

AUSTRALIAN PORK INDUSTRY REFUTES BACON TAX CLAIM

The reported increase in the Australian Pig Slaughter Levy was misrepresented by media in last night's Federal Budget announcement, with claims of a new 'bacon tax'. The Australian pork industry wants to put this porkie back into perspective.

APL CEO Andrew Spencer said "the increase to the pig slaughter levy has been completely misreported and is not a "bacon tax".

"Furthermore, consumers need not stress. This levy will not change the retail price of pork and pork products."

The Pig Slaughter Levy is collected from producers to support the peak industry body Australian Pork Limited (APL) in undertaking Marketing, Research and Development (R&D) and Policy activities on behalf of the industry.

"This slaughter levy increase is revenue neutral from the government's perspective," Mr Spencer said.

"The listing of the levy increase sought by the pork industry in the Budget Papers is a mere formality which in no way represents a tax on bacon. Whilst the government does collect the levy on industry's behalf, it passes it straight through to APL making it a budget neutral item."

Currently the levy received by APL, collected via the Federal Government, is split \$1.00 for R&D and \$1.35 for Marketing. The increase to the levy, reported in last night's budget, is only relevant for the Marketing portion of the levy and will increase that part of the levy from \$1.35 to \$2.25. This increase will occur in three 30 cent tranches over four years from 1 July 2012.

In November 2011, Australian levy paying pork producers voted to endorse the proposal to increase the pig slaughter levy and the Federal Government is in the process of approving this increase following the proposal being submitted in January of this year.

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