

Submission in response to Seedwise Pty Ltd application for authorisation A91406 – interested party consultation
Department of Agriculture and Food Western Australia

The Department of Agriculture and Food Western Australia (DAFWA) through the Western Australian Agriculture Authority is a variety owner, with approximately 19 active Plant Breeders Right (PBR) registrations over varieties that attract an End Point Royalty (EPR).

1. Do End Point Royalty programs lead to public benefits, such as increased investment in research and development by variety owners leading to improved crop varieties?

DAFWA believes EPR payments lead to increased investment in research and development. While DAFWA cannot comment for other variety owners, EPR revenue returned to DAFWA is re-invested in research and development and provides a valuable source of funds for breeding programs.

The EPR system as a whole provides a simple, streamlined and well understood system of returning revenue to variety owner at a lower cost to growers and owners than other alternatives.

2. Will the Royalty Managers collectively agreeing the terms and conditions of royalty collection arrangements, including the amount of the EPR collection fee, improve the effectiveness and efficiency of the EPR collection system?

DAFWA understands that the cost of collecting the EPR is relatively consistent across varieties within a species, so there is limited reason for differing collection fees, which were intended to compensate the collection agent for the cost of collecting the EPR.

There are administration costs associated with managing differing collection fees, not only for the collection agent, but also the variety owner. Minimising these costs will improve the efficiency of the EPR system.

3. Seedwise submits that a large number of smaller grain buyers do not support the automatic deduction of EPRs from their grower payments. Is a uniform EPR collection fee, set at a rate agreed by the Royalty Managers, likely to increase the number of grain buyers who agree to automatically deduct EPRs from their grower payments?

Any measures to improve clarity and certainty around the EPR system could increase the number of people willing to agree to automatic deductions of EPR payments.

4. If the Royalty Managers did not agree a uniform EPR collection fee would they be likely to compete in relation to the fee or other terms and conditions that they offer in order to attract grain buyers?

DAFWA is unclear what this question is asking, however we do not believe that the collection fee rate is a factor grain buyers use in making decisions.