHA	\$20,000
Research, Development and Extension (RD&E)	AgriFutures	\$300,000
Marketing program	AgriFutures	\$500,000
	Total	\$2,200,000

9. Collection mechanisms

Honey

Currently beekeepers either lodge levy returns with DAFF or a levy ‘agent’ pays on their behalf (typically a honey packer). Levy agents are effective at reducing levy collection points but are capturing less of the industry’s output. More beekeepers are using alternative marketing channels to sell their honey (e.g., roadside stalls, farmers’ markets, direct to consumers, and food service sector).

The AHBIC subcommittee noted limitations with the current collection system and reviewed alternative ways of collecting the honey levy. None were superior to the existing system of beekeeper’s submitting their own levy return or an agent submitting a return on their behalf.

Pollination

The AHBIC subcommittee explored options for collection of a pollination levy including direct from growers, through grower levies (e.g., almond R&D levies) and via pollination brokers acting as agents. Brokers are only active in a few important industries dependant on honey bee pollination. The AHBIC subcommittee recommended use of the system employed for collection of the honey levy.

Under this system, the beekeeper will use the DAFF online portal to report hives on pollination and income associated with this activity. The AHBIC subcommittee also recommended that the levy ‘agent’ system be used so that pollination brokers and crop

growers pay on behalf of the beekeeper. Growers and brokers paying in this way would be an extension of the principle used that allows honey packers to collect the honey levy on behalf of beekeepers.

Queen bees

The queen bee levy would also follow the same system in beekeepers and queen producers self-reporting to the DAFF portal. This is how this current mechanism for the queen levy despite being set \$0 so there would effectively be no change.

10. Consultation Process

Planned Consultation

The Australian Governments “[Levy Guidelines: How to establish or amend agricultural levies](#)” outlines the required process for consultation and implementation for levy amendments. In this instance, implementing a pollination levy is considered to be a new levy which means an industry ballot must be conducted to demonstrate industry support. The ballot will also include the other proposed changes. The ballot receiving officer should be independent from AHBIC and someone that is not associated with the three receivers of levy funds (DAFF, PHA, AgriFutures) may be needed.

Figure 1 Steps in the process of establishing or amending a levy



Figure 2. Steps required to amend the levy

Consistent with Australian Government Levy Principle 5, consultation will be completed with those who may have a role in collecting the levy (e.g., honey packers/pollination brokers).

This business case defines the problem and proposes the design of the levy. Industry consultation and a ballot will be conducted to demonstrate industry support prior to submitting the proposal to the Australian Government.

Should the ballot be unsuccessful AHBIC will seek to understand which sections of the proposal are unacceptable. At that point AHBIC will amend and retest the proposal with industry until a funding solution is reached.

Preliminary Response

Initial industry consultation completed at each state beekeeping conference in the first half of 2025 delivered a neutral response to the current proposal. Industry viewed the current proposal as a ‘necessary evil’.

A single beekeeper objection to the proposal was received during initial consultation. The beekeeper argued that imposing a levy on both honey and pollination was ‘double dipping’ i.e., drawing two sets of levies from the one beekeeper. The proposal is not ‘double dipping’ as revenue will be drawn from separate activities (honey sales, pollination services, queen bees sold) in the same way that a sheep producer pays R&D, marketing and biosecurity levies on both wool sold (to AWI) and sheep sales (to MLA).

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