



28 November 2022

Biosecurity Sustainable Funding Taskforce
Department of Agriculture, Fisheries and Forestry
GPO Box 858
Canberra ACT 2601

Via email: secretariatbsf@agriculture.gov.au

Re: NFF submission to DAFF - Sustainable funding and investment to strengthen biosecurity: Consultation Paper

The National Farmers' Federation (NFF) welcomes the opportunity to provide a submission to the Department of Agriculture, Fisheries and Forestry, (the Department), *Sustainable funding and investment to strengthen biosecurity: Consultation Paper* (Consultation Paper).

The NFF is the voice of Australian farmers. The NFF was established in 1979 as the national peak body representing farmers and more broadly, agriculture across Australia. The NFF's membership comprises all of Australia's major agricultural commodities across the supply chain. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.

The NFF notes the Department's request to limit the length of submissions and as such has structured the submission with an overview outlining the importance of biosecurity and Australia's increasingly complex risk environment, followed by the NFF's biosecurity funding principles and positions, and finally key additional items for consideration by the Department.

The importance of biosecurity

Australia's biosecurity system is fundamental to the success of our agriculture industries. Our vision of a \$100 billion-dollar agricultural industry by 2030 is heavily reliant upon Australia maintaining a favourable biosecurity status amid increasing pest and disease pressures.

Beyond our sector, the biosecurity system underpins our broader national economic success, unique natural environment, plant and animal biodiversity, cultural heritage and human health. The collective benefit all Australians receive from a strong biosecurity system is indisputable. The system safeguards \$5.7 trillion in environmental assets, our \$50 billion inbound tourism industry and more than 1.6 million jobs.¹

¹ Department of Agriculture, Fisheries and Forestry, Biosecurity in Australia, accessed [here](#).

An increasingly complex risk environment

Australia has a sophisticated biosecurity system, operated by dedicated professionals, that has kept us free of many of the pests and diseases that are prevalent around the world. However, the system is under pressure, with Australia facing an increasingly complex risk environment. A plethora of independent and Government reports and reviews have highlighted the increasing risk profile facing Australia. Growing and changing trade flows, passenger movements, weather and climatic patterns and regional disease statuses, all contribute to a heightened and more complex biosecurity risk environment. The NFF is encouraged to see the acknowledgement of this in the Consultation Paper:

‘[such factors] are creating and will continue to create unsustainable pressures across the biosecurity system, including the clearance of cargo and passengers’²

Similarly, in order to meet these risks, numerous reviews have outlined the need for additional and more sustainable funding sources. The 2017 ‘Craik’ review emphasised that the success of Australia’s biosecurity system is underpinned by sustained levels of well-targeted investment that are nationally coordinated, consistent, well communicated and long-term.³ This was re-emphasised in the National Biosecurity Strategy, where sustainable investment was identified as one of the six priority areas needed to ‘evolve our [biosecurity] system’.⁴

Australian agriculture: a beneficiary, risk-bearer and contributor

The Australian agricultural industry is acutely aware of the importance of biosecurity to underpin not only its current operating environment, but its future aspirations to become a \$100 billion industry by 2030. As a trade-exposed sector, our important export markets in particular demand high-quality, safe food and fibre, and market access so often relies on being able to demonstrate freedom from certain pests and diseases. The maintenance of these markets, as well as avoiding the costs associated with managing pest and disease incursions, is critical to maintaining our sector’s ongoing competitiveness.

While recognising that we do not operate in a zero-risk environment, along with the opportunities supported by good biosecurity, the sector also bears significant risk in the event of an incursion. The impact of a major Foot-and-Mouth Disease (FMD) incursion on our livestock industries is estimated to be \$80 billion,⁵ \$16 billion for Khapra beetle on our grains industry⁶ and \$5 billion for Varroa mite on our

² Department of Agriculture, Fisheries and Forestry, Sustainable funding and investment to strengthen biosecurity: discussion paper, Page 5.

³ Craik, Palmer & Sheldrake, Priorities for Australia’s biosecurity system – An independent review of the capacity of the national biosecurity system and its underpinning intergovernmental agreement, Page 102.

⁴ Department of Agriculture, Fisheries and Forestry, National Biosecurity Strategy.

⁵ ABARES 2022 estimate based on Buetre et al. (2013) updating for current industry conditions and adopting the discounting approach outlined in Hone et al. (2022).

⁶ Department of Agriculture, Fisheries and Forestry, National Biosecurity Strategy, Page 18.

horticultural industries.⁷ While the economic impacts of such incursions are stark, the social impacts on not just Australia's 80,000 farmers, but the communities they underpin, would also be enormous.

Given the opportunities and risks outlined above, Australian agriculture makes significant contributions to the biosecurity system. These contributions include producer levies funding the important work of organisations including Animal Health Australia and Plant Health Australia as well as the broader work of the Rural Research and Development corporations network in biosecurity research, extension and adoption. Most industries have formalised cost-sharing arrangements in place to fund industry recovery following specific disease and incursion events.

More broadly many industries have adopted and continue to advance world-leading technology, such as traceability systems, as well as industry-led best practice accreditation schemes to place their industries on the best foot to prevent and respond to any incursion events.

Biosecurity funding principles

- Biosecurity is a shared responsibility, and as such, all biosecurity beneficiaries (including the community, the economy-at-large, the agricultural sector and the environment) should invest in and contribute to biosecurity activities.
- Funding should be linked to the growth of the biosecurity task, with priority given to the areas of greatest return on investment and high-risk pathways.
- Funding arrangements must be nationally coordinated, consistently applied and well communicated to all stakeholders.
- Transparency pertaining to current funding arrangements and risk pathways is critical to underpinning future resourcing needs and mechanisms.
- Risk creators must contribute to biosecurity inspection and enforcement regarding their own risk-creating activities.
- Australian agriculture makes a significant contribution to biosecurity funding and activities, those of which not only benefit the sector directly but have clear benefits more broadly.
- All increases in funding for biosecurity, irrespective of the source, must be invested directly into improved biosecurity measures.

Sustainable biosecurity funding

Public contributions to funding, such as via budget appropriations, must be maintained.

The NFF has welcomed recent budget appropriations providing critical funding for biosecurity measures. Among other things, these have supported items such as non-cost recovered activities including pest-specific responses and system transformation programs. Moreover, these appropriations also represent some level of contribution by the wider community to biosecurity given the shared benefits

⁷ Department of Agriculture, Fisheries and Forestry, National Biosecurity Strategy, Page 25.

outlined above. Given this, it is critical that at a minimum the current levels of appropriations are maintained.

Mechanisms to improve the sustainability of funding from high-risk pathways, such as those identified in the 2019 Biosecurity Imports Levy report, must be progressed and finalised.

While welcoming such appropriations, the NFF is of the view that such means are not alone the most appropriate to support the long-term, sustainable funding that our system requires. Such a view appears to be supported in the Consultation Paper, with page 9 noting:

‘These [appropriation] packages and this approach may not represent the most sustainable or reliable approach to meeting emerging and longer-term funding needs...Budget appropriations can lapse or be reprioritised, which makes maintenance and upskilling of people, systems (information technology and diagnostics) and capital investments (laboratories and facilities) difficult’⁸

Given these sentiments, the NFF has strongly supported the investigation of various mechanisms to increase the sustainability of resourcing, such as those outlined in the Craik Review. In particular, we have supported those which adhere to the aforementioned principles of being applied to the pathways of high risk and return on investment. Costs associated with activities such as enhanced at-border screening far outweigh the costs borne by the community-at-large (not least of which is the agricultural sector) to respond and eradicate incursions.

To advance such efforts, the NFF was a member of the 2019 Biosecurity Levy Steering Committee. It is imperative that this substantive body of work and the recommendations contained in the Committee’s 2019 Biosecurity Imports Levy Report are used as a starting point for this process.

In its specific consideration of levy arrangements to support biosecurity funding, the Steering Committee indicated that there was a broadly agreed need and structure for cost recovery. The process sought to progress higher-level recommendations of levy arrangements from previous reviews (such as the Craik Review), into implementable mechanisms to raise funding, such as via the Full Import Declaration.

However, the Steering 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

⁸Department of Agriculture, Fisheries and Forestry, Sustainable funding and investment to strengthen biosecurity: discussion paper, Page 9.

- improved transparency around the range and cost of biosecurity activities undertaken.

Given the consensus on the need and structure from the cross-industry Steering Committee, it is imperative that these knowledge gaps are addressed with urgency as part of the current process in order to build on and finalise the important work already undertaken on this issue.

For the avoidance of any doubt, the NFF remains fully committed to the implementation of a charge on inbound shipping containers and strongly supports work to both confirm the best measure of implementation and to address the outstanding items identified in the 2019 Biosecurity Imports Levy report.

More broadly, and where doing so does not impinge on the progress of the above option, the NFF also encourages ongoing consideration of other mechanisms to increase the sustainability of funding. These should include those which have been identified as having potential merit by previous reports or stakeholder consultations, including means of funding prevention activities on non-regulated risk pathways such as vector-borne and weather-induced incursions.

Other actions the Commonwealth Government could take to sustainably support the delivery of biosecurity activities.

Whole-of-system resourcing

As outlined in the National Biosecurity Strategy, biosecurity prevention and response are a challenge requiring effective and coordinated action across all levels of Government. Given this, the agriculture sector is concerned with the resourcing of states and territories to respond to incursion events and eradicate novel pests and diseases.

As demonstrated recently with Varroa mite in New South Wales, state-based efforts can respond to incursion events, and in doing so avoid both the higher costs of the immediate impact and ongoing management, should pests or diseases become endemic. However, this requires significant resources, which in all likelihood would be exceedingly strained in a scenario of multiple incursions of diseases and pests of significance. Given the current risk profile, such a scenario is a real possibility.

The NFF strongly encourages the Department to consider as part of this process, and consistent with the National Biosecurity Strategy, how funding and investment can best support all jurisdictions to undertake and meet their varying biosecurity activities and obligations.

Greater information transparency and collaboration

Additionally, the NFF is of the firm view that greater transparency concerning risk pathways, cost recovery and investment is required to best inform policy and funding decisions. Such transparency is critical to both understanding our funding and investment structures at present, as well as targeting future resourcing and investment to those areas of the highest return.

Many system reviews and reports have noted the merit of enhancing industry consultation and data sharing on biosecurity policy issues. To this end, the NFF has previously supported recommendations for mechanisms such as a Biosecurity Advisory Council or other industry-proposed consultation models. Such mechanisms would facilitate periodic and transparent information sharing, supporting a culture of genuine partnership and shared responsibility.

Investments beyond our borders

Finally, the NFF believes that ongoing consideration should be given to investment into supporting our regional neighbours to manage pest and disease outbreaks. As demonstrated in recent times with FMD and Lumpy Skin Disease, not only is supporting our regional partners the right thing to do, it is an effective prevention measure to safeguard our industries. While engagement programs are in place both in our immediate region and beyond, consideration of how to best fund the continuation and expansion of such activities should be part of this process.

Should you seek any further information, please do not hesitate to contact Mr. Christopher Young, NFF General Manager - Rural Affairs on 02 6269 5666 or at cyoung@nff.org.au.

Yours sincerely,



TONY MAHAR
Chief Executive Officer