



RECEIVED
25 SEP 2013
Minister for Agriculture
Richardson Smith Bartlett

The Hon Barnaby Joyce MP
Minister for Agriculture
PO Box 6022
Parliament House
CANBERRA ACT 2600

20 September 2013

Dear Minister

The Australian Mushroom Growers' Association (AMGA) congratulates you on your recent appointment as Federal Minister for Agriculture. We look forward to working with you in maximising the potential of agriculture in this great country.

We acknowledge this is a busy time for your office however we would welcome the opportunity to meet with you in due course. We are particularly interested in profiling our exciting industry, and discussing the details of our levy increase proposal.

Please do not hesitate to contact me if I can provide any additional information at this early stage. Otherwise, I will endeavour to make contact with your office again in the coming weeks to arrange a time for a preliminary meeting.

Yours sincerely

s. 47F(1)

Greg Seymour
GENERAL MANAGER

Australian Mushroom
Growers' Association Ltd

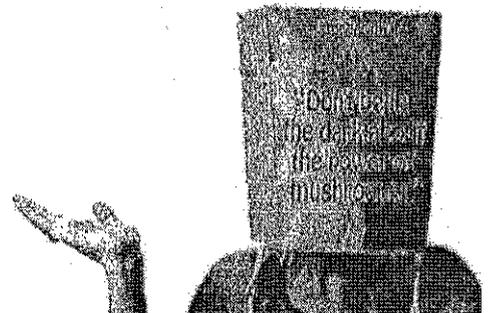
ABN 30 001 491 461

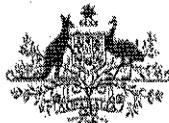
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The Hon. Barnaby Joyce MP

**Minister for Agriculture
Federal Member for New England**

REF: MNMC2013-05623

Mr Greg Seymour
General Manager
Australian Mushroom Growers' Association
Locked Bag 3
WINDSOR NSW 2756

Dear Mr Seymour

Thank you for your correspondence of 20 September 2013 congratulating and welcoming me to the Agriculture portfolio. It is an honour and a privilege to serve in Prime Minister Abbott's Cabinet. As the representative for the New England region, I am passionate about regional Australia and this appointment provides me with significant new opportunities to make a difference.

As a team, the Department of Agriculture and I have a huge job ahead of us, and I welcome the opportunity to work with individuals, peak bodies and industry as we reinvigorate Australian agriculture where it needs help and continue building where it is strong.

I look forward to engaging with the mushroom industry later in the year when time permits.

Yours sincerely

Barnaby Joyce MP

10 October 2013

s. 22(1)(a)(ii)

From: s. 22(1)(a)(ii)
Sent: Monday, 14 October 2013 7:22 PM
To: Ottesen, Peter
Cc: s. 22(1)(a)(ii); s. 22(1)(a)(ii); s. 22(1)(a)(ii)
Subject: RE: MO request - information on s. 22(1)(a)(ii), mushroom and s. 22(1)(a)(ii) levies [SEC=UNCLASSIFIED]

Dear Peter,

On a related matter to below, s. 47F(1) (adviser) has come back with a question on s. 22(1)(a)(ii)

s. 22(1)(a)(ii)

In the forthcoming briefing, can you please provide an explanation of the process, especially around timing?

s. 47F(1) has suggested that if a specific timing for assessment/consideration is worth mentioning, subject to your advice on process and timing, she may want a slight amendment (I'll be in touch with your area if the amendment is requested). s. 47F(1) has also noted that an understanding of timeframes will help schedule meetings with those stakeholders who wish to meet the Minister.

Many thanks and happy to discuss.

s. 22(1)(a)(ii)

s. 22(1)(a)(ii)

Departmental Liaison Officer

Phone 02 6277 7520 | Fax 02 6273 4120 | Mobile s. 22(1)(a)(ii)

Office of the Hon. Barnaby Joyce MP
Minister for Agriculture
Parliament House Canberra ACT 2600 Australia

From: Ottesen, Peter
Sent: Thursday, 10 October 2013 7:11 PM
To: s. 22(1)(a)(ii)
Cc: Hind, Lisa; s. 22(1)(a)(ii); s. 22(1)(a)(ii)
Subject: Re: MO request - information on s. 22(1)(a)(ii), mushroom and s. 22(1)(a)(ii) levies [SEC=UNCLASSIFIED]

s. 22(1)(b), thanks. We can do this. Peter

Sent from my iPhone

On 10/10/2013, at 6:56 PM, "s. 22(1)(a)(ii) @maff.gov.au" wrote:

Peter (or s. 22(1)(a)(ii),

s. 47F(1), new permanent adviser (she started on Tuesday), has asked for some email advice on levies affecting the horticulture businesses.

She has noted in the IGB information provided on s. 22(1)(a)(ii), mushroom and s. 22(1)(a)(ii) levies and the levels of industry support for these levies. She is after some additional information (by email):

- Will an amendment to legislation for the collection of the levy (regulation) be required?
- Is the expiry date of the regulation the same for each of the levies?
- Please advise if there is a marketing component to each levy or if it is purely a research levy. Can you please also advise of the breakdown for each and background information in relation to rates (s. 47F(1) realises this is available on the department's website but would like it included in the email update)?
- If you have started preparing a formal brief for the Minister's consideration, can you please advise of your proposed timeframe for providing this to the MO?

Can you please provide by COB next Thursday, 17 October 2013?

Thanks and happy to discuss.

s. 22(1)(a)(ii)

s. 22(1)(a)(ii)

Departmental Liaison Officer

Phone 02 6277 7520 | Fax 02 6273 4120 | Mobile s. 22(1)(a)(ii)

Office of the Hon. Barnaby Joyce MP
Minister for Agriculture
Parliament House Canberra ACT 2600 Australia

Advice on s. 22(1)(a)(ii) mushroom and s. 22(1)(a)(ii) levies

- **Will an amendment to legislation for the collection of the levy (regulation) be required?**

The proposed changes to the levies will involve amendments to the:

- s. 22(1)(a)(ii) - s. 22(1)(a)(ii)
- s. 22(1)(a)(ii) - s. 22(1)(a)(ii)
- [Mushrooms] - Primary Industries (Excise) Levies Regulations 1999 [Schedule 15, Part 18] and Primary Industries Levies and Charges Collection Regulations 1991 [Schedule 22, Part 18].

- **Is the expiry date of the regulation the same for each of the levies?**

There are no expiry dates for the Regulations. However the proposed commencement date for all the Amendment Regulations is 1 April 2014. If a 1 April 2014 start date is not achieved, the next available commencement date would be 1 July 2014.

The Regulations will be disallowable instruments as the relevant parent Acts (primary legislation) delegate to the executive government the power to make detailed regulations (delegated legislation) which supplement the Acts and have the same legal force. While the Regulations are not passed directly by both Houses of the Parliament, either House may veto (or disallow) them. So within 15 sitting days after tabling a senator or member of the House of Representatives may give notice of a motion to disallow the instrument (in whole or in part); if the motion is agreed to, the instrument is disallowed and it then ceases to have effect.

The Government's *Levy Principles and Guidelines* set out the arrangements for developing and approving industry levy submissions. The LPGs are guidelines only and generally do not bind the Minister in his decision. However, they tend to be relied upon by industry as definitive.

- **If you have started preparing a formal brief for the Minister's consideration, can you please advise of your proposed timeframe for providing this to the MO?**

Rescheduled commencement dates for the proposed levy changes means that revised costings agreed by Treasury are required. Assuming a normal turnaround for the costings, the briefing minute is likely to be with the Minister by mid-November 2013.

- **In the forthcoming briefing, can you please provide an explanation of the process, especially around timing?**

Refer to attached Summary of the Government's process to amend or establish horticulture levies

The timing surrounding the Government's process to amend or establish horticulture levies can vary from one levy proposal to another. Most of the process is sequential but where possible tasks are undertaken in parallel to minimise the time consumed.

Getting input/sign-off from external agencies can be time consuming (e.g. getting a RIS agreed to by OBPR, the amending legislation drafted by OPC).

More detail regarding the timing of government process is at the **Attachment**.

Please advise if there is a marketing component to each levy or if it is purely a research levy. Can you please also advise of the breakdown for each and background information in relation to rates?

The table below provides details of the levy/export charge rates.

Component	Rate		Proposed Rate	
	Domestic (levy)	Export (charge) *	Domestic (levy)	Export (charge) *
s. 22(1)(a)(ii)				
Mushrooms (Agaricus)				
Marketing	\$1.62 per kg (spawn)	-	\$3.24 per kg (spawn)	-
R&D	\$0.54 per kg (spawn)	-	\$1.08 per kg (spawn)	-
Total	\$2.16 per kg (spawn)	-	\$4.32 per kg (spawn)	-
s. 22(1)(a)(ii)				

s. 22(1)(a)(ii)

s. 22(1)(a)(ii)

* An export charge is not payable if the domestic levy has already been paid.

Emergency Plant Pest Response ^ Plant Health Australia ** National Residue Survey

Summary of the Government's process to amend or establish horticulture levies
(Minister's role is bolded)

No.	Step	Timing
1	The industry organisation initiates a levy proposal by consulting all sectors of their industry and as many levy payers as possible. Its final submission must demonstrate there is majority support from potential levy payers for a new or amended levy (usually by a ballot). Majority support is defined as 50 per cent plus one (on a one vote per producer or an allocation of votes based on the amount of levy paid) though in the past, the government has often required a stronger majority than this.	Driven by initiator. Generally at least 6 months.
2	The industry organisation submits its proposal to Horticulture Australia Limited (HAL) [<i>in exceptional cases, such as very small industries, this may be the Rural Industries Research and Development Corporation</i>] as the industry services body that will receive the levy monies. The HAL Board considers the proposal, and if it considers it meets the government's <i>Levy Principles and Guidelines</i> , forwards the proposal to the government for its consideration.	Depends on scheduling of board meetings and complexity of proposal.
3	The department assesses the levy proposal against the government's <i>Levy Principles and Guidelines</i> , including triggering a six week period in which potential levy payers can write to the department or the Minister objecting to the levy proposal.	At least six weeks
4	The department seeks agreement from the Treasury and the Department of Finance and Deregulation (Finance) on the cost of the proposal. The current protocol is that: <ul style="list-style-type: none"> a. If there is no budget impact on the government a costing pro forma will be approved by Finance and signed off by Treasury. b. If it is determined that the proposed levy amendment has a <i>Budget impact up to \$5 million</i> (over the forward estimates period) the proposal can be settled through correspondence from the Minister to the Prime Minister, the Treasurer and the Minister for Finance and Deregulation. c. If it is determined that the proposed levy amendment has a <i>Budget impact greater than \$5 million</i> (over the forward estimates period) a submission must be prepared for consideration by the Cabinet. To date, no horticulture levy proposals have exceeded this threshold. 	Minimum of two weeks (for proposals with no budget impact). Proposals with budget impact will take much longer.
5	The department drafts a Regulation Impact Statement (RIS) for approval by the Office of Best Practice Regulation (OBPR).	At least six weeks.
6	The department provides its assessment of the proposal to the Minister for consideration and recommends whether policy approval should be given.	Allow minimum of two weeks for consideration by

		Minister.
7	If approved the Minister writes to the Treasurer seeking his agreement and if agreed then writes to the Prime Minister seeking his support for the proposal.	Allow minimum of three weeks for consideration by Treasurer and a further three weeks for PM.
8	The department engages the Office of Parliamentary Counsel to draft the amending legislation. The department drafts the associated supporting documentation for consideration by the Federal Executive Council (ExCo), noting that the majority of levy amendments are made through subordinate legislation. Amending primary industry levies through primary legislation (i.e. Bills/Acts) is different to that described here.	Depends on work load of OPC. Can take up to three months but often undertaken earlier in anticipation of policy approval being granted.
9	The department seeks the approval of the Minister for the amending legislation and the explanatory documents for ExCo.	Allow two weeks for clearance by Minister. Cut-off for cleared papers to ExCo is one week before ExCo meeting
10	ExCo considers the amending legislation. If approved, the amending legislation is registered on the Federal Register of Legislative Instruments.	2014 ExCo meeting dates not yet available. Typically two meetings/month
11	By convention, the department must notify levy payers one month prior to the commencement date of the new/amended levy.	Four weeks before commencement date of levy.
12	The amending subordinate legislation takes effect on the stipulated commencement date.	Usually the start of a collection period. 1 July for levies with an annual return or 1 July, 1 October, 1 January, 1 April for those with quarterly returns
13	The amending subordinate legislation is tabled in both houses of Parliament to be considered as a disallowable instrument/s. If a motion to disallow is made/agreed to within 15 sitting days after tabling the instrument is disallowed and ceases to have effect.	15 sitting days

s. 22(1)(a)(ii)

From: s. 22(1)(a)(ii)
Sent: Wednesday, 6 November 2013 4:06 PM
To: s. 22(1)(a)(ii)
Cc: s. 22(1)(a)(ii); s. 22(1)(a)(ii)
Subject: RE: MO request - FW: Mushroom Spawn Levy Advice [SEC=UNCLASSIFIED]
Attachments: Advice for Senator Abetz 6Nov13.docx

Importance: High

Hi s. 22(1)(a)(ii), the advice for Senator Abetz's office is attached.

Again, apologies for the delay.

s. 22(1)(a)(ii)

From: s. 22(1)(a)(ii)
Sent: Wednesday, 6 November 2013 12:27 PM
To: s. 22(1)(a)(ii)
Cc: s. 22(1)(a)(ii); s. 22(1)(a)(ii)
Subject: FW: MO request - FW: Mushroom Spawn Levy Advice [SEC=UNCLASSIFIED]

Hi s. 22(1)(a)(ii), apologies as we're running a bit late but we'll get the advice to you this afternoon.

s. 22(1)(a)(ii)

From: Ottesen, Peter
Sent: Tuesday, 29 October 2013 6:26 PM
To: s. 22(1)(a)(ii)
Cc: s. 22(1)(a)(ii); s. 22(1)(a)(ii)
Subject: RE: MO request - FW: Mushroom Spawn Levy Advice [SEC=UNCLASSIFIED]

s. 22(1)(a)(ii), we can do this. Peter

From: s. 22(1)(a)(ii)
Sent: Tuesday, 29 October 2013 6:22 PM
To: Ottesen, Peter

Subject: MO request - FW: Mushroom Spawn Levy Advice [SEC=UNCLASSIFIED]

Importance: High

Peter,

As below, the MO has requested advice for Senator Abetz's office.

You may wish to include in a suggested response that the matter has been referred to the Minister from the Parliamentary Secretary, that the Minister is meeting with Mushroom Association on Friday and that he will be meeting s. 11C(1)(b) the following week/

Can you please provide by COB next Tuesday?

Thank you,

s. 22(1)(a)(i)

s. 22(1)(a)(ii)

Departmental Liaison Officer

Phone 02 6277 7520 | Fax 02 6273 4120 | Mobile s. 22(1)(a)(ii)

Office of the Hon. Barnaby Joyce MP

Minister for Agriculture

Parliament House Canberra ACT 2600 Australia

From: s. 47F(1) (Sen E. Abetz) s. 47F(1) @aph.gov.au]

Sent: Tuesday, 29 October 2013 9:08 AM

To: s. 47F(1)

Subject: Mushroom Spawn Levy Advice

Importance: High

Good morning s. 47F(1),

Thank you for providing advice regarding responses to s. 22(1)(a)(ii).

If I could trouble you, can I please ask for similar advice in regards the Mushroom Spawn Levy, correspondence of which I have attached?

Short of that, could you please point me in the right direction?

Thanking you in advance!

Kind regards,

s. 47F(1)

Office of Senator the Hon. Eric Abetz

Leader of the Government in the Senate

Minister for Employment

Minister assisting the Prime Minister for the Public Service.

Liberal Senator for Tasmania

Hobart Electorate Office

136 Davey Street, Hobart

P: 03 6224 3707 F: 03 6224 3709

<http://abetz.com.au>

Advice for Senator Abetz's office – mushroom levy changes

PROPOSAL TO AMEND THE MUSHROOM LEVY

On 5 April 2012 Horticulture Australia Limited (HAL)¹ wrote to the former Minister for Agriculture, Fisheries and Forestry, Senator the Hon Joe Ludwig, in support of the Australian Mushroom Growers' Association's (AMGA)² submission dated March 2012 requesting the government to:

- increase the marketing component of the statutory levy from \$1.62/kg of mushroom spawn produced or used for use in the production of *Agaricus* mushrooms to \$3.24/kg; and
- increase the research and development (R&D) component of the statutory levy from \$0.54/kg to \$1.08/kg.

The AMGA wishes to have the levy rates increased to enable the *Agaricus* mushroom industry to meet the objectives of its Strategic Plan 2011-16, in which it forecasts production to increase by around 28 percent from 65,000 tonnes in 2011-12 to 90,000 tonnes by 2015-16.

- According to the AMGA, dramatically increasing mushroom production is reducing prices and, as a result, the profitability of the industry. The AMGA therefore wishes to stimulate consumption through a considerably increased marketing and promotion program (outlined in the Strategic Plan) funded by a doubling in the current marketing levy. A pilot program run in Tasmania demonstrated the likely effectiveness of this activity.
- The AMGA also wishes to double the levy rate for R&D to increase the market research budget, which cannot be funded from marketing levy funds.
- The mushroom industry is seeking urgent policy approval and implementation from the government. As there are quarterly collection periods the next possible date to commence the proposed levy changes would be 1 April 2014.

The table below provides details of the mushroom (*Agaricus*) levy/export charge rates.

Component	Current Rate		Proposed Rate	
	Domestic (levy)	Export (charge)	Domestic (levy)	Export (charge)
Marketing	\$1.62 per kg	-	\$3.24 per kg	-
R&D	\$0.54 per kg	-	\$1.08 per kg	-
Total	\$2.16 per kg (spawn)	-	\$4.32 per kg (spawn)	-

Note: The mushroom levy is collected on mushroom spawn (an input to growing mushrooms) produced or purchased for use in the production of mushrooms. The proposed increase in the mushroom levy represents less than one percent of the price growers receive.

The AMGA claims that levy payers would need only an additional four cents/kg of mushrooms produced to cover the proposed levy rate increase. Taking this and the wholesale price of \$5.00-6.00 per kilogram into account, the proposed increase would represent less than one percent of the price producers receive.

The government's *Levies principles and guidelines*, require that industry must demonstrate majority support for a levy proposal defined as 50 per cent plus one of those levy-payers that voted on a one vote per enterprise basis or 50 per cent plus one percent of production of levy-payers that voted in a production-based ballot.

In a ballot conducted by the Australian Electoral Commission that closed in December 2011, the AMGA's proposal received a strong vote of support from growers on a one vote per enterprise basis.

¹ The industry-owned research, development and market service provider for horticulture.

² The national mushroom peak industry body.

Of 68 potential votes, 44 valid votes were cast and there were 33 votes in favour – 75 percent of all valid votes cast.

The AMGA subsequently provided commercial-in-confidence evidence in the form of letters from growers representing at least 53.7 percent of mushroom production (measured by industry's levy collections on mushroom spawn usage), declaring their support for the AMGA's levy proposal. As no official production figures are available for the mushroom industry, the AMGA used a surrogate measure based on the proportion of growers' levy contributions to the total annual levy collections, which is based on mushroom spawn usage.

Objection by the Costa Group

The Costa Group owns Mushroom Exchange, which is the single largest mushroom producer in Australia, accounting for an estimated s. 11C(1)(b) per cent of total production. It is strongly opposed to AMGA's levy proposal and lodged a formal objection to it (two small producers also lodged objections), during the period for objections activated by the department after the former Minister's receipt of the proposal. At the heart of Costa's opposition is that it already has the capacity as a large and influential mushroom producer to invest in marketing its mushrooms to buyers to obtain a reasonable return. It does not wish to be compelled to contribute to statutory levy-funded collective generic marketing and promotion activities.

Mushroom Exchange is the only mushroom producer to benefit from a cap that applies to the levy payments of large producers, which was negotiated at the time the mushroom levy was introduced in 2002. Mushroom Exchange's levy contributions are capped at 370,000kg of mushroom spawn per annum so that it pays levy on only 30 percent of national production (as measured by mushroom spawn usage), rather than on its estimated actual s. 11C(1)(b) percent of national production. Smaller mushroom producers therefore pay proportionately more than Mushroom Exchange for collectively-funded research and marketing than they would if no cap was in place. It is estimated that without the cap it currently enjoys on its total levy payments, Mushroom Exchange would have to pay 0.4 cents/kg extra levy on the mushrooms it produces, amounting to extra levy payments of s. 11C(1)(b) per annum. However, because the rate of levy paid on mushroom production under the cap would double under the AMGA's proposal, Mushroom Exchange's levy payments would in turn double to \$1.591 million if the proposal is approved.

Next steps

AMGA's proposal is well advanced in the government levy process.

The department has received considerable evidence from the AMGA and Costa Group, which the department has previously used to assess the proposal against the government's *Levies principles and guidelines*. (The department prepared briefing on the levy proposal for consideration by the previous government but it entered into caretaker mode before a decision was made).

The department is updating its advice and will shortly provide briefing for consideration by the Minister for Agriculture, the Hon. Barnaby Joyce MP (the process is detailed at **Attachment A**). If he were to support AMGA's request, the proposal would then be subject to the agreement of the Treasurer and support of the Prime Minister.

Minister Joyce met with the AMGA on Friday 1 November 2013 and s. 11C(1)(b)

Background

The Australian Government has a long history of co-investing with industry in rural research and development. Continued government support recognises that rural industries mostly consist of a large number of small producers who, individually, may not have the capacity to invest in R&D. Industry-owned companies, such as HAL, provide a way for an industry to invest collectively through

levy collections, and matching government funding provides an incentive for industries to do so. The government reiterated its support for the rural research and development system in the Coalition's *Policy for a Competitive Agriculture Sector*, which committed an additional \$100 million in funding over four years.

Primary industry levies facilitate collective industry investment in research and development, plant health management and marketing to improve competitiveness and enhance biosecurity preparedness.

SUMMARY OF THE PROCESS TO AMEND OR ESTABLISH HORTICULTURE LEVIES

(Minister's role is bolded)

No.	Step	Timing
1	The industry organisation initiates a levy proposal by consulting all sectors of their industry and as many levy payers as possible. Its final submission must demonstrate there is majority support from potential levy payers for a new or amended levy (usually by a ballot). Majority support is defined as 50 per cent plus one (on a one vote per producer or an allocation of votes based on the amount of levy paid) though in the past, the government has often required a stronger majority than this.	Driven by initiator. Generally at least 6 months.
2	The industry organisation submits its proposal to Horticulture Australia Limited (HAL) [<i>in exceptional cases, such as very small industries, this may be the Rural Industries Research and Development Corporation</i>] as the industry services body that will receive the levy monies. HAL has this role under its establishing legislation, the <i>Horticultural Marketing and Research and Development Services Act 2000</i> and the relevant levies legislation. The HAL Board considers the industry levy proposal and, if it is assessed to meet the government's <i>Levy Principles and Guidelines</i> , forwards the proposal to the Minister for his consideration.	Depends on scheduling of board meetings and complexity of proposal.
3	The department assesses the levy proposal against the government's <i>Levy Principles and Guidelines</i> , including triggering a six week period in which potential levy payers can write to the Minister or department and object to the levy proposal.	At least six weeks.
4	The department seeks agreement from the Treasury and the Department of Finance (Finance) on the cost of the proposal. The current protocol is that: <ul style="list-style-type: none"> a. If there is no budget impact on the government a costing pro forma will be approved by Finance and signed off by Treasury. b. If it is determined that the proposed levy amendment has a <i>Budget impact up to \$5 million</i> (over the forward estimates period) the proposal can be settled through correspondence from the Minister to the Prime Minister, the Treasurer and the Minister for Finance. c. If it is determined that the proposed levy amendment has a <i>Budget impact greater than \$5 million</i> (over the forward estimates period) a submission must be prepared for consideration by the Cabinet. To date, no horticulture levy proposal has exceeded this threshold. 	Minimum of two weeks (for proposals with no budget impact). Proposals with budget impact will take much longer.
5	The department drafts a Regulation Impact Statement (RIS) for approval by the Office of Best Practice Regulation (OBPR) in the Department of Finance.	At least six weeks.
6	The department provides its assessment of the proposal to the Minister for consideration and recommends whether policy approval should be given.	Allow minimum of two weeks for consideration by Minister.
7	If approved the Minister writes to the Treasurer seeking his agreement and if agreed then writes to the Prime Minister seeking his support for the proposal.	Allow minimum of three weeks for consideration by Treasurer and a further three weeks for PM.
8	The department engages the Office of Parliamentary Counsel to draft the amending legislation. The department drafts the associated supporting documentation for consideration by the Federal Executive	Depends on work load of OPC. Can take up to three months but often

	Council (ExCo), noting that the majority of levy amendments are made through subordinate legislation. (Amending primary industry levies through primary legislation (i.e. Bills/Acts) is different to that described here).	undertaken earlier in anticipation of policy approval being granted.
9	The department seeks the Minister's approval for the amending legislation and explanatory documents, for ExCo.	Allow two weeks for clearance by Minister. Cut-off for cleared papers to ExCo is one week before ExCo meeting.
10	ExCo considers the amending legislation. If approved, the amending legislation is registered on the Federal Register of Legislative Instruments.	2014 ExCo meeting dates not yet available. Typically two meetings/month.
11	By convention, the department must notify levy payers one month prior to the commencement date of the new/amended levy.	Four weeks before commencement date of levy.
12	The amending subordinate legislation takes effect on the stipulated commencement date.	Usually the start of a collection period. 1 July for levies with an annual return or 1 July, 1 October, 1 January, 1 April for those with quarterly returns.
13	The amending subordinate legislation is tabled in both houses of Parliament and considered as a disallowable instrument/s. If a motion to disallow is made and agreed to within 15 sitting days after tabling, the instrument is disallowed and ceases to have effect.	15 sitting days.

s. 22(1)(a)(ii)

From: s. 22(1)(a)(ii)
Sent: Wednesday, 8 October 2014 4:11 PM
To: Foi
Subject: FW: costings for agricultural levy proposals [DLM=For-Official-Use-Only]

Categories: s. 22(1) Category

From: s. 47F(1)
Sent: Tuesday, 25 February 2014 4:19 PM
To: Ottesen, Peter
Cc: s. 22(1)(a)(ii); s. 22(1)(a)(ii)
Subject: RE: costings for agricultural levy proposals [DLM=For-Official-Use-Only]

Great. Chief of Staff asked me this morning when this minute would be up so appreciate your work to have this forwarded to the MO as soon as is possible.

Kind regards,

s. 47F(1) | **Advisor** | **Hon Barnaby Joyce MP, Minister for Agriculture**
Parliament House Canberra ACT 2600 Australia
P: +61 (0) 2 6277 7520 | F: +61 (0) 2 6273 4120

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From: Ottesen, Peter
Sent: Tuesday, 25 February 2014 4:10 PM
To: s. 47F(1)
Cc: s. 22(1)(a)(ii); s. 22(1)(a)(ii)
Subject: FW: costings for agricultural levy proposals [DLM=For-Official-Use-Only]

s. 47F(1), costings of the remaining 3 levy proposals have been received from Treasury. We will now be able to move quickly with policy approval minutes and a letter to the treasurer. Peter

From: s. 22(1)(a)(ii)
Sent: Tuesday, 25 February 2014 3:59 PM
To: s. 22(1)(a)(ii); Ottesen, Peter; s. 22(1)(a)(ii)
Subject: FW: costings for agricultural levy proposals [DLM=For-Official-Use-Only]

See below – costings now agreed

From: s. 22(1)(a)(ii)
Sent: Tuesday, 25 February 2014 3:44 PM
To: s. 22(1)(a)(ii); s. 22(1)(a)(ii); Willock, Anna; s. 22(1)(a)(ii)
Cc: s. 22(1)(a)(ii); Berry, Vanessa
Subject: FW: costings for agricultural levy proposals [DLM=For-Official-Use-Only]

Hi All

We have agreed costings for outstanding levies.

Thanks

s. 22(1)(a)(ii)

A/g Director | External Budgets Branch | Finance and Business Support Division

Department of Agriculture
18 Marcus Clarke Street, Canberra ACT 2601 Australia
GPO Box 858 Canberra ACT 2601 Australia

Phone **s. 22(1)(a)(ii)** | Fax +61 2 6272 3401

Location M.7.244a

Email: **s. 22(1)(a)(ii)** [@daff.gov.au](mailto:s.22(1)(a)(ii)@daff.gov.au)

s. 22(1)(a)(ii)

From: s. 22(1)(a)(ii)
Sent: Thursday, 9 October 2014 11:13 AM
To: Foi
Subject: FW: Mushroom levy support [SEC=UNCLASSIFIED]

From: s. 22(1)(a)(ii)
Sent: Thursday, 20 March 2014 4:54 PM
To: s. 47F(1)
Cc: s. 22(1)(a)(ii); Ottesen, Peter
Subject: FW: Mushroom levy support [SEC=UNCLASSIFIED]

Hi s. 47F(1)

Further to our chat earlier s. 45(1) of s. 45(1) of the largest production entities support the levy and (based on AMGA calculations) this represents s. 45(1), s. 47(9) % of levy payments in 2011-12.

The top s. 47(1)(b) mushroom growing enterprises (based on leviable spawn usage) - **s. 47(1)(b), s. 45(1)**

– have explicitly supported AMGA's levy proposal.

Mushroom Exchange (owned by Costa) absorbed the former second largest grower, Adelaide Mushrooms, and the smaller Tasmanian Mushrooms, and now represents s. 45(1), s. 47(9) % of levy payments in 2011-12 but pays no more than 30 per cent of the levy payments because of the cap.

Kind regards

s. 22(1)(a)(ii)

Director Horticulture Policy | Agricultural Productivity Division | Department of Agriculture
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s. 22(1)(a)(ii)

From: s. 22(1)(a)(ii)
Sent: Thursday, 9 October 2014 11:14 AM
To: Foi
Subject: FW: Re: Mushroom levy [SEC=UNCLASSIFIED]

Importance: High

From: s. 22(1)(a)(ii)
Sent: Thursday, 20 March 2014 1:02 PM
To: s. 47F(1)
Cc: Ottesen, Peter; s. 22(1)(a)(ii); s. 22(1)(a)(ii)
Subject: RE: Re: Mushroom levy [SEC=UNCLASSIFIED]
Importance: High

Hi s. 47F(1)

My quick answers are below.

Kind regards

s. 22(1)(a)(ii)

s. 22(1)(a)(ii)

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From: s. 47F(1)
Sent: Thursday, 20 March 2014 11:57 AM
To: s. 22(1)(a)(ii)
Cc: Ottesen, Peter
Subject: Re: Mushroom levy [SEC=UNCLASSIFIED]

s. 22(1)(a)(ii),

Appreciate you coming back to me as soon as you can with following for discussion with the Minister.

- 1) Why did mushroom growers vote specifically on mushroom spawn per kg rather than look at 1 vote per levy payer and then the option to look at production for example per hectare like the s. 22(1)(a)(ii) growers that voted one vote+ number of trees

The ballot was 1 vote per levy payer. After the ballot, at the request of the department, the AMGA provided statements from some growers to prove that in addition to a majority number of levy payers supporting the levy increase, a majority of production is also in favour. The production figures are based on payment of levy, which is paid on mushroom spawn. There have been a few production-only levy ballots in the past ten years, but they are less common.

- 2) Given public meetings and consultation around HAL and levies. What impact will the report have on levies. I know this is difficult to say given that it is yet to be received but is this likely to be relating to use of money rather than levy system relating to guidelines and principles pertaining to the levy itself

There are a range of possible outcomes from the HAL review but we take the view that the mushroom levy is already in place and, whatever the HAL review outcomes are, they will impact on the mushroom levy whether it is set at the current levy rate or a higher levy rate. In our view, holding up levy approvals carries more risk in terms of frustrating the industry in its drive to increase its marketing and R&D effort.

s. 22(1)(a)(ii)

- 3) Who has oversight of the levy funding – Is this only HAL. Eg If Mushroom Association who receive levy funds and direct it a particular way is not that which levy payers agree to then is it a matter that they may be voted out at the next AGM? What is the situation relating to oversight and use of funds?

HAL has oversight and is advised by an IAC including an independent chair, an independent governance expert and members with specific expertise, including a Costa employee. HAL presents reports on levy expenditure to mushroom levy growers. It's worth being aware that under a historical arrangement which dates back to the formation of HAL, the IAC/HAL directs all approved projects and funding to AMGA for management and AMGA charges an overhead. Therefore, AMGA effectively operates as a mini-RDC at arm's length from HAL and it is the only member that has this kind of arrangement. This is an issue being considered in the HAL review.

Kind regards,

s. 47F(1) | **Advisor | Hon Barnaby Joyce MP, Minister for Agriculture**
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