

**Subject: Submission regarding End Point Royalty (EPR) collection fee
Department of Agriculture, Fisheries and Forestry (DAFF) Queensland.**

The majority of plant breeding in Australia is undertaken through a mix of commercial companies, universities and government agencies. Through advanced breeding programs these organisations collectively ensure that Australian growers are supplied with new and improved varieties to meet market requirements and to promote continued growth and sustainability in the grains industry. End Point Royalties provide a critical source of revenue that underpins the on-going research and development of new varieties through these organisations.

End Point Royalties (a) provide a mechanism for organisations to gain a return on the significant investment that is required to produce and market a new crop variety and (b) offers an incentive for breeding organisations to continue further development of varieties of the highest quality to meet both agronomic and market pressures and requirements.

The implementation of the EPR Collection System, along with the automatic deduction of EPR by the grain buyers, has seen a rise in the efficiency of the collection of EPR and, in some instances, an increase in the financial returns to the breeding organisations.

The current standard collection fee was set several years ago by the Australian Wheat Board and may not reflect the true cost of the activity. Allowing open discussions regarding this fee may encourage a greater number of grain buyers to participate in the EPR collection system which would result in a more streamlined effective collection of End Point Royalties back to the various organisations and variety owners.

Moving to a standard set of royalty collection agreements developed in consultation with the Royalty Managers and Variety owners and administered through Seedwise, has the potential to increase the efficiency and effectiveness of EPR collection. In turn, this will encourage the on-going development of new methodologies and improved varieties to underpin the profitability and sustainability of the Australian grains industry.

Should the Royalty Managers not be able to agree on a uniform EPR collection fee they may be able to offer other incentives to attract grain buyers, however as the current EPR collection system has proven to be highly effective and beneficial to breeding organisations this would be an unlikely outcome.

The Department of Agriculture, Fisheries and Forestry (DAFF) Queensland supports this application by Seedwise.