Transcript

Environmental Biosecurity Webinar of the Department of Agriculture, Fisheries and Forestry

Department of Agriculture, Fisheries and Forestry

Sustainable Funding to Strengthen Biosecurity

Presented 2023

**Presented by:**

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[*Opening visual of slide with text saying Jessica Mitchell**Assistant Secretary, Biosecurity Sustainable Funding Branch**with image of a farm,’**Department of Agriculture, Fisheries and Forestry,’ ‘Sustainable Funding to Strengthen Biosecurity,’ ‘Webinar 5 – Overview’, ‘2*023]

**Jessica:**

It's great to be able to talk with you about the work the government's doing to fund a sustainable biosecurity system and the positive impacts it will have on environmental, animal and plant health, policy, and regulatory functions across government.

So, I think, well, we'll just set the scene. A strong biosecurity system supports the Australian economy, not only through the agricultural sector but more broadly across transport, infrastructure, tourism, and human health.

To put this in context, in 2020, CEBRA estimated the value of Australia's biosecurity system at $314 billion net present value, which is just extraordinary. Biosecurity risks are growing and increasing in complexity, driven by factors such as climate change, population spread and changes in land use. So strong and sustainably funded biosecurity is essential to protect Australia from potentially devastating pest and disease outbreaks, but also in safeguarding our national economy, our agricultural, fisheries and forestry industries, our regional communities and importantly, our unique environment.

With changing trade and travel patterns and growing biosecurity risks in our region, our biosecurity defences are increasingly put to the test. Without sustainable funding, it's very difficult to manage resources from year to year, especially with declining budgets and increasing costs. Something has to give at some point. Sustainable funding is critical to ensuring we can continue to employ the right number of Biosecurity Officers to manage the ever-evolving risk.

Biosecurity Officers are really important. They play a vital role in managing pest and disease risks at the border. And now Biosecurity Officers assess documentation. They issue permits, they inspect a variety of commodities each day, including air and sea containers, imported foods, machinery, used vehicles, fresh produce, plants, animals, animal products, personal effects, the list goes on. Officers undertake inspections of international vessels, which can include inspecting ballast water and bulk holds on arriving vessels.

Last financial year, Officers supported the biosecurity clearance of a significant number of cargo, mail and passengers, and the figures are on the screen. But I think the most important part is the final column, the detections of biosecurity risk material. You may have seen in the media some of the examples of interceptions by biosecurity officers and detector dogs this year, including in May, an Australian passenger was found to be carrying seeds concealed in various items, including a pamphlet, knitted baby clothing and tissues whilst entering the country.

The passenger was the first to be issued with the new 20 penalty unit infringement notice, which is $5,500 for deliberately concealing biosecurity risk material. And I'm sure you're all aware seeds can pose a major risk to Australia's environment and plant health status and can introduce unwanted weed species or exotic viral pathogens. Very timely, ABARES are releasing their report on the costs of established pest animals and weeds to Australian agricultural producers tomorrow and I'm really interested to read that report.

I think it's around $5 billion a year that establish weeds cost to agricultural production. So, I'm interested to see whether that number is going up or down. I'm sure this group is acutely aware of the significant impact an incursion of exotic pest or disease can have to the Australian environment and economy. And some examples are on the screen.

The numbers are just huge. While you realize the significant value of a strong biosecurity system, it's easy to understand why sustainable investment is a key priority for government and for the National Biosecurity Strategy. The incoming government’s election commitment was to deliver long term sustainable funding that will go directly to strengthening Australia's biosecurity system. It's something that's been highlighted as a priority for many, many, many years in many reports, many reviews, you would have seen it time after time after time.

In the 2023-24 federal budget, the government committed new biosecurity funding of over $1,000,000,000 over four years and then $260 million per year for each year after. The funding will support biosecurity policy, operational and technical functions on a sustainable basis, including continuation of the Indigenous Biosecurity Ranger program. I think many people didn't realize that funding for that program was time limited and was due to terminate, so it's a huge achievement that that's now been locked in.

It will also go towards improvements to the effectiveness and efficiency of biosecurity clearances in the cargo pathways by implementation of a new digital system called the Simplified Targeting and Enhanced Processing System or STEPS. The budget delivered long needed structural reform to biosecurity funding. Without this new package, funding for the Commonwealth biosecurity system would have declined over the forward estimates by 15.9%, almost $100 million a year to less than $500 million in 2025-26. At the Commonwealth level, we now have guaranteed funding from year to year, moving us away from the reliance on short-term funding measures and enabling better planning and resource management well into the future.

In addition to increased and permanent funding for the biosecurity system, we're also making changes to the way biosecurity is funded to ensure it's more equitable. As of one July, this year, around 90% of biosecurity is funded in broadly equal shares by taxpayers and importers, while more taxpayer funding than ever before has been committed to biosecurity, risk creators and those who benefit from strong biosecurity protection, are also making additional contributions. Rolling out from 1st July 2024, we will deliver the last 10% of this uplift, including a modest biosecurity protection levy on agriculture, fisheries and forestry producers, a low value import charge for air and sea cargo valued at or below $1,000 and more cost reflective arrangements with Australia Post.

Next financial year, when the new charge on low value goods and the biosecurity protection levy take effect, taxpayers will be contributing 44% of the total of biosecurity funding of around $800 million, importers will be contributing 48%, producers will be contributing 6% and Australia Post will be contributing the remaining 2%.

I think this is the biggest takeaway for me. There isn't a single silver bullet or a single fix for sustainable biosecurity funding. Implementing one thing won't resolve the issue completely. For it to be truly sustainable we need to look at it from all angles, government appropriation, cost recovery arrangements, risk creators, beneficiaries. So as one of the major biosecurity risk creators, importers are contributing more to the biosecurity system. Following the first comprehensive review of biosecurity fees and charges since 2015, we've implemented an average price increase of 28% from first July 2023.

This means that we'll be able to recover an additional $36 million this financial year and a projected $45.5 million next financial year. Ran the figures yesterday and cost recovery from importers this financial year was already $126.5 million. That includes an additional revenue of $15.2 million as a result of the increases that came in on July one.

From first July next year, a new cost recovery charge on low value goods imported to Australia by air or sea cargo will be introduced. That's going to recover an additional $27 million per year. This charge will cover the cost of biosecurity clearance on these goods, which currently aren't subject to cost recovery. So up until now taxpayers have been paying that cost. If you've got an interest in finding out more about that measure, there's currently a public consultation open on the DAFF ‘have your say’ website.

To help meet the costs of sustainably funding the biosecurity system, a new biosecurity protection levy on all domestic agricultural, fisheries and forestry producers will be implemented from 1st July 2024. That's intended to collect around $50 million per year. In the first year it's $47.5 million. It's equivalent to 6% of Commonwealth biosecurity funding for 2024-25. So, it's quite a small contribution to the whole, but a very important one. We know that many producers already invest in on-farm biosecurity as well as indirectly through research and development, membership fees for Animal Health Australia and Plant Health Australia and industry groups in preparedness and response capabilities and the government absolutely acknowledges these investments and how critical they are to the biosecurity system.

Funding from the biosecurity protection levy does not replace or duplicate these efforts. Rather, it will support Commonwealth biosecurity activity to prevent pests and diseases from entering Australia. One of the more contentious elements of the Biosecurity Protection Levy is that revenue raised goes into the Consolidated Revenue Fund.

Whilst this isn't unusual, it is a point that's concerned stakeholders who want to be assured that their contributions are going directly towards improving biosecurity outcomes. The increased appropriation to Commonwealth biosecurity is already in the department's budget and took effect from first of July this year. This means that increased funding for measures like the Biosecurity Protection Levy is already being used on the ground and is already funding biosecurity officers, technical experts, and the technologies they need to do their jobs.

We just did public consultation on the Biosecurity Protection Levy, and we received 92 written submissions to the consultation process. If you would like to read them, they are all on our ‘have your say’ site. The most important piece of feedback was acknowledging and welcoming sustainable biosecurity funding as a whole, which I think is really important to keep in mind, whilst people don't necessarily like each of the measures, they are completely valuing the value that sustainable funding gives to our Commonwealth biosecurity system and to the beneficiaries.

As part of the budget measure, the Government's committed to increased transparency and accountability of biosecurity funding, including new annual reporting. I think it's really interesting, prior to the budget, it was extremely difficult to identify the actual cost of the biosecurity system or to account for how it was funded.

So, the new sustainable funding measure is a new era for biosecurity, one where we know where the funding comes from and can better account for how it’s spent. One where we’re able to better manage our resources and are more transparent and accountable. So, I know that's my wrap up. That's enough from me. Thank you for your time and attention today.

If you want to learn more about funding, there's lots of information on the website. Feel free to reach out to my team through the email address on the screen. Thanks again.

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