Summerfruit Australia Ltd Redistribution of levy income to pay PHA subscriptions

Following the recent rejection by growers of the proposal to increase the Stone fruit Levy, the SAL Board has taken the decision to reallocate existing levy funds to meet the required subscription rate for Plant Health Australia (PHA).

The current rates of the R&D and Marketing components of the levy/export charge is one (1) cent per kilogram of stone fruit, with 55 % going to R&D and 45 % to marketing initiatives. The new allocation of the one (1) cent per kilogram levy will be 53.9 % to R&D, 44.1 % to marketing and 2 % to cover the subscription rate for membership of PHA, averaging around $12,500/pa.
Following this adoption for the PHA subscription the SAL Board will recommend a redistribution of more Marketing funds (unmatched) to increase the 'bang for buck' allocation to R& D (matched) investment.

Why is it important for SAL to be a Member of PHA?

Membership of PHA ensures that our industry is prepared for and protected from plant pest incursions that could affect production.

A recent biosecurity assessment made by PHA, SAL, HAL and state government experts, found that there are 16 high priority pests that currently don't exist in Australia that could establish in our orchards and threaten production. These include the Plum pox virus, Plum fruit moth, Spotted Winged Drosophila (suzukii) and Peach rosette mosaic virus, all of which would have a high economic impact in the case of an incursion. A 'high' economic impact means "severe impact on standing crop, with significant host mortality and/or storage losses".

While Australia's national quarantine system helps to prevent the introduction of harmful exotic threats, the threat from these pests is still very real. In addition to the possibility of pests entering via natural routes, rapid increases in overseas tourism, imports and exports and changing transport procedures such as refrigeration and containerisation of produce make it all the more likely that a plant pest incursion which affects stone fruit will occur.

The benefits of PHA membership are twofold: in 'peace time' PHA works with industries and governments to prepare for plant pest incursions (such as the risk assessment described above); and in the event of an emergency plant pest (EPP) incursion, PHA coordinates the plant pest response.

Industries that join PHA are also permitted to sign the Emergency Plant Pest Response Deed (the EPPRD) which is the formal legally binding agreement between PHA, the Australian Government, all state and territory governments and national plant industry peak-body signatories, setting out how eradication responses to EPP incidents are to be managed and funded.

SAL became a signatory of the EPPRD in May 2005, providing valuable protection for stone fruit growers. For stone fruit growers the main benefits this brings are:

- The procedure for dealing with an emergency plant pest incursion is agreed before one occurs, allowing a swift, coordinated and effective response. This gives us the best chance of preventing the incursion from spreading from orchard to orchard.
- Potential liabilities are known and funding mechanisms agreed in advance.
- In the event of an incursion affecting stone fruit, SAL will immediately be at the table contributing to decision making about mounting and managing the EPP response, not just government representatives.
- Growers whose crops or property is directly damaged or destroyed in the course of response plan are eligible for the payment of owner reimbursement costs under certain circumstances.

Currently SAL is one of 32 plant industries that are Members of PHA. PHA is a not-for-profit company that is one-third owned by federal government, one-third by state and territory governments and one-third by plant industries. The PHA website holds a list of all PHA Members.

SAL has taken the decision to pay for the PHA subscription out of the stone fruit levy because it is so important for our growers. Without PHA Membership and the provisions of the EPPRD, stone fruit growers would be liable to pay for a government clean-up in the case of EPP incursion and there would be no reimbursement for growers who happen to be in the incursion area and have their orchard destroyed. SAL considers PHA membership to be a very wise investment.

More information about PHA and the EPPRD is available on the PHA website.

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