

28 November 2022

Biosecurity Sustainable Funding Taskforce Department of Agriculture, Fisheries and Forestry

email: secretariatbsf@agriculture.gov.au

Re: Making national biosecurity funding sustainable

The Australian grains sector is a powerhouse of regional Australia with over 22,500 farm businesses growing on average 45 million tonnes of grains, oilseeds and pulses each year for domestic and global customers. The Australian agricultural sector is striving to reach \$100 billion farmgate value by 2030, up from the forecast value of \$82 billion for 2022-23, with the broader agribusiness supply chain working to reach \$300 billion. As Australia's second largest agricultural industry the grains sector will be critical in reaching that ambitious goal.

In order to maintain access to export markets and to limit crop protection costs to ensure competitiveness, it is important that the entry and establishment of new pests and diseases is minimized. Whilst agriculture, and the grains industry, is one beneficiary of the work undertaken by the Australian Government to maintain the nation's biosecurity, there are significant shared benefits that flow to the Australian community and the environment from this critical work.

GrainGrowers' response to this consultation is prefaced by an acknowledgement of the significant work and discussion that been undertaken since the 2017 Craik Review¹. The current discussion on sustainable biosecurity funding needs to consider the National Biosecurity Strategy currently being implemented, the work of the Biosecurity Levy Steering Committee (May 2019)² and the various reviews that have been undertaken in recent years to inform the operation and evolution of Australia's biosecurity system. GrainGrowers has been calling for a reset of the operation and funding of biosecurity in Australia to ensure it can respond to the

¹ Craik, W, Palmer, D & Sheldrake, R 2017, Priorities for Australia's biosecurity system, An independent review of the capacity of the national biosecurity system and its underpinning Intergovernmental Agreement, Canberra. ² 2019 Biosecurity Imports Levy: A way forward. Report to the Minister for Agriculture by the Biosecurity Levy Steering Committee.

changing and increasing biosecurity threats, and sustainable funding as a critical component of ensuring our biosecurity system can respond to these challenges.

In its consideration of levy arrangements to support biosecurity funding in 2019 the Biosecurity Levy Steering Committee indicated that, there was a broadly agreed need and structure for cost recovery. However, the committee indicated that the development of a cost-recovery framework that allowed charges to be transparently applied would require:

- a science-based biosecurity risk analysis that allowed the relative risk of different pathways to be understood and could inform appropriate cost recovery charging, and there needs to be
- ii) improved transparency around the range and cost of biosecurity activities undertaken.

It is important that these knowledge gaps are addressed as part of the current process to ensure that there is a common understanding of these issues and transparency in how cost recovery measures are applied.

Sustainable investment was recognised as one of the key priority areas under the National Biosecurity Strategy. The implementation of the National Biosecurity Strategy signals a shift to the approach to biosecurity, and the changes in mix of activities and priority areas under the Strategy need to be acknowledged and any potential change in costs accounted for in the funding model. Funding mechanisms will need to be sustainable and adapt over time to match the changing profile of biosecurity risks, and for there to be confidence in the system there needs to be transparency in the way it is funded.

It is critical that in moving to a system where a greater proportion of biosecurity funding is recovered from risk-creators that the overall value of biosecurity funding is appropriate to address the growing risks faced, and that the funding for this vital activity does not decline.

What elements do you think a sustainable biosecurity funding model should include? How should the proposed model operate at a practical level and who would it apply to?

The grains industry faces a number of high priority exotic pests and diseases that threaten both market access and productivity of the industry. Khapra beetle is highlighted as an example of a key threat to our industry, and it is estimated that a widespread incursion of khapra beetle would cost Australia \$15.5 billion over 20 years. It is a hitchhiker pest capable of surviving on sea containers for up to 6 years, and at least 67% of incursions are suspected to have been caused by contaminated sea containers. However, as with other pests and diseases, there are a range of entry pathways and the most recent reported detection of khapra beetle was in spices carried by a passenger at Sydney Airport³. GrainGrowers recognises that there are numerous entry

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³ https://minister.agriculture.gov.au/watt/media-releases/khapra-larva-threat-thwarted-sydney-airport

pathways including air and sea cargo containers, vessels, mail and travellers, and these different pathways need to be considered in the development of levies (or other mechanisms) to pay for the biosecurity services required to address the biosecurity risks they create. The container levy proposed by the 2017 Craik Review is attractive for its simplicity, however we note that there may be better designed measures such as via the Full Import Declaration (FID) identified by the Biosecurity Levy Steering Committee (2019). It is appropriate that levy collection measures are applied in a way that can account for inflation and do not require continual review and re-setting which would introduce uncertainty into long-term biosecurity funding.

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

The grains industry is well-aware of the importance of biosecurity and the impact of biosecurity incursions. It is estimated that the control of weeds, pests and diseases already established in Australia costs Australian grain growers over \$5 billion each year. This includes the losses and costs of managing diseases at \$1.4 billion, weeds and herbicide resistance over \$3.3 billion and invertebrate pests of over \$360 million. In the absence of sustainable funding, Australia's biosecurity system will not be able to keep pace with the increased biosecurity risks resulting from climate change and changes in international trade flows. Without appropriate resourcing commensurate to this increasing risk we can expect increased incursions, with the potential for loss of access to international markets, increased costs to agricultural businesses, reduced agricultural productivity in addition to the broader impacts to Australia's unique flora and fauna.

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

Biosecurity is a shared responsibility, and there are many difference beneficiaries from Australia's biosecurity system including the Australian community, the environment, consumers of Australian produce as well as Australian farmers. GrainGrowers supports the concept of biosecurity system being funded by industries and individuals engaged in risk-creating activities.

It is important to note that the Australian biosecurity system is based around the biosecurity system delivering an Appropriate Level of Protection (ALOP), and this means that there is still a potential risk of incursions and the establishment of new pests and diseases. There have been significant incursions in recent years with new pests including Russian Wheat Aphid and Fall Army Worm becoming established, and these have generated significant ongoing costs and uncertainty for industry. Whilst the Australian grains industry benefits from an effective national biosecurity system keeping pests and diseases out, the industry contributes directly to the eradication of incursions, and where these cannot be eradicated there is a significant ongoing cost to industry and farm businesses.

Are there other technologies, current or emerging, that could be employed to increase the efficiency of the biosecurity system, and perhaps reduce operational cost? How could the Commonwealth Government improve efficiency in the biosecurity system (consistent with meeting our Appropriate Level of Protection)?

GrainGrowers is not in a position to provide advice on the availability of alternative technologies or practices that could improve the efficiency of the biosecurity system. However, work that the Department has supported over recent years has highlighted the opportunities that may come from new technologies, such as the potential for environmental monitoring for DNA and RNA to detect Khapra Beetle. It is important that investigations into new technologies and practices to strengthen Australia's biosecurity system is part of the overall strategy to deliver improved efficiency and strengthen Australia's biosecurity efforts. A technology roadmap for Biosecurity that can articulate how technology solutions would be scoped, developed, trialled and implemented to address biosecurity priorities would be a useful tool to create a shared understanding of how technology solutions form part of the National Biosecurity Strategy.

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

The Commonwealth Government plays an important role in providing leadership around our National Biosecurity System. The resourcing pressures on Australia's biosecurity system were documented in the 2017 Craik Review and have not been systematically addressed in the period since. Of particular concern to agricultural industries is Australia's capacity to eradicate incursions, and the resourcing made available by States and Territories to undertake this work. Our National Biosecurity System is only as strong as its weakest link, and recent experiences have highlighted the level of resources that may need to be rapidly deployed to manage incursions and the stress that State and Territory systems can be placed under by these events. It is important that the Commonwealth Government ensures that States and Territories uphold their biosecurity obligations, and that the funding of State and Territory biosecurity activities is considered as part of the broader discussion on sustainable funding for the biosecurity system.

GrainGrowers would welcome further discussion with the Department of Agriculture, Fisheries and Forestry regarding sustainable funding for the national biosecurity system. Please contact our Policy Manager (Technical) Sam Nelson via sam.nelson@graingrowers.com.au for any further information regarding this submission.

Regards

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