Steve Peios:

Good afternoon, everyone and it is a warm welcome to the Australian Biosecurity Webinar today, which is Sustainable Funding for a strong biosecurity system. Hosted by the Department of Agriculture, Fisheries and Forestry. My name is Steve Peios, and I will be facilitating today's forum. Thank you very much everyone for taking time out of your busy schedules to join us today. Firstly, I begin by acknowledging the traditional custodians of the land we are meeting on today, the Ngunnawal and Ngambri people. I acknowledge and respect their continuing culture and the contribution they make to the life of this city and this region. I extend that recognition to the traditional custodians of all other lands on which our staff are gathered today and to all Aboriginal and Torres Strait Islander peoples attending today's event.

Today's webinar will focus on the Biosecurity Sustainable Funding Measures announced in the 2023/24 Budget on the 9th of May 2023. We'll hear from Josephine Laduzko, acting First Assistant Secretary, Biosecurity Funding Sustainability Division. We will then answer questions as part of the Question and Answer Session at the end of the presentation today. If we don't get to everybody's questions by the end of the session today, we will ensure responses to the questions asked today will be put on the Department of Agriculture, Fisheries and Forestry's Have Your Say webpage. We'll get that material up and it will be at the following website, haveyoursay.agriculture.gov.au/sustainable-biosecurity-funding. The website is also shown at the bottom of the slide on your screen at the moment.

Now my pleasure to hand over to Jo for your presentation today. It's a warm welcome once again to Josephine Laduzko.

Josephine Laduzko:

Thank you Steve. Welcome everyone and thank you for joining us this afternoon to hear about the recent Budget announcements. For those who don't know me, my name is Jo Laduzko and I'm currently looking after the team that's been working on the Biosecurity Sustainable Funding Agenda for the Minister and the government. As Steve said, I'm basically here to provide an overview of the Biosecurity Measures that were in the Budget and to answer and address as many questions as we can during this session. And I'll just reiterate what Steve said, any questions that we may not be able to get to, we'll put material on the website to address those issues. We're also conducting a second Have Your Say Q&A webinar on the 1st of June. And I think if you go to that Have Your Say page, the Eventbrite invitation is there, and some people have already taken advantage of that. But if you know others who might want to participate, please take advantage of that opportunity.

The slide in front of you is just a summary of some of the points made by Minister Watt in his Croplife Post Budget speech. And the main purpose, I just wanted to spend a little bit of time thinking about the intent for the funding measure from the government's perspective. As I'm sure many of you are key participants in the biosecurity system, I don't need to talk to you about the benefits of a strong biosecurity system. I think you are fully aware of that. I think most of the people online are also aware of some of the impacts both short and long term where we don't get things right. Those impacts go from port to paddock and from importer to consumer. So, there is no need for me to run through the normal stats about the threat environment we face or the cost benefit analysis for things that could go wrong because I'm pretty sure we're aware of that.

And I think many people are also aware of the benefits of strong preventative action at the border to stop pests and disease entering. I suppose the point I would like to make is the government is also aware of that and understands this, and that was part of them coming to election with a commitment for a stronger biosecurity system. And as part of that commitment was to try and address an option for Sustainable Funding for that system. Many of you would be aware, the government announced some measures in October that were short term but important measures to support our efforts against foot and mouth disease and lumpy skin disease, and to strengthen our detector dog capability for example. But the work that's come forward in this Budget was always a clear and crisp focus for the government and we're glad that they managed to keep it on the agenda in what was a very challenging Budget environment.

As said in the slide, as Minister Watt also said, we can't afford to be complacent. We can't afford to sacrifice our biosecurity options or be subject to unpredictable or uncertain funding. So that was certainly the sentiment that was in the government's mind as they approached this issue. Some of the sentiments that you'll see are also sentiments that came through the consultation process we took in the lead up to the development of the package for government consideration. So, what effectively was announced? In normal people's language, there's no doubt there are significant funding going into the biosecurity system. Perhaps not as much as go into many other important government areas but it's sizable money. However, one of the issues we've been facing over some time is that funding has been quite ad hoc and so there've been peaks and troughs which gives us a bit of a challenge in our planning.

If you can notice on the graph that's attached to the slide for those viewing, we were facing a quite material funding cliff where funding was diminishing from the system. And that wasn't just nice to have funding, that was the funding that was bankrolling key operational and basic 'business as usual' efforts. It was very important to us that we could do something about that. So, this Budget measure has done that. It has brought in sufficient funding ongoing to enable us to continue with our policy technical and operational efforts. Now a couple of things I draw out which were also really useful contributions to the government's funding commitment. One was we secured ongoing funding to support the Indigenous ranger’s program that operates on our Northern borders. Everyone knows those unregulated pathways have different characteristics to some of the work we do at ports and that was really important to us.

The other thing that is not ongoing funding but was a huge positive for our outcomes is $145 million investment in building new IT and digital systems to support our cargo pathway. That has two elements and I'm sure depending on who's online, your perspective may vary, but hopefully we can achieve both. One, those systems will enable us to better understand and manage our risks. That's going to do two things, hopefully enable us to do safer clearance of biosecurity because we understand better and earlier, higher and lower risk. But it also should make us more efficient in our clearance effort. This is a big program. For some people they will have been involved in some of the early proof of concept work we did on this with us, and it'll certainly be an agenda that requires work with industry going forward. So that was a big contribution that we're also very happy to have received.

There were other elements as I'm sure everyone's interested in hearing about from the package and which is probably why some people are online, which is as part of thinking about the system, the government did come to a view about shared responsibility in terms of funding and sought to rebalance some of the contributions to the funding of the system. We've always had a mixed model, I'm sure many of you are aware of that and that top horizontal graph shows that we've always been supported substantially by industry fees and charges as well as contributions from taxpayers. The decision the government came to was to probably expand and ask for our models contribution from all parties to the cost of running the biosecurity system. That amount in numbers and the percentage share, and this is available in the Budget fact sheet as well, is set out on that slide there.

And as you can see from that there will still be a sizable contribution from importers including an expansion through one of the new measures which we'll talk about later. Taxpayers are still making a sizable contribution to what is a public good effectively in some regards, and there will be a modest ask of the domestic producer sector as well. 6% of the total cost. I think probably most people would like to run through some of the revenue measures, but of course as we know when we get to the Q&A Session, if there's particular questions you want to pose about some of the expenditure activities or errors where the money is going, please feel free to put those in the session. But the first thing I wanted to talk about was what we are doing with cost recovery for the industry.

Many actually I won't say that because I'm not actually sure who's online. But for a number of people online you will have been participating in efforts, we've been underway to reset and stabilise our existing industry cost recovery fees and charges. As a result of that work there is a expectation that those fees and charges will increase from one July this year. Not always good news for those having to pay them, but that is enabling us to ensure the funding matches the regulatory activity and for those working on our borders we know there have been some issues around impacts on clearance time as we have to move resources around or don't have sufficient resourcing this year. This effort will ensure that we have appropriate funding for effort going forward. But nobody's saying that this funding will mean necessarily huge amounts of faster service at the moment. We still need to work on that but it certainly will prevent us from going further backwards.

The new measure that was announced this government, is an expansion of our industry cost recovery arrangements to cover what's called variously low value items or SACs depending on your familiarity and participation in the sector. But essentially that is items that have come in as parcels declared with a value of $1,000 or less. This area has not been subject to industry cost recovery even though it is not dissimilar to a number of the other more high value products that we do put cost recovery on. So, government has decided that the department will need to recover the regulatory costs that we incur with clearing those items. That activity or that arrangement is due to commence from 1 July, 2024, so it's 12 or 13 months away. The intention is that we'd recover those costs and they're currently estimated at about 27 million per annum.

There have been figures that often get into fact sheets to give people a sense of scale and impact on these arrangements. And so based on estimates of the number of items and the cost that comes out at about 40 cents an item. However, the details do need to be agreed. This is a cost recovery arrangement. There are some practices and protocols we'll need to go through and will in consultation with industry. And as you can see from there, our expectation at this point is that we would look to ask our international freight carrier colleagues to collect and remit to the department in arrears on our behalf. But as I said, consultation will start on these things. The final thing is, and we did get some very strong feedback from industry about not changing fees and charges multiple years and then putting large increases through.

We've heard that and we'll be committing to annual reviews of all our cost recovery arrangements to make sure those arrangements are correct and to the extent to which we manage to bring forward operating efficiencies working with industry partners, they are also being reflected in those arrangements. The other revenue measure announced in the Budget for definitively, is the Biosecurity Protection Levy. The government has agreed that there'll be a new Biosecurity Protection Levy applied to all domestic primary producers, so across agriculture, fisheries and forestry, and that this will commence from 1 July 2024. Again, that's 13 months away. The current Budget estimates done by the Department of the Treasury suggests that this will collect $50 million per annum and that is an agreed collection amount that the government supports as a modest and reasonable contribution to the system. So, there are some issues around we are not looking to secure more through that mechanism.

The announcement came out with a suggestion, an intent that the levy rate would be set at amount equivalent to 10% off the 2021 Agricultural Levies or if they're not statutory Ag Levies in place, an equivalent outcome and that would be on a commodity basis. I truly appreciate that some of the ways of trying to describe that have been deeply confusing to all parties. But there's a couple of points I want to make. The first one's really important. The government has agreed, and it is part of our work that the design details will be finalised following industry engagement. We will be coming out very shortly to talk to industry sectors about the specifics of the design details. Those who do work with Ag Levies know that this is a slightly complex and evolving space and there will be some things in there that make no sense to use as we go forward. So that design discussion is very important to us.

I just would note that the government is actually very committed to this levy, but it is also committed to ensuring the arrangements are good and the implementation and administration is as low as we can get. There's a couple of other things in that just to deal with issues that we've had questions on already. And I can come back on these for any other questions in the session. The first is this is in fact a new levy and it will be established through separate regulations. So, it won't be implemented by adding 10% to all your existing levies and using the same Agricultural Levy Framework. We have started there. We are looking to ensure that we harmonise and make common the arrangements where it's efficient to do so, but it will be standalone from that point on. It also doesn't impact the current consultation process that is underway for the Modernising Agriculture Levies Legislation which some people online may be involved in.

Having said that, as I said, we are looking to minimise admin costs for all parties including ourselves and so we are looking for commonalities where they make sense and if things emerge from that consultation process that should be reflected in our discussions, we would absolutely be looking to do those. But that can be worked through and aired more through the consultation process. I think I mentioned before, this is a little bit of a complex space. There will be some anomalies that we need to work through and some practical considerations around where it's not cost-effective to apply levies and we'll have to have discussions about those. The other thing is just this levy is also intended to apply to producers that are not currently within the Statutory Ag Levy family, if we're going to a better word. And hence we will need to form relationships and agree arrangements with those particular industry groups.

And finally, there will be, government has asked that there'll be a formal legislative review requirement established as part of setting up this levy. I'm sure people will have questions. I hope this material has covered the main ones that have been coming through some other forums, but we can have further discussion about that. This slide is partly helpful and partly not helpful. There was a lot of discussion just to establish what 10% equivalency looked like based on 1 July 2020 Ag Levies, this just gives you a sense of scale for a representative set of current levy payers as to what we might be talking about. But I'm hoping from the discussion we've just had, we will come and talk about how they are set and what precisely is included in setting that final rate.

Okay. The other point is there is more to do. These were the defined and agreed announcements in Budget but the government has asked more of us and this is not really a set and forget agenda. There is stuff that will continue to be undertaken. The first of those is we are still looking at our arrangements for recovering costs in relation to the international mail gateway facility, which is mainly administered by Australia Post as part of international postal obligations. We are also looking at our relationship in terms of clearance of military personnel and equipment. We'll look to deal with those shortly. More substantially though, the government is having stabilised biosecurity now so that we can continue operating with some confidence. It has asked that we do a full structural review with industry on potential future reforms to our border charging models to make sure they're fit for purpose going forward.

To deal with the elephant in the room or in the media, that will include consideration of options for our import or container levies. But as with all things, any advice that comes back to government has a number of things we'll have to consider in terms of what government may wish to deliberate on and some of that is the policy implications, the legislative requirements, the administrative impact. And for these it, there's no doubt in this but the implications for our compliance with our international trade requirements. But it's not the only thing that makes a decision, there are many things that do, and that will be a really important body of work that we'll be looking to kick off shortly. The government has also asked that we increase the transparency and accountability for biosecurity in terms of both the revenue we receive, our expenditure and the outcomes.

So, we'll be working on how best to deliver for the government's expectation. And I've just put some quotes on the slide from Minister Watt on that. This was a government discussion too. They're very serious about this and we'll have to find the best way to give effect to that. I think it goes without doubt that Biosecurity Funding is not the only solution for biosecurity for us, or for industry, or for other parties. We have in a national sense, the National Biosecurity Strategy to take forward. And we also have a number of existing and hopeful agendas at the border to find efficiencies to in how we do our business. So, we'll still be continuing with those. The final point is just next steps. We are, as I said at the beginning, going to hold another Information Webinar that will be on 1 June 2023. Please as I said, encourage others to participate if they'd like to. It will be similar to this one. It is an information - we don't want anyone online to think that this is a pretence for engagement on areas where we need to. It isn't. It's just an Information Session for us and for you about where to next and what the government decided. We may adjust it a little bit depending on feedback to make sure we don't have to go over the same issues if we've already got answers we can share and we're happy to do that. We are currently planning the stakeholder engagement for the low value goods cost recovery arrangement and for the Biosecurity Protection Levy and we would really like to start that next month and so more information will come out on that shortly. But in the meantime I'd really encourage those online to take the opportunity to confirm and I've put our email address up. First if you'd like to be engaged in the consultation processes, we are flagged. We will use other avenues of course to make sure the information and the request to participate gets shared broadly.

But if you know you're interested, please tell us now. It's also an opportunity to flag any particular issues you would like us to be aware of before we commence or information you'd like to provide and we are happy to receive that. Okay, thank you. That's probably all I wanted to say and I appreciate I both speak quickly and the slides were dense and so I'm probably well ahead of time. However, that gives more time for questions on a lovely Friday afternoon. So, thank you and I'll hand back to Steve.

Steve Peios:

Thank you so much for that Jo. Fantastic presentation, very informative and also very detailed. I think you'll agree that that provided lots of information for everybody out there to begin. And as you talked about as well, this is a Question and Answer and also Information Session. That extensive long consultation will begin and be done thoroughly in time. Now it is time for our Question and Answer Session where you can ask questions of Jo. I'll pose them to her and she'll be able to provide us with the answers. I can see that a fair few have come through already, which is great. So, thanks so much to our listeners out there to this webinar that have put those questions through. Just a reminder for everybody that has joined today, that if we don't get to your questions today, the final slide gives links for further information. And as Jo touched on earlier, we will look to provide material up on the webpage for you to get more information.

And also, as Jo said, there's another session coming up on Wednesday the 1st of June. So that will be in a couple of weeks’ time and we encourage everybody to join that and for the word to be spread if they couldn't make it to today's session. Okay Jo, now looking at the screen, we've had some great questions coming through here and I'll start. There's one here which asks about the levy itself. Now, I'll just touch on the fact that in one of those slides towards the end Jo, you talked about not only from the Minister's Office but also from the government, there'll be a high level of accountability and also looking at exactly what's done with these levies, which is very, very important and the Minister sees that as a priority. So there's a question here that's come through, Jo. Will industry have any say in how this money collected from the new levy is spent?

Josephine Laduzko:

Okay, it's always a lovely to get a good complex question to start the session with. I suppose there's two elements to that and I'll deal with them a bit separately. On one level, this is a revenue measure that will go into consolidated revenue and so consequently it doesn't come directly to the department, it was part of the compact with government to fund biosecurity. It's different in terms of how the current Agriculture Levies work where producers and industry groups will often talk with the recipient bodies and set the priorities for the use of their levy funds. It is in some ways foundationally different to the current Agricultural Levies.

And so the funding itself will go into supporting Commonwealth Biosecurity Activities at the border and that is a range of things from operational clearance through to policy, through to surveillance in the North of Australia, through to supporting our near neighbours to strengthen their arrangements for disease prevention. It has that characteristic. What the government and we ourselves are going to do though is make the nature of how much money is collected, how much the system is spending, and what our key activities and outcomes are much more transparent for stakeholders and for government broadly.

Steve Peios:

Fantastic Jo, thank you very much. Following on from that, there's a question here that asks of you, will all the additional Biosecurity Funding be used on federal programs or will any be available for state based programs?

Josephine Laduzko:

The funding is primarily to support Commonwealth activity. So there's not money in there for the traditional administrative programs that we sometimes run with our state and territory partners or the support we often do for grant programs, for example, established pest, animals and weeds. It is not that sort of funding. The only thing I would say of course is the better funded we are, particularly where we work closely with industry and state and territory governments for example in Northern Australia, the better we're funded, the better capability we have to support that activity. And so naturally it will increase our capability to work with states and territories in those kind of areas, particularly diagnostics and surveillance.

Steve Peios:

Absolutely. So it will feed into that larger scale issue of working with the states. However, the way that the money comes in means it will primarily be focused at that federal level. Next question Jo, I believe this might be with regards to a definition. What is a primary producer for this legislation? So perhaps that might be a definition of a primary producer under this legislation?

Josephine Laduzko:

That's a really interesting question. There's always a good question.

Steve Peios:

They're all good questions, they're great questions.

Josephine Laduzko:

They're all good questions. We will obviously have to go through, I'm going to answer it in a roundabout way, apologies to those online. We will go through a consultation process that also supports the drafting of legislation in terms of how we frame this precise requirement. While we are saying all primary producers, one way is to say anyone who produces this type of commodity for sale and will have to pay the levy, but there are issues, we all know this, there'll be issues around scale, around commercial V, hobby production and other things to work through. So all I can say is yes, all those matters will need to be clearly articulated to know where the reasonable lines are on those definitions.

Steve Peios:

Fantastic, Jo. So that will also form part of that consultation process where we go through understanding what those definitions are, how they apply in certain circumstance and those sorts of things. Great. Next question please Jo, who will pay for the setup and administration of any new levy collection systems? Will that be industry or government? So who will pay for the setup and administration of any new levy collection systems, industry or government?

Josephine Laduzko:

For this Biosecurity Protection Levy we got some additional funding into the department to support both the initial implementation effort to establish it and to provide ongoing resourcing for administration when we're at the normal collection remittance process. We secured some additional funding through government for that activity and some of the other costs will just be absorbed within the department. We are not intending to, as I think occurs with the ag levy's cost recover from industry, the cost of administering their levy arrangements.

Steve Peios:

Fantastic, thanks Jo. Next question. We saw throughout the presentation today that you provided lots of quotes from the Minister's speech and lots of information from the Minister's Office with regards to the way they view this as a priority. So the question here says that the Minister said that the government was looking at container imports as well. Can you provide us an update on this where possible please Joe?

Josephine Laduzko:

Certainly. I mentioned it in the presentation but yes it's worth going back on this. The government did not take an immediate decision around an import levy or a container levy or various characterisations of that concept. But what they did ask was that we undertake some early work, this is not multiple years of work. This is a focused effort to come back with further advice on how we might be able to reform how we do charging at the border. And specifically said that that would also include advice about the option to implement an import levy or a container levy. So that will be part of a detailed bit of work that we'll undertake in consultation with industry. It is also work that we'll be doing jointly with the Department of Foreign Affairs and Trade and consulting with other key department agencies. Because it has many overtones.

It's definitely on the table to be looked at and the government has not walked away from that at all. But it is part of a broader sweep of work to say how would we best achieve the outcomes we want to going forward.

Steve Peios:

Absolutely. That will also tie into things like sea container task forces and all those things that have been reviewed over time in the way that the movement of those goods takes place.

Josephine Laduzko:

I think that's right Steve. For some people that play in this space on the industry, we've had discussions in the past around whether the way we do our charging actually is incentivising the right outcomes in terms of risk and what can we do better? Can we do differently? I think all of those are tied into the same sort of policy question around who should pay and how do we best pay but we need to come forward with holistic advice on that.

Steve Peios:

Absolutely. And that'll be considered as we move forward. Fantastic, Jo, thank you. Next question for clarity, will the increased funding arrangements support any post border industry preparedness?

Josephine Laduzko:

Good. That's a good question. I am hesitating only because I want to answer that correctly. There are aspects of our activities and for those who work, industry has been working very, very closely with the department as we know and with states and territories for example, for getting ready for the risk or the threat of for example foot and mouth disease and other passenger diseases that might come through particularly our Northern borders. So to the extent to which our baseline funding in the department that supports us, for example our Northern Australia biosecurity effort involves all of us working together to strengthen for example our surveillance or our information and sharing of that. Yes it does. Is it a specific targeted program or singularly identified for that sort of purpose? No it isn't.

But the department's role is not just regulation at the border and so to the extent to which the current activities of the department are covered by this funding, then it supports that sort of outcome.

Steve Peios:

Excellent Jo, thanks for that. And I appreciate you providing answers to some of these questions off the cuff because there is a long consideration process here with the consultation to take place. I think that's important that you're answering those questions in your best ability with looking to provide the best answer we can at the moment as we press forward. So thank you for that. Next question regarding Environmental Biosecurity Priorities and the question is, how will Environmental Biosecurity Priorities be resourced?

Josephine Laduzko:

I feel like saying, was that Andrew and should I say hello? This package does not change the policy focus of the department and environmental biosecurity has and remains a key priority.

Steve Peios:

One of the big ones.

Josephine Laduzko:

That's right. So in the sense, in some ways actually and if people reflect on where our funding was going and that big dip was largely in the funding we received the non-regulatory activity, that would've put enormous pressure under our ongoing capability to support initiatives like environmental biosecurity. This funding enables that effort and focus to continue.

Steve Peios:

Fantastic. That's great. Thank you very much for that Jo. Looking at the questions, they're flowing through. So it's a big thank you to all of our listeners today and there's lots of attendees that are sitting through. Numbers have increased a little bit as well from the presentation through to the Q&A Jo, so I think you really are holding everyone really, really well here. So thank you so much. Next question Jo, what proportion of the cost recovery will actually be appointed to the actual low value cargo clearances that we spoke about in the presentation?

Josephine Laduzko:

I am not quite sure how best to answer that but our current estimates of the cost from the start year for clearing low value items, we've estimated those costs using the same methodology that we do apply for the other cost recovery arrangements. So an activity based costing methodology that suggests those costs of that service are in the order of $27 million per annum. Those sort of costing models always include an overhead for corporate, but that is normal and that's what happens with the current arrangement to support the broader services that support the biosecurity function. Outside of that though, that funding would then flow back to those areas that are supporting clearance in that pathway.

Steve Peios:

Excellent, thank you very much Jo. Now reverting back to the Protection Levy. Will the Commonwealth be clear about the difference between this levy and the levy paid to RDCs, some of which effectively goes to R&D to support the mitigation of commodity specific biosecurity risks? Some levy payers may believe they are paying twice for biosecurity efforts.

Josephine Laduzko:

I think the answer to that is the Biosecurity Protection Levy is quite clearly positioned by the government as a contribution to the Commonwealth biosecurity effort to prevent pests and diseases entering. So it has that overtone to it. It is not anticipated that the funds we currently have will be used to support significant R&D efforts of the type that sometimes get funded. It's not a direct substitution in that sense. So therefore it is completely different in that sense. It is still an impost on producers which no one would contest, but it is not purporting to be another levy of an R&D levy type. It is going for a different purpose, it's supporting a different range of effort. And it will actually long term be set up quite differently and not have those same characteristics that producers and industry groups are used to in terms of their statutory levies.

Steve Peios:

Does that flow back, Jo, into the commentary that we saw before in the presentation and your specific notes about the prevention aspect as well? We've seen in recent years the real risks coming from things like FMD. We've seen the potential risk from our hitchhiker pests and those type of things and looking at the devastation they can cause, it's a little bit of a look to the future in terms of that co-contribution.

Josephine Laduzko:

I think so. And we just in different parts of that continuum, it's a much overused term in biosecurity, that continuum of where the focus would be.

Steve Peios:

Fantastic. Thanks Jo. Back to the accountability piece and those words from the Minister and yourself earlier. How will the success of these Biosecurity Funding Levies be measured, i.e what would be the performance criteria perhaps or the KPI?

Josephine Laduzko:

Okay, good question. We always have KPIs and we'll be working through making sure we have two things. We need an effective way to announce and share publicly what we have achieved, what biosecurity is achieving, what its key focuses are. In doing so we need to make it clear what revenue we received and what did we spend. So for example, that will mean each year we will report what the collections were, I'll use the Biosecurity Protection Levely as an example, along with what the actual collection revenue collections were through our industry cost recovery arrangements and what we got off Budget. And then we'll be very clear about what we spent and where we spent it and then we'll attach that to what outcomes did we achieve and where's that focus.

And that will mean from year in, year out if any one of those things start to misalign or there's some questions, there is a clear baseline from which to have a conversation. KPIs are a tricky business getting ones that are material. I think it'll be a combination of appropriate performance indicators but also appropriate reporting of general outcomes, because sometimes that can be more informative. Some of you may know we do annual reporting now as a consequence of our Commonwealth Biosecurity 2030 Roadmap, and it may be that we add that together to make a composite package.

Steve Peios:

Fantastic Jo. Tell you what, you know your stuff. It's amazing to hear that level of detail and there's so many elements here that will be developed and determined in time as we lay this all out over time. The next question, a little bit of a long one Jo, so I'm happy to go slowly or repeat it for you. Why are primary producers made to pay a levy, which in effect allows their direct competition to have an advantage in the primary producer's existing market? Shouldn't Australia's importers be paying for this levy because they are the cause of Australia's biosecurity problem?

Josephine Laduzko:

Such a long question with so many potential nuanced answers to that. First point I would make is the funding the government has committed to through this announcement shows significant contribution from a range of sources, substantial contribution from Australian importers who pay import charges, along with a number of the members of the supply chain participants in terms of a vessel arrival clearance and other costs. It is reasonable to say they are making a substantial contribution already and will be certainly making a slightly higher contribution from 1 July this year. And the government has expanded our capability to recover costs by introducing the low value threshold arrangement.

The taxpayer is still also making a sizable contribution to the system costs and producers are making a reasonably modest contribution. But I appreciate no one wants to make it and they would prefer not to. That's okay. The concept of who creates risk, yes, complex, but there'll be some people online who understand that there are biosecurity risks that don't come through import pathways, they come through natural pathways. We have any number of bird flu emerge that come in through wildlife. We have any number of pests and diseases that come through completely non-commercial or otherwise regulated pathways in Northern boundaries and we have others that come in just by accident without malice or intent.

I think talking about risk creation is definitely an issue that keeps us focused so that we think really long and hard about how best to mitigate that. But there is no easy answer to that question that you can just say, well this is the answer, because it probably isn't. And practically there are some limits on the costs we incur that are reasonable to impose at the border and that is one of the issues we'll be exploring in the current review, is to make sure we have fully understood the scope of what costs we can actually recover through charges at the border, because it is not all our costs. Thank you.

Steve Peios:

Excellent. Thanks so much Jo. Great answer to what was a complex question. And I think-

Josephine Laduzko:

It's always a complex question.

Steve Peios:

Always a complex question.

Josephine Laduzko:

It's an important question actually.

Steve Peios:

It's great to see so many listeners online. I'll tell you what, we've kept everybody online all afternoon. So again, Jo, credit to you for providing these responses. Keep the questions coming through please. We're online for another 17 minutes on this Friday afternoon. You've done a great job so far with the questions, Jo. They're still coming through. And just a reminder, the email address is secretariatbsf@aff.gov.au. So secretariatbsf@aff.gov.au. That is the email. Okay, next question here for you Jo. The increase to the passenger movement charge will contribute to the Sustainable Funding Model, but I cannot see any specific programs that are aimed at the traveller stream. Can you advise where that funding will be invested?

Josephine Laduzko:

Okay, the government generally made a decision to increase the passenger movement charge from $60 to $70 per traveller. And that is again a consolidated revenue measure that will go into the government's Budget bottom line and is largely administered by the Department of Home Affairs. It is not tied to biosecurity outcomes, but it is completely reasonable and I know the Minister has mentioned this, that by raising the passenger movement charge, it has provided capacity for some of the Biosecurity Funding to be agreed through Budget. And so consequently that funding is not specifically tied to a particular outcome of biosecurity. It goes into general revenue and by doing so could enable the government to afford the biosecurity package.

Those of you who are familiar with the passenger movement charge would remember back in the day part of its purpose was to help defray the costs of quarantine arrangements along with many other things at airports. So to the extent to which we expend significant amount of funding clearing people and baggage through airports, it implicitly is supporting the continuation of that effort. But not explicitly.

Steve Peios:

Excellent. Thank you Jo. Moving on with regards to I guess the offshore preventative piece here. Given the levies primarily for prevention from overseas, should an incident occur, how will the department address the risk?

Josephine Laduzko:

Okay, so I'm going to start this at a certain point, many of us have been around for some time pondering how best we strengthen a biosecurity system and that brings in a lot of conversation. I think though we're all aware that it is not possible to reduce risk to zero, not only because that would require a quite unreasonable and damaging level of intervention for clearance, but also it's just not technically feasible in terms of natural pathways and other things. So this funding, and this is just the government's first and quite important down payment on this agenda, means that we can continue to undertake the efforts we can manage on a risk-based approach at the border to keep pests and diseases out. No one would sensibly argue that that means we are never going to have an incident or an incursion.

So I think that's part of the joy of our complex and evolving environment that we're all party to and we all have different responsibilities in. But without this funding, I can assure you it would've been substantially more challenging than it already is. There may always be the chance of an outbreak. This funding lifts our capability to prevent that, but it doesn't enable us to stop it. The arrangements that we have in place for post border outbreaks remain unchanged and there's still discussions clearly around how we continue to do cost share and undertake efficient and effective responses in the event of an incursion.

Steve Peios:

And I think there's an element there, Jo, when it comes to the offshore preventative piece as well, that is a shared responsibility and there's also, it's not just us as a department that makes all the decisions, we can raise awareness and use this to increase that capability. However, it's not as reliant when it comes to offshore and all the parties that are involved in getting things in. So there's also that piece as well.

Josephine Laduzko:

It is quite complex and unlike some of my colleagues at Australian Border Force and some of the motivations there are very focused. We have certainly a number of commercially motivated motivations as you would know. But some things happen that are just hard, such complex supply chains and so many parties to them. And the concept of the hitchhiker pest does change the dimensions for us a little bit.

Steve Peios:

Great, thanks Jo. Moving on to the next question regarding the Biosecurity Protection Levy, will there be a mechanism to change the rate between years to enable it to stay in line with CPI or will it be set in stone?

Josephine Laduzko:

I think that will be a matter for consultation. We can do this any number of ways. The levy rate once we've determined it and implemented it in legislation, and that may be that those rates are set through regulation are therefore changeable, but through a parliamentary process. Would we look to change them? I think that would more be a matter for consideration around the policy intent for the measure. Certainly if we started to recover substantial amounts more than we anticipated or vice versa, that might be an issue. But our intent now is to establish them and have regular reviews and look through the transparency. Do we do CPI indexation on the rate? I think we would need to consider whether that is reasonable or not reasonable I think.

Steve Peios:

Excellent. Thank you very much. Now, we touched on this next question a moment ago a little bit with regards to the potential of the double up that we talked about, paying the levy twice. So the question here is, as an importer and a primary producer, are we going to be paying the levy twice?

Josephine Laduzko:

You're not paying the levy twice, no. If you are the importer, you will be paying whatever import charges you would normally face imposed for biosecurity clearance purposes. And if you are a producer and subject to the levy, you'll pay the required levy going forward.

Steve Peios:

Excellent, thank you.

Josephine Laduzko:

Sorry, could I just make a point there, Steve?

Steve Peios:

Please do.

Josephine Laduzko:

Those industry fees and charges are intended to recover a defined scope of regulatory activities. So it sounds a bit weird, but you are contributing to different parts of the biosecurity cost.

Steve Peios:

Great. Next question. We've heard a lot about biosecurity risks to livestock. Which threats are most critical to prevent at the border in the plant world?

Josephine Laduzko:

I'm only smiling because if there is anyone online who knows me, you know I'm not a scientist, but we have all lived through some of the challenges and they're our priority plant pests and there are priority environmental plant pests and animal disease risk lists that set out some of the truly unattractive options that we would not want to have established here from, we've just been through and are still underway a very painful exercise around Varroa Destructor risk. Xylella is another one that comes to mind.

Steve Peios:

Just want to mention that too.

Josephine Laduzko:

Yeah, sorry. I'm probably not the right person to ask specifically on this, but I know it sometimes feels like there is animal bias in our narrative. There's not. In practice we have big amount of resources committed to plant and environmental. Yes, khapra beetle, brown marmorated stink...

Steve Peios:

Stink bug.

Josephine Laduzko:

Sorry, it's turning into a pop quiz here as everyone suggests which pests and disease. But the system is not innately biased to one side of the camp or other, it's just at any given point in time there might be more focus on a particular emergent threat I think.

Steve Peios:

I think you've talked about that before with your key points as well. Things like Panama disease in bananas, there's all sorts of, there's no, how do you say? They have levels of priority, but they're all just as important for us to have our focus on because that can be quite a significant moment. And I think one thing is just to remind there where you talk about not being the expert in certain areas, which the way you're speaking today, Jo, you should be speaking for the department, an expert on most things, but don't forget that email address everybody. It is secretariatbsf@aff.gov.au. And we'll have staff monitoring that email address to go and seek those answers as well. So that's really important. And I think as you've talked about Jo, it's important that we have all these effective controls developed for high incursion threats.

And you are right, we can't stop everything from coming in. However, the question will be then what do we do to stop the decimation of industries? How can we get involved to protect that as much as possible? And that's the whole narrative we've been talking about, about more work needing to be done and also sharing that responsibility. Next question, Jo, thanks so much to everybody for keeping these questions flowing through. There's a nice steady flow here, which is really good. Maybe I hope you feel the same way, Jo, but there's been some tough ones as well.

Josephine Laduzko:

I see for everyone online, we're not being flippant at all, but we are very thankful there are questions.

Steve Peios:

No it's great. There's been so many that have come through and I'll move to the next one. We've got around about seven minutes to go, so we'll take probably I think five to six minutes more of questions, Jo, and then we'll wrap things up and talk about once again the email and talk about the webinar that's coming up again in a couple of weeks time. Back to the passenger movement charge. Now this is an interesting one. Does this charge apply to Australians returning home on a cruise liner? I would assume that's something that originates in an Australian port and then comes back around to an Australian port.

Josephine Laduzko:

I believe the technical administration of the passage movement charge might be better referred to the Department of Home Affairs only because they administer it. But we'll find an answer and make sure we post that. The technical answer is the passenger movement charge is applied to departing passengers. Now a departing passenger could be someone who's flown into Australia and it's on the departing leg or it could be someone in Australia departing from Australia that intends to return. That application on the departing passenger, probably has a history going back many decades when it used to be called the departure tax that I have no particular comprehension of puff and speculation, which I will not do as inappropriate. But if with that question we'll get you an answer posted, sourced from elsewhere.

Steve Peios:

Fantastic. I'll just quickly ask one here Jo, that's come through. Just with regards to the slide deck, will that be, if people email through to secretariatbsf@aff.gov.au, is there perhaps a version of the slide deck that can be made available and we'll get that up on the website even after the webinar?

Josephine Laduzko:

Yes. Yep. We're happy to do that.

Steve Peios:

Okay, fantastic. Thank you. Next question. Government's primary responsibility is pre-border and border or at border. Industries is post border and on farm. How do you propose industry raises additional funding that's desperately needed for post border by security programs? So perhaps in, I guess we could be talking there in response to an outbreak perhaps or some sort of incursion.

Josephine Laduzko:

It's true. That's probably not an area that is my area to really engage with. We know a number of the bodies work very closely with their organisations like Plant Health Australia and Animal Health Australia around what sort of biosecurity prevention response preparedness type programs can be rolled and delivered for industry. And there are arrangements in there and I understand some of the existing levy arrangements for biosecurity, not the Biosecurity Protection Levey, the existing ones, do allow capacity to direct funds towards those type of activities and some industry sectors of course self-fund and deliver programs into that space. So that is clearly options, but there are options I suppose, for discussion with industry groups and others.

Again, if someone really wants an answer to a particular question, we will talk to those who can probably provide a stronger response to that.

Steve Peios:

It's a big department, Jo. Secretariatbsf@aff.gov.au, and in our holding slide at the end of the webinar you'll see that information up on screen as well. We'll jump into probably the last one or two questions, Jo, you have been a machine answering these questions for the last 40 minutes. We've got a couple of minutes to go. Look, to everybody that's asked the questions, I won't talk for too long here, but we do have that other session coming up in two weeks time, so if we don't get to your question right now, please jump in in a couple of weeks. Jo, as with other levies, would there be an agreed regulated government co-contribution as with some other levies?

Josephine Laduzko:

The short answer is no, not in the way. Because while it is a little bit confusing in the way we announced it, because our intent was to try to minimise admin collection costs by making it as similar as possible to the current levies, this is a completely new levy. It is effectively a government levy on producers to raise a certain amount of funding. Its characteristics will be very different. The co-contribution in that sense is the 44% of contribution that taxpayers are making to biosecurity costs, that is the co-contribution. Obviously for Ag Levies and particularly the matching arrangements for R&D Levies, that is a taxpayer contribution to match R&D Levies. They sound dissimilar and we will look to have similar characteristics just to make collection easier where that makes sense to industry groups, but they are very different beasts.

Steve Peios:

Excellent. Thanks very much. I think with the time remaining, Jo, I'll ask you one more quick question if you can give us an answer that takes a minute if possible. The importer charges, I'm not sure with the text here, but charges go to set services whereas the Biosecurity Levy disappears to bureaucracy. Why can't importers also pay for bureaucracy?

Josephine Laduzko:

Holding for how I feel about bureaucracy, the importer levies do contribute to bureaucracy. They are supporting direct and reasonable indirect and overhead costs associated with certain regulatory activities at the border. They all go into the Department of Agriculture, Fisheries and Forestry to support the biosecurity function. Funding that comes off Budget as we say, a lot of jargon, that is sourced from multiple places, but again, it is provided to the department to support the biosecurity function.

Steve Peios:

Fantastic, Jo. Thank you so much for answering the questions. I have that at just over 20 I believe you've answered in the last 40 minutes. So great job this afternoon. You're not off the hook because we'll be back at this in around about two weeks time after Senate Estimates next week. But we really appreciate you answering all of these questions today. It's a shame we've run out of time. We've nearly got through all of the questions that came through today, which is really positive for all of our listeners. And Jo, you've kept the attendance up at sort of 90% the entire time, so you've been very, very well listened to and we thank you for your time on a Friday afternoon.

Josephine Laduzko:

Thank you, Steve. And could I thank everyone who joined us. I appreciate that this is not necessarily some topics that people would like to talk about and they are challenging, but I thank you very much for your time. We will genuinely get back to your questions. We've given you all our contact details. We're happy to answer further questions or speak to you directly or do other sort of support functions if that helps before we kick off into formal and more structured industry engagement on some of the key measures we need to implement now. Thank you.

Steve Peios:

Jo, thank you very much and thanks again to everyone that came and listened today. That was Jo Laduzko. Absolutely magnificent answering your questions today. Should be back in two weeks alongside myself for the next webinar. I believe it was 1:30 PM Australian Eastern Standard Time on the 1st of June. Our time is up for this afternoon and we can see on the screen we have those links that we've referenced for further information. Your contribution to this ongoing discussion is valued and it will be required as we begin that consultation that Jo talked about over the coming months. Please utilise this forum to ask questions raised by our presentation and the Q&A session and we will endeavour to provide information in response. That's on our Have Your Say platform and we also have that email that is up on the screen secretariatbsf@aff.gov.au.

Importantly, for those questions that are better placed in other areas or interdepartmentally, we'll look to get the best answers for you. A reminder that today's sessions have been recorded and will be available on our website shortly. We'll get that uploaded as soon as possible. All information in this webinar is current at the time of recording today, the 19th of May. Thank you to all of our presenters. Well, Jo today, absolutely magnificent. Our single presenter did a great job and everyone who's attended for your time and engagement on this Friday afternoon. We'll see you again for the next webinar in two weeks time and we thank everybody for their engagement and their questions. We'll see you again very soon. It's a good afternoon for now.