

6 October 2023

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Submission: biosecurity protection levy consultation

General comments

- The plant industry members of Plant Health Australia (PHA) are generally concerned with the way the biosecurity protection levy was announced and the approach taken to impose a compulsory levy; they believe the lack of early consultation is inconsistent with the approach to development of levies and the introduction of new fees and charges that has occurred in the past.
- There remains confusion amongst industry members as to where the '10%' fee is portioned from (i.e. there is confusion as to whether it is 10% of the value of traded commodities as opposed to 10% of the value of existing levies). While PHA will continue to work with members to clarify it is 10% of existing levies, it would be beneficial if the Department of Agriculture Fisheries and Forestry could further highlight this during further engagements with industry.
- Industry members are curious as to why this is given the title 'biosecurity protection levy' whereas it is seen as essentially being a tax?

Definitions

- The definition for 'producer' in s4 of the *Primary Industries Levies and Charges Collection Act 1991* should generally be suitable for the currently prescribed plant-based products (and honey) of interest to PHA members. Where/if additional, 'leviable' products are subsequently identified they may need to be prescribed/defined for inclusion.

Relationships

- Given the increased pressures on resourcing there is potential that an additional levy may result in weakening the relationship between industry and government (state and federal) and investment in plant biosecurity. The weakening relationship is becoming more evident in current plant pest response arrangements, and we are concerned that increased monetary pressures may result in a negative impact on biosecurity continuum arrangements as a whole.
- The grains industry is currently undergoing a review process and has expressed its desire to increase levy contributions to provide substantial inputs to improve biosecurity. Several industries are also placing significant emphasis on strengthening biosecurity and surveillance programs using PHA or R&D levies in consultation with their growers. Examples of these industries include the greenlife, vegetable and citrus industries, who have indicated the Biosecurity Protection Levy has jeopardised their ability to seek grower support to expand their levies or commit more in existing levies to improve surveillance outcomes.

- PHA currently has approximately 120 projects in progress this financial year, a large proportion of which are funded through levies captured under the *Plant Health Australia (Plant Industries) Funding Act 2002*. While resources may be limited, industries are keen to invest in projects and often have a sense of urgency in this regard. It is typically a very positive experience, with transparency in money expenditure being key to this.
- It will be important to emphasise how the biosecurity protection levy funding will be used to contribute to reducing the number of incursions into the future, support industries, and progress engagement and collaboration with stakeholders through the supply chain.

Thresholds/exemptions

- While the flat 10% biosecurity protection levy fee superficially appears to be fair across the board it makes no allowance for varying risk profiles. For example, the risk profile of a product for which heat treatment is mandated may vary significantly from the risk profile of another product for which treatments aren't mandated, yet they will be subject to the same levy structure.

Unintended consequences

- PHA has significant concerns that unintended consequences may be experienced when establishing these levies. For example, how will establishment of these levies impact the changes being implemented through the Disbursement Bill? What will the new levies mean for PHA income in terms of specific projects that are funded through other levy mechanisms?
- As a coordinator and leader in improving biosecurity outcomes with a limited funding base, PHA relies on establishing and maintaining excellent networks and partnerships between its Members. These partnerships are built on trust, collaboration and a sense of shared responsibility and shared ownership of both the problems and solutions. PHA is currently working with its members to discuss a more sustainable funding base for critical components of our biosecurity response and preparedness systems. The unintended consequence of the Biosecurity Protection Levy will put extra pressure on existing strained resources.
- Establishment of the Biosecurity Protection Levy with little consultation and communication with plant industries to demonstrate how the levy will provide value to growers, and with them having no ability to define where the resources will be allocated, damages existing discussions PHA industry members are having with their own membership base. This could potentially set back consultation on a shared partnership approach by years.

About PHA

Established in 2000, PHA is the national coordinator of the government-industry partnerships for the Australian plant biosecurity system with a long history of forging partnerships to strengthen the plant biosecurity system for the benefit of the economy, environment and community. A not-for-profit company, PHA is funded by Member subscriptions with additional revenue from non-subscription funded projects.

Kind regards



Sarah Corcoran
Chief Executive Officer