

Sustainable funding and investment reform – Animal Health Australia (AHA) response

Question 1 – Considering the potential funding options and opportunities outlined in the discussion paper, as well as from your experience, what elements do you think a sustainable biosecurity funding model should include? Are there elements that should not be included; if so, why?

AHA works with our members and partners to drive solutions for the long-term success of Australia's animal health and biosecurity systems. These systems are facing unprecedented challenges.

A long-term sustainable funding model requires co-ownership, co-funding and co-design (especially of new initiatives) across the biosecurity continuum; information-sharing that raises awareness that biosecurity is everyone's responsibility from large volume importers to the farm gate; and establishes a platform that connects and supports individual groups to take action and thereby embed practice change. To determine appropriation of funding, traditional cost-benefit analyses need to be re-considered and combined with investment and commercialisation opportunities. Transformational change is key; no single cost-recovery-based model is applicable across the biosecurity continuum. Multi-layering of different models for future-adaptiveness is required. Previously proposed options should be deconstructed and objectively combined into a multi-layered funding model, which is co-designed with stakeholders and users of the system. In particular, reform industry cost-recovery; air/sea freight, conveyance or container levies; remove unnecessary compliance costs and reduntant requirements; and enhance cost-recovery arrangements.

Sustainable biosecurity funding requires less reliance on the vagaries of political climates. No single entity should pay (government or industry), nor should one method of obtaining funding be applied across all stakeholders.

Question 2 - How would your proposed model operate at a practical level and who would it apply to?

The core premise underpinning a multi-modal model for cost-recovery is that ownership and participation is the remit of not only big importers, who have traditionally been viewed as posing the biggest biosecurity risk (one could argue that they have better systems in place than smaller importers so pose less risk) but also, for example, landowners, hobby farmers, horse studs, tourists and businesses. Biosecurity, climate change and sustainability interlinkages need to be promoted and leveraged.

A multi-modal funding system will appease the biosecurity spectrum; being functional and future-adaptive, with the ability to garner funding from large multi-national importers to small/single-time importers, to PIC owners, to businesses, for example. Importers would be rewarded for compliance (i.e., a benefits scheme such as reduced inspections; longer import permit expirations); thereby encouraging continued excellence. Value and buy-in from industry and business in any levy-based system is imperative.

Funding collection and expenditure/investment must be transparent. Prioritised biosecurity risks/areas should be 'dynamic'; determined annually with periodic revisions by independent representatives to ensure a 'living' funding system with a feedback loop for monitoring and evaluation. Tailored implementation and managerial costs make sound business. A national

framework is less cumbersome administratively and will assist jurisdictional and inter-jurisdictional co-operation.

Question 3 - How would your proposed model impact you and others? What would be the benefits or disadvantages to you and/or other stakeholders?

The impact/s of any funding model will naturally have both positive and negative impacts on stakeholders; no one model will ever truly be considered to be universally fair to every party. Consequently, the benefit of building upon already established, known levy systems, focusing on drawing together the positives to form a new hybrid model which can serve Australian agriculture, recognise and adapt to input changes, and invest in future biosecurity risks, while facilitating a strong economy through managing the biosecurity risks from trade and market access.

The formation of a multi-modal funding model means building upon existing knowledge, learning from past experiences (including removing known redundancies and excessive red-tape); ensuring that funding raised is used solely for investment in the biosecurity system; considering new business initiatives, and having input from stakeholders to foster co-ownership and co-operation in their contribution to Australian biosecurity.

Biosecurity regulatory charges are currently imposed on 4 key groups: approved arrangements facilities, conveyance operators, importers and passengers. An adaptive, aligned funding and investment model that relies less on any activity-based costing system and has a broader base for funding, can meet emerging needs more readily. Impacts will be more fairly distributed and apportioned across stakeholders.

Question 4 - Is the proportionality between those who contribute to the funding system and those who benefit the most, right?

Identifying new and improved ways of funding Australia's biosecurity system necessitates a different mindset and re-consideration of what could, arguably, be considered traditional approach and thinking. An equally-shared funding system does not necessarily equate to 'those who contribute getting the most benefit'. The applicability of broad-stroke cost-benefit analyses is questionable in the current environment given the large number of variables required to be inputted into a funding system to ensure better equality and fairness for all stakeholders. It will also not enable a system to be resilient and fully-functional in future environs and challenges.

Biosecurity risks need management at the source, with better holistic investment in supporting capacity development in trading partners. Public-private partnerships should be an essential cornerstone for better biosecurity; the expertise and possible resourcing opportunities available are not readily recognised by government.

Valuable funding opportunities exist within and across Australia's biosecurity system. Three examples are: at the farm level and audited quality assurance programs (i.e., if not in an approved independent audited QA program, then the funding/levy would be greater), risk creators not being penalised (fined) for knowingly perpetuating poor biosecurity; and fines not being of high enough monetary value to be a deterrent.

Question 7 - What other investments or actions could the Commonwealth Government make or take to sustainably support the delivery of biosecurity activities?

Given AHA's extensive networks of members and other stakeholders, we are well placed to identify opportunities to enhance, value add and initiate, new opportunities to support and enhance industry-government-private sector relationships for a stronger and more sustainable biosecurity system.

The Commonwealth Government is ideally positioned to build upon already established biosecurity systems and processes. By identifying and taking action to reduce redundancies, inefficiencies, red-tape; refine processes; and build better and more transparent relationships, investment in the sustainability of Australia's very favourable biosecurity status will be more equally shared between government-industry-private sectors. Ownership means investment in the system; investment means commitment to outcomes and sustainability, and importantly, commitment to financial planning and contribution (i.e. resourcing). Ownership also means recognition of the bigger-international and future pictures, and the role/s that the risk owners have and their responsibility to help maintain Australia's biosecurity status.

The Commonwealth Government needs to be more agile in the current highly dynamic biosecurity environment. It needs to better leverage scientific, regulatory and information technology innovation. Co-operative biosecurity programs with a high degree of industry, business and private-sector ownership, design and investment (financial and resources) are vital to the future performance and acceptance of any sustainable biosecurity funding model.