



Australian Government
Department of Agriculture,
Fisheries and Forestry

Sustainable funding and investment to strengthen biosecurity: discussion paper



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Acknowledgement of Country

We acknowledge the Traditional Custodians of Australia and their continuing connection to land and sea, waters, environment and community. We pay our respects to the Traditional Custodians of the lands we live and work on, their culture, and their Elders past and present.

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Purpose

Australia's animal, plant, human and environmental health outcomes rely on strong biosecurity – that is, the controls and measures to manage and minimise the risk of pests, weeds and diseases entering, emerging, establishing or spreading within Australia, while facilitating trade and the movement of plants, animals, people and products.

A strong biosecurity system is critical to protecting Australia's economy, environment and way of life. By reducing the impacts of pests and diseases, an effective biosecurity system supports the sustainability, profitability and competitiveness of Australia's agriculture, fisheries and forestry industries (exports are forecast to be \$74.5 billion in 2022-23), which helps drive a stronger Australian economy (more than 1.6 million jobs and a tourism sector worth \$50 billion). The reduction in pest and disease impacts also contributes to the health of the environment through better functioning ecosystems (environmental assets are worth more than \$5.7 trillion). As we all share the benefits of our biosecurity system, we all have a valuable role to play in supporting it to continue to protect Australia – overseas, at our border and within Australia.

Recent global disruptions, like the COVID-19 pandemic, combined with expected increases in international trade and travel, and the changing biosecurity profiles of near neighbours and trading partners, have placed additional pressure on the biosecurity system and its ability to respond with speed and scale to emerging threats.

We know there is broad support for a sustainable biosecurity funding model to ensure we maintain a strong and responsive biosecurity system into the future. That is why the Commonwealth Government has committed to deliver long-term sustainable funding to strengthen the national biosecurity system.

A sustainable funding model should support long-term operating requirements, be adaptable to evolve with operational and industry requirements, and sustain investment in the resources and information systems needed to deliver safe and efficient regulated outcomes, consistent with our [Appropriate Level of Protection](#).

The purpose of this discussion paper is to seek your views and practical ideas on what a sustainable funding model should look like. The proposed model should recognise the distribution of benefit, risk and costs across wide-ranging stakeholders, and options to remove unnecessary system costs while enhancing operational efficiency.

Scope

All Commonwealth biosecurity activities undertaken outside Australia (pre-border), at the border and within Australia (post-border).

At this stage we are not considering biosecurity activities that other jurisdictions are responsible for and/or fully fund. We are not considering costs associated with export certification and facilitation at any jurisdictional level or by industry.

Who are the ‘risk creators’?

There are five main pathways through which a pest or disease can reach Australia: cargo, sea vessels and aircraft, international travellers, post and mail, and natural pathways.

The importing and international travel sectors are often considered as the primary risk creators, while acknowledging they also play a key role in biosecurity risk mitigation. This discussion paper considers ‘risk creators’ in its broadest sense - to include all users of imported goods, including the agricultural sector, whose actions create a risk through the arrival and movement of items that potentially contain a pest or disease.

For example:

- a farmer who imports a tractor or tyres (not realising they are contaminated with dirt and other contaminants)
- a business using overseas inputs (not realising the packaging contains exotic beetles)
- an individual who orders Christmas presents and food from an online site overseas (not realising the items are potential hosts of foot and mouth disease).

Who are the beneficiaries of the biosecurity system?

All Australians including producers, industry and individuals benefit from the biosecurity system.

By avoiding or reducing the impacts of exotic pests and diseases, an effective biosecurity system supports the sustainability, profitability and competitiveness of Australia’s agriculture, fisheries and forestry industries, which helps drive a stronger Australian economy. The biosecurity system is also important to protect our unique environment and biodiversity and it also protects our health and social amenity.

Make a submission

As we all share the benefits of our biosecurity system, we invite all our stakeholders - individuals, agricultural producers, businesses, industry and community associations, research bodies and governments - to contribute suggestions for improving sustainable funding and investment for biosecurity. We want to hear from you about the options raised in this discussion paper as well as your practical ideas.

Have your say

You can use this link <https://haveyoursay.agriculture.gov.au/sustainable-biosecurity-funding> to answer questions, upload a document or both.

- You will need to register or sign in to participate. Please read our [privacy notice](#) before you register.
- Please note your submission will be public on the Department of Agriculture, Fisheries and Forestry's website.
- Before you share your feedback, please read this discussion paper.
 - We have drafted seven questions for you to consider. You are welcome to provide more general comments.
 - Please ensure you limit your response to 200 words per question and your entire submission to 3 pages.
- Please ensure you provide your feedback by 4pm (AEDT) on 21 November 2022.

Join the national conversation. Go to <https://haveyoursay.agriculture.gov.au/sustainable-biosecurity-funding>

Next steps

Your ideas will help us to identify ways to improve sustainable funding and investment for biosecurity. The department may follow up with you for further information about your submission. Recommendations will be presented to the Commonwealth Government in 2023.

Contact us

For further information about sustainable funding and investment for biosecurity, please email: SecretariatBSF@agriculture.gov.au.

Background

Our national biosecurity system has served us well – Australia remains free from many destructive pests, weeds and diseases found elsewhere in the world. However, we face growing and more complex biosecurity risks driven by factors including climate change, shifting and unpredictable global trade and travel patterns, and changes in our land use.

Independent reviews of the national biosecurity system by Craik ([Priorities for Australia's Biosecurity System](#); Craik et al. 2017), [Inspectors-General of Biosecurity](#) and CSIRO ([Australia's Biosecurity Future: Unlocking the next decade of resilience](#); 2020) have recommended reform. Notably, the need for modernisation and an overhaul of the national biosecurity resourcing model.

The department's [Commonwealth Biosecurity 2030](#) (2021) sets out the strategic actions needed to evolve the Commonwealth Government's biosecurity arrangements to support current and emerging biosecurity threats. This included the need to deliver a sustainable and long-term funding and investment model aligned to emerging system needs. Part of this includes options to accelerate our efforts with key partners, continue advancements in detection technologies and business practice innovations, and improve system efficiency for the benefit of all.

In August 2022, Senator the Hon Murray Watt, Minister for Agriculture, Fisheries and Forestry and Minister for Emergency Management, [released](#) the [National Biosecurity Strategy](#) (the strategy) on behalf of all agriculture ministers. The strategy—developed by the Commonwealth Government and state and territory governments and supported by an external reference group—outlines the strategic direction for Australia's national biosecurity system. The Commonwealth Government is an important contributor to national system outcomes.

The strategy identifies six priority areas to build a stronger biosecurity system, including: sustainable investment to ensure funding and investment is sufficient, co-funded, transparent, targeted to our priorities, and sustainable in the long-term.

Biosecurity: Role of the Commonwealth Government

The Commonwealth Government undertakes biosecurity activities pre-border (outside Australia), at the border and post-border (within Australia). This enables the Commonwealth Government to identify, assess and manage biosecurity risks arising from the arrival of pests and diseases through the movement of people, goods and conveyances, and natural pathways such as wind, tide and wildlife.

However, the biosecurity risk environment has changed and is placing significant pressure on our current system and our core functions. Factors include:

- increasing and changing patterns of global trade, travel and land use
- climate change and extreme weather events creating suitable environments for pests, weeds and diseases to spread greater distances and establish in new locations
- global emergence of novel pest and disease threats, including to human health
- changing distribution of pests and diseases in nearby countries
- expectations of transparency and efficiency by regulated entities and trading partners
- a rapidly evolving 'digital ecosystem' and technologies for diagnostics and surveillance, and
- a national and global decline in scientific and specialist staff.

These changes are creating and will continue to create unsustainable pressures across the biosecurity system, including the clearance of cargo and travellers. COVID-19 showed the potential for global events to cause sudden significant changes to supply chains and traditional travel patterns, further highlighting the need for a responsive biosecurity system to meet the challenges of a fast-changing environment.

Current biosecurity funding and investment: a mixed model

Governments, business and community all invest in Australia's biosecurity system, to protect our collective interest in reducing the considerable and ongoing costs associated with an incursion or management of pests and diseases.

Commonwealth Government funding for biosecurity is delivered through a mix of budget appropriation and fees and charges, predominantly in the cargo and conveyance pathways. This means that not all biosecurity activities are eligible for direct cost recovery nor are all eligible activities fully cost recovered. This funding enables us to undertake the Commonwealth Government's biosecurity remit, including:

- global policy influence, including international agenda and standard setting
- regional capacity building
- operational and compliance functions (border and pre-border) supported by a series of third-party agreements, authorisations and programs
- research, intelligence and data analytics, and
- education, awareness, national preparedness and communication campaigns.

In addition, the Commonwealth Government co-invests with industry, states and territories, research bodies and community groups to strengthen the national biosecurity system. This includes funding to support:

- diagnostic, detection and surveillance programs
- national biosecurity responses to post-border incursions, and
- management of the impacts of established pest animals and weeds.

Cost-recovered regulatory activities

Industry cost-recovery arrangements need to be consistent with policy from both the Commonwealth Government and international trade law obligations, as well as domestic legislation. Our current fees and charges are established through legislation. They include specific fees charges to identifiable recipients of a specific activity i.e. inspection, collected directly by the department, and a general biosecurity charge applied to sea and air cargo on a full import declaration (FIDⁱ) basis, which is collected by the Department of Home Affairs and remitted to the department. The costs recovered in delivering specific regulatory activities, the fees and charges to be imposed and expected revenue is set out in the department's [Biosecurity Cost Recovery Implementation Statement \(CRIS\)](#).

Biosecurity fees and charges are only one component of the range of government and industry charges applying to import activity. Our biosecurity regulatory fees and charges cover four key groups:

1. *Importers*—for the assessment, inspection and management of biosecurity risks associated with imported goods. This also includes activities associated with post-entry quarantine of plants and animals.
2. *Conveyance operators*—for assessment and inspection to manage biosecurity risks from vessels and aircraft entering Australia.
3. *Approved arrangement participants*—for administering arrangements, managing compliance regimes and setting standards for various third-party arrangements with the department to assess and manage biosecurity risks associated with imported goods before release.
4. *International travellers (to a very limited extent)*—for the assessment and management of biosecurity risks posed by baggage accompanying international travellers at non-first points of entry.

The revenue received from cost-recovery is used to deliver a range of activities (as outlined in the CRIS), including:

1. *Governance and administration*—administrative activities enabling us to deliver biosecurity regulatory activities, such as the development of policies and decision support material, and workforce and business administration.
2. *Assurance*—activities that help to ensure that we have the right systems and processes in place to help reduce biosecurity risk and meet Australia's Appropriate Level of Protection. Examples include risk management, cargo compliance verification and surveillance activities.
3. *Compliance and regulation*—activities that are designed to respond to alleged breaches of Australian regulation, including import conditions. This also includes incident management, investigative support and corrective actions.
4. *Intervention*—activities provided directly to an individual, business or organisation to meet import and export requirements. This includes assessment, inspection, treatment issuing approvals and certifications.

Non cost-recovered regulatory activities

The department undertakes other regulatory activities that are currently not subject to industry cost-recovery arrangements or other fees and charges. The decision to not recover costs from industry is generally a consequence of policy decisions, international trade law obligations, including posed by the WTO's General Agreement on Tariff and Trade (GATT) and/or the relevant free trade agreement(s), the absence of a practical charging point for the activity or the cost to administer the arrangement is not economical to pursue. Specific examples include:

- The majority of the regulatory activities undertaken to assess biosecurity risks in the international traveller pathway along with goods imported through our air and sea pathways as 'low value' self-assessed clearance items (\$84.6m in 2021–22).
- Biosecurity regulation in Torres Strait – the department does not cost recover for managing biosecurity risk through traditional visits between Papua New Guinea and the Torres Strait ([The Torres Strait Treaty](#)) or for regulating goods, conveyances and passengers moving between the Torres Strait and the mainland ([Moving goods to, from and within Torres Strait](#)).

Other biosecurity activities

Not all biosecurity activities undertaken or supported by the Commonwealth Government are appropriate for industry cost-recovery (e.g. if considered to not reflect direct costs associated with the delivery of specific regulatory activities). However, they are critical to our ability to effectively and efficiently manage biosecurity risk – including through transforming how we do business – and to deliver national system outcomes.

Examples include funding for:

- national emergency eradication responses or other national agendas (biosecurity emergency response levies and Plant Health Australia/Animal Health Australia membership levy arrangements do not support departmental activities)
- supporting states, territories and land managers to manage established pest animals and weeds and the threat of new and emerging diseases
- department preparedness activity, such as plant and animal health surveillance, along Australia's coastline and in near neighbour countries such as Timor Leste, Papua New Guinea and the Solomon Islands
- community awareness raising and education, including in remote frontline communities
- strategic policy, research and innovation
- piloting, onboarding and ongoing sustainment of new detection technologies and diagnostic tools
- efforts to decrease biosecurity risks associated with trade through influencing international and regional standards and delivery of relevant programs
- global intelligence gathering and analysis to provide early warning of emerging threats
- supporting regional emergency disease response and control efforts

Sustainable funding and investment reform

Long-term sustainable funding arrangements for the biosecurity system is raised regularly by key stakeholders. Successive independent reviews of the biosecurity system emphasise the importance of secure, certain, equitable and sustainable funding ([Inspector-General of Biosecurity 2021](#)). The Commonwealth Biosecurity 2030 (2021) strategic roadmap identifies a sustainable, fit for purpose and long-term funding and investment model as a key enabler to delivering the biosecurity system necessary to meet current and emerging biosecurity threats.

Recent Commonwealth Government biosecurity funding packages have delivered essential support for unanticipated operational effort and early-stage transformational system change. However, these 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 diagnostic) and capital investments (laboratories and facilities) difficult. This leads to poor staff retention, loss of productivity and a decline in biosecurity services.

To remain strong our biosecurity system needs sustainable and adequate resourcing to meet operating needs, deliver essential business transformation and drive co-investment with states, territories, industry and other key system participants. Many funding options have been proposed across government, industry and community through previous engagement, consultation processes and reports.

Options flagged previously include:

- increasing the level of government funding through budget appropriation
- expanded or reformed industry cost recovery arrangements (at border and pre-border)
- various air and sea freight, conveyance or container levies
- enhanced cost-recovery arrangements for services delivered for other government agencies
- an increased passenger movement charge, with a fixed share going directly to the Commonwealth's biosecurity system
- a revenue source from beneficiaries of the biosecurity system.

These have been accompanied by consideration of the appropriate balance across risk creators, system users, direct beneficiaries and the government (representing the broader community); perceptions of equity; administrative costs; transparency; and certainty.

In considering how to secure funding into the system, there is scope to explore **opportunities** to:

- mature co-funding and investment strategies with key system partners (both government and industry)
- expand the delivery of biosecurity services to third parties (both within and outside of government), where it is safe and mutually beneficial to do so
- grow our investment into systems and technologies that both improve risk management and drive efficiency into the system (for users and government), and
- remove unnecessary compliance costs from the system through changes to policy and practice that incentivise good behaviour and remove redunctant requirements.

It is important to note the proposed options and opportunities above are not government policy – but suggestions proposed across government, industry and community through previous engagement, consultation processes and reports. Legal, trade and administrative considerations will be necessary prior to developing a sustainable funding model.

Tell us:

- 1. Considering the potential funding options and opportunities above, 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?**
- 2. How would your proposed model operate at a practical level and who would it apply to?**
- 3. How would your proposed model impact you and others? What would be the benefits or disadvantages to you and/or other stakeholders?**
- 4. Is the proportionality between those who contribute to the funding system and those who benefit the most, right?**

Investments to support our operations

The [Commonwealth Biosecurity 2030](#) strategic roadmap, released in 2021, identifies strategic actions needed to develop and transform our biosecurity arrangements to ensure they remain at the forefront of best practice. The [first annual action plan and report](#) against this roadmap has been released.

The Commonwealth Government is delivering on these actions by:

- advancing biosecurity screening and detection technology at the border
- expanding the use of strategic intelligence to direct regulatory efforts at the border
- enhancing data analytics and integrated digital information capabilities, including enabling the use of the natural business accounts of imports and supply chain participants
- lifting our national preparedness, response capability and resilience to incursions
- continuing investment in a skilled and responsive workforce supported by improved regulatory tools and information
- investing in our workforce to increase regulatory capability across our staff and facilities, and
- establishing stronger industry and government partnerships across the supply chain.

Some specific initiatives include:

- trialling 3-D X-ray technology and developing algorithms to automatically detect biosecurity risk in our international airports and mail pathways, introducing a biosecurity portal to enable our clients access to request and manage their inspection bookings and view and print biosecurity management directions. This portal reduces both time and effort for industry and the department.
- improving technology, data and analytics to manage biosecurity risk in our passenger pathways at international airports and seaports, and
- piloting and implementing new schemes that leverage supply chain assurance controls of highly compliant importers to manage biosecurity risk to reduce biosecurity intervention for these businesses and port congestion more broadly through faster clearance of all goods.

The roadmap's focus on partnerships is also reflected in the National Biosecurity Strategy, including the need to consider prioritised and sustained investment into critical national infrastructure and systems.

The Commonwealth Government is seeking to simplify trade regulation and digitise trade systems across all border agencies to deliver efficiencies for business and government.

Tell us:

- 5. Are there other technologies, current or emerging, that could be employed to increase the efficiency of the biosecurity system, and perhaps reduce operational cost?**

- 6. How could the Commonwealth Government improve efficiency in the biosecurity system (consistent with meeting our Appropriate Level of Protection)?**
- 7. What other investments or actions could the Commonwealth Government make or take to sustainably support the delivery of biosecurity activities?**

ⁱ A FID is required when the value of imported goods in a consignment is \$1,000 or greater. It is completed by the importer or their licensed customs broker.