

[REDACTED]

11 October 2023

Biosecurity Sustainable Funding Implementation Branch
Department of Agriculture, Fisheries and Forestry

Consultation Paper – Introduction of the Biosecurity Protection Levy (BPL)

[REDACTED] consisting of 1000 members across [REDACTED], welcomes the opportunity to comment on the introduction of the BPL.

[REDACTED] does not support the introduction of the BPL and makes the below key points to support our position:

- The Federal Government announced in May 2023 it would be introducing a BPL from 1 July 2024, which in part would fund an additional \$260million annually to safeguard Australia's biosecurity system. This levy on agricultural producers will collect an amount equivalent to 10 per cent of 2020-21 levy rates (approx. \$47million).

[REDACTED] recognises the findings of the Craik Review 2017 outlining the need for a sustainable biosecurity model based on "Shared Responsibility" to help strengthen Australia's biosecurity system. The Deputy Secretary of Biosecurity and Compliance Dr Chris Locke, suggests that the mechanism to raise funds under "Shared Responsibility" would seek contributions across both risk creators and beneficiaries.

The Craik Review outlines "Shared Responsibility" as:

"Everyone in Australia is responsible for biosecurity. Australia's biosecurity system does not exist as a single physical or legal entity. It is built on a core principle of 'shared responsibility'—the cooperation, investment and actions by all governments, industry bodies, exporters and importers, farmers, miners, tourists and the broader community."

Recommendation

[REDACTED] supports "Shared Responsibility" as outlined in the Craik Review 2017 and suggests that a sustainable biosecurity model is funded proportionately and equitably by contributions from outlined beneficiaries and risk creators.

[REDACTED] members already make a significant contribution to biosecurity funding through levies collected at both a state and federal level. **Federal Government** [REDACTED]

[REDACTED] totaling \$5.2million.

[REDACTED] currently provides producers with an opt out position. The introduction of the proposed BPL increases the risk

[REDACTED]

in likelihood of producers opting out the state-based IFS programs for biosecurity management to cover the increased financial burden.

Under the proposed BPL [REDACTED] entities will be treated inequitably as a single animal can be transacted several times with levies imposed as it moves through the supply chain. [REDACTED] suggests that a levy should only be collected once on an animal through its lifetime.

In addition to the biosecurity funding contributions through producer levies outlined above, producer's self-fund on farm biosecurity practices in accordance with national standards and guidelines to minimise the impact of pests and diseases on our economy, environment and community. An analysis conducted by ABARES demonstrates that 85% of landowners spent on average \$21,950 on biosecurity management in 2022 alone.

The proposed levy on producers, as announced will commence from 1 July 2024 and is intended to collect around \$47 million per year and according to, Deputy Secretary of Biosecurity and Compliance Dr Chris Locke, the mechanism to raise the funds would share responsibility across the risk creators and beneficiaries.

It is proposed agricultural producers will contribute equivalent to 6% of Commonwealth biosecurity funding in 2024–25, with importers contributing 48% and taxpayers 44%. Noting that [REDACTED] member producers are agricultural producers, importers, taxpayers and travellers, they are being asked to contribute at every capture point.

Recommendation

[REDACTED] posits that [REDACTED] are already fairly, equitably and proportionately meeting their shared responsibility for biosecurity funding and therefore opposes the introduction of the proposed biosecurity levy.

- According to [REDACTED] "Current threats to our Biosecurity" Melinee Leather states *"the largest risk to Australia's biosecurity comes from entry of unwanted disease through increased movement of people, animals and parcels from around the world."*

[REDACTED] member producers are meeting their share of responsibility in funding biosecurity measures. Identified risk creators need to be more accountable for their share of responsibility for funding. Shipping containers and imported material pose one of the largest risks for entry of unwanted disease, and we acknowledge the recent increase in fees payable by importers, however this is not sufficient to be deemed equitable funding in the shared responsibility model.

[REDACTED] notes the budget actually increases costs to agricultural producers (\$47.5m) more than it increases costs to importers (\$45.4m).

Recommendation

[REDACTED] encourages the Federal Government to introduce an inbound shipping container levy as per the recommendation in the Craik Review 2017 as a suitable option for a more sustainable funding base.

Recommendation

██████████ recommends that industries that are the highest risk creators ie importers should bear 100% of cost for the additional funding required to strengthen Australia's biosecurity system, and strongly opposes the Biosecurity Protection Levy being applied to agricultural producers.

Perhaps an alternative long term funding formula would be a matched funding scheme that links a percentage of the import volumes to the levy paid by importers, matched by a government co-contribution scheme. This would ensure a growing pool of funds and better allocation of the costs against the potential risks.

- The Federal budget announcement in May 2023 outlining the proposed introduction of the BPL caught our members and industry unaware with no consultation prior to the announcement. The lack of consultation with stakeholders and industry does not meet the National Biosecurity Principals 6 and 7 detailed in the Craik Review 2017:

Principal 6: System participants are involved in planning and decision making according to their roles, responsibilities and contributions.

Principal 7: Decisions governments make in further developing and operating our national biosecurity system should be clear and, wherever possible, transparent.

Recommendation

██████████ strongly opposes the introduction of any new levy being enforced on agricultural producers that has not been subject to rigorous, open and transparent consultation.

- Given the "levy" defining principles surrounding the level of governance and industry consultation required to establish a levy and oversight of expenditure, ██████████ view the proposed BPL, as a tax not a levy. Under the current levy system, levy payers are able to have input into the establishment and changes to levies and a degree of input into use determination.

Most concerning to producers is that the funds collected from the proposed BPL will be redirected into consolidated revenue rather than towards funding existing Research and Development Corporations (RDC) organisations with demonstrated governance principles. Concurrently, these agencies engage, collaborate and communicate with government and stakeholders to deliver return on investment and accountability for the levy payer.

Despite claims from Minister Watt that "funding for biosecurity will be delivered with more transparency and public accountability" and that "the government will report annually to show where biosecurity funding is coming from and how it is being spent, the fact remains that growers will be potentially funding government functions with no consultation on how or where the funds will be spent. For example:

Australian Government Media Statement "*Budget 2023-24 - Supporting the Indigenous Ranger Biosecurity Program*" talks about \$40.6M to continue the Indigenous Ranger Biosecurity Program in Northern Australia, as a key part of frontline biosecurity monitoring, detection and response. In turn the proposed raising \$47 million per year across all producers could be seen by producers as funding the Indigenous Ranger program.

Without a direct link to a very specific project as a hypothecated allocation this is a tax going towards consolidated revenue with no guarantee or accountability that the funds will be used to support biosecurity projects. [REDACTED] is concerned that the proposed collection and delivery model of this new proposed levy the government will default on the promised level of transparency.

By moving away from the existing levy framework and RDC delivery model the government puts at jeopardy Australia's entire agricultural research funding mechanism which already comes under scrutiny at times particularly from [REDACTED] growers who question the equity of the state funding split by bodies such as [REDACTED]

[REDACTED] already pay a disproportionate share of Federal [REDACTED] levies because we export about half of Australia's grain and do not get back a corresponding share of levy services. This is because, unlike [REDACTED], the east has a large domestic grains industry and [REDACTED] grain growers question if their level of grains levy collection is in line with level of grain production.

Of the \$47m promoted to be raised from the new proposed levy, [REDACTED] will pay approximately \$20m. That equates to almost half of the new levy, and this does not fairly reflect the composition of Australian agriculture, nor is it reflective of where the risk lies. Based on this [REDACTED] will be paying a disproportionate share of an already very disproportionate share.

Recommendation

[REDACTED] reinforces that the proposed outline of how the Biosecurity Protection Levy will be collected and disbursed does not meet the levy principal framework. Therefore, if the Biosecurity Protection Levy is introduced it would need to meet the levy framework principles or be renamed as a tax to reflect its true nature devoid of any confusion.

Further, [REDACTED] supports complete transparency and full exposure on the collection and expenditure on any levy payable by agricultural producers.

In summary [REDACTED] supports a "Shared Responsibility" approach to a sustainable biosecurity model funded proportionately and equitably by both beneficiaries and risk creators which is delivered through the existing levy frameworks. [REDACTED] members already contribute their equitable "Shared Responsibility" through contributing existing producer levies, import levies on the goods they import, as a taxpayer and through passenger traveller levies.

The federal government has not consulted or been transparent with producers and industry in building a case for producers to shoulder an additional burden towards biosecurity funding when they are not the key point of risk. Therefore, [REDACTED] strongly opposes the introduction of a BPL, or should we say "Tax" on agricultural producers along with strongly opposing that any funds collected via this levy be directed into consolidated revenue.

