

12 February 2016

Diana Laube
Presiding Member
Eyre Peninsula Natural Resources Management Board
P O Box 22
PORT LINCOLN SA 5606
(email: susan.stovell@sa.gov.au)

**Grower-driven advocacy for
a profitable grains industry**

Dear Diana

Re: Proposed increases to NRM Levies

Grain Producers SA (GPSA) represents South Australian grain grower interests and strives to achieve the best possible outcomes for the industry as a whole. GPSA is a founding member of Primary Producers SA.

The State's grain industries are large and diverse, making a significant contribution to the economy. Total grain production in South Australia from an estimated 3,000 grain producing businesses for the 2014-15 season was 7.63 million tonnes from 4.04 million hectares. With an estimated farm gate value of over \$1.8 billion and export value of \$2.2 billion, the grains industry is not only a major contributor to this state's economy it is also a significant export earner for this state.

As the peak body for grain producers in this State, GPSA would like to make our opposition clear to the proposed increase in the NRM levies by NRM Boards throughout the State and we request that all Boards be urged to ask for a freeze on any increases.

In relation to Eyre Peninsula, Grain Producers SA is concerned at the huge 180% increase in the NRM land levy for grain producers as detailed in the draft business plan - much higher than the current inflation rate of around 2%. This will put increasing pressure on producers in the region and appear inequitable compared to levy increases imposed on other sectors on the EP.

While there may be some merit in moving from the one fixed rate for all land use to differing rates for each sector, surely all sectors should be paying more to share the burden imposed by the State Government on this region? Why is the biggest increase in the levy rate being imposed on primary producers in the region, whilst industrial users have no increase in their levy which is only 1% of the contribution; commercial users have only a slight increase from 6% to 9% and primary producers face a massive increase from 11% to 28% of their contribution to the total levy? It seems particularly unfair that it is proposed that residents and those with vacant land will actually pay less, leaving it to those industries that produce income for the region and create employment to pay more than their fair share of the increase.

Producers continue to question what benefits they will get from paying increased levies, or indeed from their current levies. There needs to be a benefit cost analysis on current NRM programs and projects and as a result of this analysis, some programs and projects will need to either be cancelled or quickly finished. The Board needs to get back to its core business and assist a sustainable productive agriculture sector. Producers constantly ask what percentage of NRM income is actually spent on 'on ground projects' and how much is spent on administration?

Grain Producers SA, as a member of Primary Producers SA, supports the call for a freeze on levies and an independent review of the water management costs. Primary Producers SA has also made comments about NRM Boards' revised business plans which Grain Producers SA endorses. The South Australian Eyre Peninsula NRM Board is asked to support this call for an independent review.

If you require any further information, please don't hesitate to contact me on 0448 186 707.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Darren Arney', with a stylized flourish at the end.

Darren Arney
Chief Executive
Grain Producers SA