

Media Release

7 June 2021

Government doubles the cost of exporting fresh fruit and vegetables

At the same time that the Australian Government is claiming to support Australian farmers, the Government is doubling export fees and charges.

On 14 May, the Department of Agriculture, Water and the Environment released the Government's '2021-22 Agricultural Export Cost Recovery Implementation Statements'. For horticulture, the statements propose to double the export fees and charges for exports of fruit and vegetables, significantly disadvantaging Australian farmers.

"Some Australians are led to believe that Australia's farmers get a lot of government support. International comparisons show that we have the lowest levels of government support against farmers in New Zealand, the United States, and the European Union. The Government has not done an international comparison of the proposed fees and charges to ensure that we aren't simply pricing Australia out of global markets" said Michael Rogers, CEO, Australian Fresh Produce Alliance.

The former Department of Agriculture sourced up to 48 per cent of its revenue from Australian farmers and traders. Moving forward, the combined Department of Agriculture, Water and Environment will be funded by cost recovery charges by an estimated 30 per cent – higher than any other comparable Government agency.

"Departmental officers have told exporters that government fees and charges are only 1 per cent of the total cost of exports however this could be as much 20 per cent of a farmer's export earnings. Government repeatedly fails to acknowledge that any government fee and charge is simply removing profitability from farmers" said Mr Rogers.

More than one third of the proposed charges to Australia's fruit and vegetable exporters are for indirect costs such as office space, IT, legal and finance support. These costs cannot be reduced by farmers and are core costs of government.

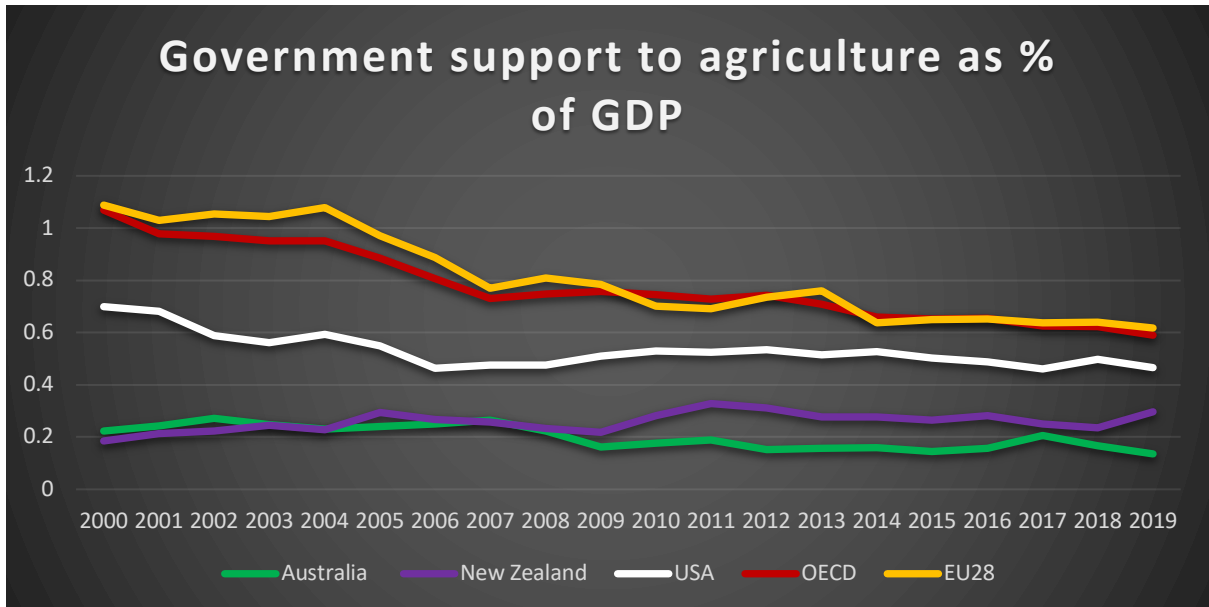
"The Government announced \$800 million in spending on agriculture in the May budget but didn't fix the key problem for Australia fruit and vegetable exporters – keeping government fees and charges down. Australia's fruit and vegetable farmers are now expected to pay more than \$1 million for office space for departmental officers every year" said Mr Rogers.

If the Government is determined to apply cost recovery arrangements to every Australian business, then those costs must be the direct costs of providing a service not the costs of departmental officers.

"Australian fresh produce growers are not seeking a handout, they are seeking a fair go from their Government to create a level playing field when selling Australian produce overseas and earning export income which builds our economy and communities" said Mr Rogers.

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About the AFPA - The Australian Fresh Produce Alliance (AFPA) is made up of Australia's key fresh produce growers and suppliers. The AFPA represents half the industry turnover of the Australian fresh produce sector - \$4.5 billion of the \$9.1 billion total; 1,000 plus growers through commercial arrangements and more than 15,000 direct employees through peak harvest, and up to 25,000 in the grower network.



Source: OECD Total Support Estimate <https://stats.oecd.org>

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