



14-16 Brisbane Ave, Barton ACT 2600

Locked Bag 9, Kingston ACT 2604

ca@cattleaustralia.com.au

1300 653 038

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Senator the Hon Murray Watt Senate  
Parliament House  
Canberra ACT 2600

Dear Minister,

**Re: Introduction of the Biosecurity Protection Levy: Consultation Paper**

Cattle Australia (CA) would like to thank you for the opportunity to provide a response to the *"Introduction of the Biosecurity Protection Levy: Consultation Paper"*. CA represents the interest of the 52,421 grass-fed cattle businesses whose members occupy around 51% of Australia's agricultural land and are the largest contributors to our nation's \$95 billion agricultural industry.

CA, as the prescribed Peak Industry Body (PIB) representing the grass-fed cattle sector, is the national representative voice for cattle producers and plays a critical role in defining and communicating industry priorities both to, and on behalf of, grass-fed cattle producers. There are no other national industry groups, organisations, or individuals that can purport to be representative of the grass-fed cattle sector without being endorsed by CA to engage on CA's and industry's behalf. DAFF must adequately and appropriately consult and engage with CA on all matters relating to grass-fed cattle producers.

CA fundamentally supports increased investment in biosecurity and acknowledges the timely increase in this year's Commonwealth budget. CA has worked, and will continue to work, with the Department to ensure that this funding delivers maximum value and achieves the essential outcomes needed by our industry and the broader Australian community.

However, it has been disappointing that CA was not consulted as the PIB by the Commonwealth on the proposed Biosecurity Protection Levy prior to its announcement in the Commonwealth's May Budget. Shared responsibility is a myth when the Government continues to make it a one-man show. Once this measure was announced, the consultation process was simply unable to adequately address this shortcoming and left stakeholders without the opportunity to provide guidance in a timely manner.

The international marketability of 75% of Australian beef is contingent on Australia's disease-free statuses, therefore biosecurity is a strong priority for CA and recognises that national policy must continue to meet the expectations of our consumers and markets both domestically and internationally. CA acknowledges that essential biosecurity protections are a shared responsibility

and a national priority. Government and industry need to work together in lockstep as equal partners to ensure suitable outcomes.

CA has strived on behalf of all grass-fed cattle producers to provide timely consultation to ensure that this new proposal provides the maximum benefit for Australia's biosecurity.

**Key message 1: The imposition of this Levy must result in improved biosecurity outcomes as a result of enhanced funding and resourcing of measures for the next decade of biosecurity. Without appropriate implementation, co-design planning, stakeholder oversight and adequate safeguards, the Biosecurity Protection Levy will be just another tax that reduces the competitiveness of this essential industry.**

Without appropriate implementation, co-design planning, stakeholder oversight and adequate safeguards, it will just be a tax on industry funded Levy investment, rather than a Levy jointly managed by industry and government, as a shared responsibility for improved biosecurity, sustainability and regional food security.

#### **Annual Biosecurity investments made by the Cattle Industry**

Australian cattle producers are already significant contributors to Australia's biosecurity system. The grass-fed cattle transaction Levy currently transacts at \$5.00 per head per transaction, with individual cattle subject to numerous transactions generating multiple Levy transactions on the same animal. Each \$5.00 per head per transaction includes a three-way split paid to legislated service providers for marketing (\$3.66), research and development (\$0.92), national residue testing (\$0.29) and animal health (including biosecurity response) (\$0.13) equating to \$78.046 million with a significant portion already invested in biosecurity, and biosecurity related measures.

CA is a signatory to the Emergency Animal Disease Response Agreement (EADRA) along with other livestock industry bodies and state and territory governments through paid membership with Animal Health Australia. Under the EADRA, all parties commit to contribute to funding the eligible costs of responding to an EAD incursion by which they are affected. The costs to be shared are identified under the agreement.

In addition, cattle producers disproportionately invest heavily compared to other industries and sectors, in livestock traceability as an important part of biosecurity, directly through the National Livestock Identification System (NLIS). This equates to over \$100 million per annum into supporting traceability systems, particularly through the purchase of radio frequency identification devices, NVD documentation, state government registration, brand and other fees, and further time investment in state government legislation compliance.

Furthermore, producers invest in on-farm biosecurity practice implementation as part of the operational cost base of their grass-fed cattle enterprises. These expenses include but are not limited to Livestock Production Assurance (LPA) registration and compliance, on farm biosecurity plans, personnel movement control, data management, animal health programs and invasive species management equating to a further \$140 million in spending to contribute to post border biosecurity measures. Further, downstream supply chain costs incurred in the sale of cattle including export meat inspection costs.

***Key message 2: It is vital that Government take existing expenses into due consideration when quantifying a Biosecurity levy rate to ensure that the collection of funds is equitable across all industries prior to applying an additional proposed biosecurity protection Levy. CA propose that these investments be specifically accounted for to encapsulate total levy investments by commodities. More specifically, to prevent further inequity, it will be important for government to ensure that the proposed Biosecurity Protection Levy is only collected once on each head of cattle and not multiple times across its lifetime.***

### **Funds collected must drive biosecurity outcomes pre and post border**

CA strongly agrees that the solution to the complexity that Australia continues to face due to trade and tourism pressures is an agile biosecurity system. However, the implementation of the Biosecurity Protection Levy has undermined CA's ability to implement its own biosecurity levy to bolster post border practices and invest in early warning surveillance systems as producers will see further levies as duplication. This limits CA's ability to further invest in gaps to the system to further protect its members.

***Key message 3: It is critical that the collection of funds is transparent and used appropriately to leverage a stronger biosecurity system. Therefore, CA requests that all non-statutory levies, such as the proposed Biosecurity Protection Levy, relating to the grass-fed cattle industry, be collected through an industry-initiated program led by CA, in collaboration with government, to deliver a more equitable and systemic biosecurity outcome for grass-fed cattle producers.***

This process would clearly facilitate a transparent separation of the allocation of statutory levies and facilitate the accurate capture and give oversight of data relating to the identification and location of all grass-fed cattle operations enabling an expeditious response in relation to a biosecurity incursion.

It is widely known within industry that disconnected tools such as the current state and territory-based Property Identification Code (PIC) databases often have inaccurate or incomplete data sets. The reason for the inherent level of inaccuracy of the PIC system is due to the nature and idiosyncrasies of the different recording methodologies applied in each respective State and Territory jurisdiction.

In a number of jurisdictions, not all premises or enterprises that raise and/or sell livestock actually have a PIC recorded. This is a fatal flaw in relying solely on this methodology as often the premises and enterprises not captured are those small holdings and enterprises located close to urban areas which present the greatest risk of transmission to the entire industry through risks carried or transformed by unaware or uninformed travellers.

### **The Proposed Biosecurity Protection Levy and the National Biosecurity Strategy**

Australia's National Biosecurity Strategy was released on 9 August 2022, and pre-dates the budget announcement of a new Biosecurity Protection Levy. Its signatories include the Commonwealth of Australia as well as all Australian states and territories. It was developed with the assistance and

support of the National Biosecurity Strategy Reference Group, which included industry, researchers and other non-government organisations.

The National Biosecurity Strategy outlines the current and future biosecurity environment and identifies key priorities. The six areas of priority include:

- shared biosecurity culture; stronger partnerships;
- stronger partnerships;
- highly skilled workforce;
- coordinated preparedness and response;
- sustainable investment and;
- integration supported by technology, research and data.

Cattle Australia notes that three out of these six priorities under the strategy, or around half of the strategy, requires all parties to work together. The National Biosecurity Strategy offers detailed guidance on sustainable investment, which should further inform the implementation of the proposed new Biosecurity Protection Levy. The strategy outlines the need to *“develop long-term sustainable biosecurity funding and investment approaches, including new funding streams and models, that recognise the value of government, industry and the community investing in biosecurity to support the system’s growing needs and priorities ... will ensure these approaches are efficient, equitable, adaptable, transparent and are responsive to the changing risk environment”*.

The initial actions of the National Biosecurity Strategy include:

- Work together to identify funding needs and determine priorities, including for critical assets, infrastructure and research.
- Strengthen frameworks to agree and deliver priority investments having regard to the level of risk and benefits from activities and to increase efficiency by reducing duplicative investments and processes.
- Advance co-funding and investment strategies with stakeholders, including models that consider key risk creators and system beneficiaries in an equitable manner.
- Increase the transparency of biosecurity funding to support improved accountability.
- Complete the development and implementation of a system performance and evaluation framework to inform future investment decisions.

***Key message 4: CA insists that the new Biosecurity Protection Levy design include a mechanism for real-time industry consultation, both for the implementation of the Levy and its ongoing management, consistent with the sustainable funding actions of the National Biosecurity Strategy. CA proposes that the new Biosecurity Protection Levy be aligned and is consistent with Australia’s National Biosecurity Strategy and its six key priorities.***

### **Implementation of the Biosecurity Protection Levy under the National Strategy**

The implementation of the National Biosecurity Strategy is currently being developed by the National Implementation Committee (NIC), by way of both an Implementation Plan and an Action Plan, and is currently entering its stakeholder engagement phase. The NIC is comprised of a broad cross section of biosecurity stakeholders from the Commonwealth and State Governments, industry groups and other NGO’s.

In order for the Biosecurity Protection Levy to be consistent with the current National Biosecurity Strategy, and its implementation and action plans, the NIC should provide guidance on, the implementation and management of the proposed new Biosecurity Protection Levy.

***Key message 5: The implementation of the Biosecurity Protection Levy needs to be informed by the deliberations of the National Implementation Committee (NIC). The NIC can provide guidance as to how the proposed new Biosecurity Protection Levy can be implemented and managed, consistent with the principles and actions in the National Biosecurity Strategy.***

### **Implementation of the Container Levy to be timely to the Biosecurity Protection Levy**

CA is concerned that the implementation of the proposed new Biosecurity Protection Levy is potentially further advanced than the implementation of the Container/Import Levy, which has received widespread industry support.

CA understands that the introduction of the Biosecurity Protection Levy consultation process does not consider the merits of an import or container levy. Industry is looking for risk-based outcomes. Biosecurity risk is mostly attributed to importers, overseas travellers and small holders, not from beneficiaries. CA would be pleased to see the implementation of the Container/Import Levy prior to the Biosecurity Protection Levy.

The timeframe for implementation of the proposed new Biosecurity Protection is 1 July 2024. However, there is no commitment from Government that the implementation of the Container/Import Levy is progressing at the same rate. It is not sustainable or equitable for the proposed new Biosecurity Protection to be implemented ahead of the Container/Import Levy.

***Key message 6: Biosecurity is a shared responsibility, requiring all stakeholders and risk creators to do their share. The container Levy needs to be implemented at least at the same time (or prior), using the same principles, as the Biosecurity Protection Levy, as a shared responsibility.***

### **The role of the Inspector General for Biosecurity and the Biosecurity Protection Levy**

CA has conducted numerous consultations in the lead-up to making this submission. However, the role of the Inspector General for Biosecurity, both in the implementation of this proposed new Biosecurity Protection Levy and its management, remains unclear.

As an independent, statutory officer responsible for reviewing the performance of functions, or exercise of powers, by biosecurity officials in the Department of Agriculture, Fisheries and Forestry, the Inspector-General of Biosecurity is well placed to provide oversight and review of the implementation and management of this proposed new Levy.

Cattle Australia would be pleased to receive clarity on the role of the Inspector General of Biosecurity and their relationship to the Biosecurity Protection Levy.

## **Cattle Australia to inform design of the Biosecurity Protection Levy**

There are many considerations in establishing the rate of the Levy. These considerations, including clear definitions, exemptions and thresholds, would be best considered by a Taskforce inclusive of commodity representation across Australia coordinated by CA as the PIB for grass-fed cattle production.

We believe that to make the most of this opportunity, and to deliver the greatest benefit from the new funding, the Department needs to take a strategic approach to improving the delivery of biosecurity functions and monitoring performance of the biosecurity system. The value proposition for the new funding measures needs to be clearly demonstrated to ensure that the proposed Biosecurity Protection Levy is not simply a tax for grass-fed cattle producers.

The Taskforce would be best placed to coordinate the development of guiding principles to provide direction to the design of the Biosecurity Protection Levy including clarifying the following:

- How should a producer be defined for the purposes of the Biosecurity Protection Levy?
- What should the Levy rate look like for all commodities?
- Should any thresholds and/or exemptions be considered?
- How should Biosecurity Protection Levy collection arrangements and mechanisms be implemented for each commodity?
- How should the Levy be collected?
- How regularly should the Biosecurity Protection Levy be paid?
- What investments could be made into the biosecurity system to strengthen its protective positioning?
- The capacity for sunset clauses.

***Key message 7: The Department establish a Taskforce coordinated by Cattle Australia to develop proactive and efficient mechanisms regarding the design and implementation of the Biosecurity Protection Levy***

CA will continue to work closely with the Commonwealth to ensure the best possible outcomes for grass-fed cattle producers but is relying heavily on the Government and its Departments to ensure the proposed new Levy provides a value proposition in resourcing effective biosecurity and food security.

Finally, CA will continue to advocate for grass-fed cattle producers, who reserve serious concerns regarding the imposition of an additional cost versus the perceived value to industry and looks forward to further interactions providing clarity into this process and how we can collaborate closely to strengthen Australia's Biosecurity System.



David Foote  
Chair Cattle Australia