# *Sustainable Funding for a Strong Biosecurity System* Webinars

## Questions and Answers from 19 May 2023 and 1 June 2023

*Webinars were attended by over 500 people and we received many questions. Below are the questions that were asked during both webinars, we have grouped similar questions into themes Stay tuned to the Have Your Say page for more opportunities to engage with us about the new sustainable funding measures.*

**View the Webinar recordings, presentations and transcripts and find information on how to contact us on our Have Your Say website:** [**Making national biosecurity funding sustainable | Have Your Say - Agriculture, Fisheries and Forestry**](https://haveyoursay.agriculture.gov.au/sustainable-biosecurity-funding)

### BIOSECURITY PROTECTION LEVY

#### What is the difference between the Biosecurity Protection Levy and other agricultural levies collected (including Animal Health Australia and Plant Health Australia membership levies and Emergency animal disease responses)?

The Australian Government acknowledges that many primary producers already invest in on-farm biosecurity as well as indirectly through research and development (R&D), membership fees for Animal Health Australia and Plant Health Australia or industry groups in preparedness and response capabilities.

The existing [agricultural levy system](https://www.agriculture.gov.au/agriculture-land/farm-food-drought/levies/about-levies) allows primary industries to collectively invest in R&D, marketing, biosecurity activities, residue testing and biosecurity emergency responses. It allows primary industries to fund priorities for identified purposes that could not be achieved by many primary producers on their own. At the request of primary industries, the Australian Government imposes levies on agricultural products, with the funds raised disbursed by the Department of Agriculture, Fisheries and Forestry to levy recipient bodies (Research and Development Corporations, Animal Health Australia, Plant Health Australia and the National Residue Survey) to invest in these activities.

However, primary producers do not contribute directly to the cost of the Australian Government’s biosecurity effort to prevent pests and diseases entering Australia.

Through the new Biosecurity Protection Levy, from 1 July 2024 producers will contribute an amount equivalent to approximately 6 per cent of the total annual biosecurity funding required to prevent pests and diseases entering Australia.

#### Will the new Biosecurity Protection Levy be hypothecated to biosecurity?

No. In line with standard practice for these types of measures, while it will be collected by the Department of Agriculture, Fisheries and Forestry (the department), the revenue raised will be returned to the Australian Government’s consolidated revenue fund. This revenue will support the Australian Government’s capacity to deliver permanently increased funding for the Australian Government’s biosecurity activities.

The funding from the Biosecurity Protection Levy, like the contributions made by taxpayers, importers and international travellers paying the passenger movement charge, will help fund activities including regulatory activity at the border, policy and technical effort surveillance in the north of Australia and supporting near neighbours to strengthen their arrangements for disease prevention.

The Australian Government has committed to greater transparency and accountability around the strengthened and sustainably funded biosecurity system.

This will include publishing annual information on biosecurity funding, expenditure and outcomes, including revenue from the Biosecurity Protection Levy.

#### Is it intended that the Biosecurity Protection Levy will increase over time?

The design details for the Biosecurity Protection Levy will be finalised following industry engagement.

It is proposed that the levy rate and tits application across primary production commodities will be established through legislation. Any future changes will be a matter for government.

It is also intended that the legislation would include a formal review built in.

#### How will the Biosecurity Protection Levy be calculated, why is it being based on existing statutory levies?

The Biosecurity Protection Levy is likely to be established through new and separate legislation. It will not be implemented by adding 10 per cent to all existing levies.

The department will continue industry engagement, including with those industries who do not currently pay a statutory agricultural levy, on the specific design details, including implementation arrangements. As announced by the Australian Government, the starting point for these discussions will be the application of a rate equivalent to 10 per cent of current statutory levies being paid on a similar base. Industry engagement will provide an opportunity to discuss the most practical way to meet this intent, noting there is considerable variability across the current levies (including within broad commodity groups).

The application of other arrangements in place for the collection of the existing agriculture levies will also be discussed with industry with a view to ensuring administration costs are as a low as possible.

#### Who will pay the Biosecurity Protection Levy?

Primary producers (agricultural, fisheries or forestry) will pay the Biosecurity Protection Levy, which is to take effect from 1 July 2024.

#### How will the success of the Biosecurity Protection Levy be measured, will there be performance criteria developed?

The department will continue its current practice to use the annual performance statements, published in the annual report, to share publicly the department’s achievements and priorities. In addition, the Australian Government has committed to greater transparency and accountability around the strengthened and sustainably funded biosecurity system.

This will include publishing data annually on biosecurity funding, expenditure and outcomes, including revenue from the Biosecurity Protection Levy.

#### Will the department come to individual industries directly or will industries have to proactively engage?

The department has commenced industry consultation, and will do so through a series of webinars, face-to-face meetings and via the department’s Have Your Say web page. You will also be able to register your interest in participating in the consultation for this and the implementation of other sustainable funding measures through our Have Your Say page that will become available in August 2023.

Any industry sectors with views about how to better target consultation should let the department know via our mailbox SecretariatBSF@aff.gov.au and through our soon to be published [Have Your Say](https://haveyoursay.agriculture.gov.au/) page.

#### Will the department pay for the collection of the Biosecurity Protection Levy, and will this be tax deductible?

Collection costs of the Biosecurity Protection Levy will be met by the department. Questions relating to taxation should be referred to the Australian Taxation Office at [Home page | Australian Taxation Office (ato.gov.au)](https://www.ato.gov.au/) or a registered tax advisor.

#### Do the levy rates proposed raise an equivalent rate for each commodity – for example 10% of the value of production for that industry, or does the amount vary between industries?

The rate applying to specific commodity groups is proposed to be set equivalent to 10 per cent of the agricultural levy rates applied in 2020-21, or another comparable metric where such levies are not in place. Final details will be determined following consultation with industry and consideration by government.

#### Will the levy be applicable to state government agencies, or will there be an exemption?

If a state government is undertaking a primary production business (agriculture, fisheries or forestry), then the Biosecurity Protection Levy will be applied.

#### All of Australia benefits from a well-funded, strong biosecurity system. We all have a role in being prepared to address threats and related responses. Why is a levy not being applied to ALL Australian citizens? Was this investigated?

Australian taxpayers are contributing a significant proportion of the funding for a strong biosecurity system. In 2024-25, taxpayers will be contributing around 44 per cent of the Australian Government’s biosecurity funding, while importers and Australia Post contribute 48 per cent and 2 per cent respectively.

#### How will this tax not turn into a road user charge or passenger movement charge, where the money collected is not linked to an outcome from government?

As mentioned previously, although the Biosecurity Protection Levy is not hypothecated to biosecurity, the Australian Government has committed permanently increased funding for biosecurity and ensuring transparency and accountability around the strengthened and sustainably funded biosecurity system.

This will include publishing data annually on biosecurity funding, expenditure and outcomes, including revenue from the Biosecurity Protection Levy.

#### Will there be a GVP cut-off? i.e. for startup industries?

The details around the design of the Biosecurity Protection Levy will be finalised following industry engagement. The department will be commencing engagement shortly to talk to industry sectors, including those who do not currently contribute to an agricultural levy, about the specifics of the design details, ensuring implementation arrangements are as cost effective as possible.

#### Currently the size of the levy varies with regards to relative GVP. Therefore, this will be a bigger impost for some industries than others. Has this inequality been considered?

This will be considered as part of finalising the design of the Biosecurity Protection Levy.

#### When will the value of the proposed levy for all commodities be confirmed? At present there is a great deal of missing information on rates.

Specifics of the Biosecurity Protection Levy will be available at the conclusion of government consideration of proposals for the final design of the levy following engagement with industry sectors. We will also keep you up to date on our [Have Your Say](https://haveyoursay.agriculture.gov.au/sustainable-biosecurity-funding) page as the Biosecurity Protection Levy progresses.

#### In regard to using existing R&D levy rates, how are you ensuring that all domestic producers will contribute equally and appropriately? For example, in horticulture, the levies drastically change between commodities. And what about industries that do not collect a R&D levy? For example, some tropical exotic fruits, which are probably more high risk than mainstream industries in terms of biosecurity.

The design details for the Biosecurity Protection Levy will be finalised by government following industry engagement. The department will be commencing consultation with industry sectors shortly, including those who do not currently contribute to an agricultural levy, about the specifics of the design details, ensuring implementation arrangements are as cost effective as possible.

#### How was it decided which levy the Biosecurity Protection Levy will be applied to? Some commodities have more than one e.g. R&D and promotions.

The rate applying to specific commodity groups is proposed to be set equivalent to 10 per cent of the agricultural levy rates applying in 2020-21, or another comparable metric where such levies are not in place. The design details for the Biosecurity Protection Levy will be finalised by government following industry engagement. This engagement process will look to confirm the most practical way to apply the levy, recognising the range of agricultural levies currently in place.

#### Six per cent contribution to overall operations is substantial. Given the large contribution from the proposed BPL, is there an intention to include agricultural industry leaders on the management committees that will have oversight over the spending?

The department will be increasing transparency and accountability around the strengthened and sustainably funded biosecurity system, including reporting annually on biosecurity funding, expenditure and outcomes, including revenue from the Biosecurity Protection Levy.

#### The recent Frontier Economics’ report from the Invasive Species Council notes that beneficiaries pay arrangements for biosecurity can “lead to excessive consumption of services and dampen investment incentives for service providers” – how will the government address these issues around a beneficiary pays arrangement?

Funds through the new levy will provide around 6 per cent of the Australian Government’s biosecurity funding in 2024-25, with around 48 per cent being provided through industry cost recovery for regulatory activity associated with border clearance activity, 2 per cent for international mail items and 44 per cent through taxpayer funding. As noted above, the contribution being sought from primary producers will form part of the Australian Government’s consolidated revenue fund. The levy does not represent a demand-driven fee for service.

#### If the new levy comes from a particular state or sector, will those funds flow back to that state or sector?

No, revenue from the new levy will go into the Australian Government’s consolidated revenue fund to support the government’s capacity to deliver permanently increased funding for the Australian Government’s biosecurity activities.

### CONTAINER LEVY

#### The Minister said that the government was looking at container imports – can you update us on this? Does the department have any idea of how long roughly it will take to review the legality of a container levy? What international trade barriers have stalled a container levy on importers to help fund the nation’s biosecurity system?

Currently, the department applies charges or levies where biosecurity activities are provided to a group of individuals or organisations for those activities. Examples include full import declarations for cargo clearance, approved arrangements for biosecurity industry participants and imported food arrangements and from 1 July 2024 the Australian Government will implement a new cost recovery charge of 40 cents per item on low value ($1000 or less) goods imported into Australia. While the Australian Government did not introduce an import levy or a container levy in the 2023-24 Budget, it has announced that further work will be undertaken on potential reform of the approach to border fees and charges to ensure they are fit for purpose going forward including the potential for a biosecurity imports or container levy. This work will be undertaken in consultation with the Department of Foreign Affairs and Trade and other key agencies and will be informed by policy, legislative, administrative and international trade law considerations. We anticipate this work will be completed over a 12-month period and will involve a public consultation process.

The department is not in a position to provide advice on international trade law matters. General information is provided on the Department of Foreign Affairs and Trade’s website [World Trade Organization | Australian Government Department of Foreign Affairs and Trade (dfat.gov.au)](https://www.dfat.gov.au/trade/organisations/wto/Pages/the-world-trade-organization).

### ENVIRONMENTAL BIOSECURITY

#### The new measures seem to be a step forward for the biosecurity system as a whole, but can you identify any resourcing improvements that will be made specifically directed at environmental biosecurity? Some of the measures (mail intercepts etc) will help, but agricultural producers and small importers paying levies will want those levies spent on measures related to their sectors. To what degree are we going to be meeting the need for improvement specifically for environmental biosecurity as identified as a priority in the 2017 Review?

The revenue collected through the Biosecurity Protection Levy will go into the Australian Government’s consolidated revenue fund to support the government’s capacity to deliver permanently increased funding for Australian Government’s biosecurity efforts to prevent pests and diseases entering Australia. This supports the broad range of effort currently undertaken in relation to production and environmental pests and diseases.

This will enable contributions made by taxpayers in general and through measures such as the announced Biosecurity Protection Levy to fund important biosecurity activities undertaken by the Australian Government that are not appropriate for import industry cost-recovery.

#### Environmental biosecurity is a major, critical component of the broader biosecurity system, benefitting all Australians including industry. However, it has continued to be neglected and inadequately funded. There's been no mention of it through the sustainable funding webinars or consultation paper and relying on internal allocation in DAFF is part of the problem. As a public good that needs urgent and targeted investment, what are DAFF’s plans to adequately and sustainably fund environmental biosecurity activities?

Please note the advice provided above. Further, the Australian Government has committed to increased transparency and accountability in relation to government funding, expenditure and outcomes. This will support consideration of emerging areas of risk and associated funding implications.

#### Are there any provisions in the budget for funding current proposed initiatives such as National Environmental Weed Priorities?

Please note responses above.

### COST RECOVERY ARRANGEMENTS

**We have noticed changes on charges and fees on customs clearance in the past months. Should we expect more changes towards biosecurity customs?**

From January 2023, there was an increase to the department’s Sea Full Import Declaration charge to recover the cost of our initiatives to manage hitchhiker pests. From 1 July 2023, there are further increases to a range of biosecurity fees and charges in place to ensure that the current cost of undertaking regulatory biosecurity clearance activities is being recovered [Biosecurity cost recovery implementation statements - DAFF (agriculture.gov.au)](https://www.agriculture.gov.au/about/fees/biosecurity-cris). From 1 July 2024, the biosecurity cost recovery arrangement will be expanded through a new charge recovering the cost of biosecurity clearance for low value items – these costs are currently covered by taxpayers.

Information on the Australian Border Force’s fees and charges for importing goods can be located on their website: [import-processing-charge (abf.gov.au)](https://www.abf.gov.au/importing-exporting-and-manufacturing/importing/cost-of-importing-goods/charges/import-processing-charge).

#### Is there a reason why the $15.4 million for international post items is not changing?

We will provide advice to the Australian Government later in 2023 on the fee paid by Australia Post associated with biosecurity clearance in international mail gateway facilities.

#### Regarding the proposed SAC fee, will there be an individual DAFF invoice issued against each import air cargo consignment?

The department is not intending to issue an invoice against each declared SAC consignment. The department will engage with relevant industry parties regarding the design features for the revenue collection of this cost recovery arrangement.

#### Has any thought been given to collecting the SAC fee offshore from the shippers, similar to what the ABF/ATO has done with GST on SACs?

This is not currently considered a practical option to deliver the intended outcome associated with this measure, given the specific scope of that arrangement. Final design details will be determined following engagement with affected stakeholders.

#### With the SAC fee, given there is only around 0.05% of parcels requiring direct DAFF action, is it fair to target all parcels? Example: 15,000 parcels per day = $6,000 fees for only around 7 parcels to be inspected.

Over the past five years, there has been on average 65 million low value items arriving annually into Australia. The expansion of the cost recovery arrangement to SACs is to ensure that the cost of undertaking regulatory activity to manage the biosecurity risk associated with high volume low value items, is recovered. This includes arrangements that support clearance activity. This is broader than the costs associated with inspection of referred consignments.

#### From a small parcel perspective, the $0.40 fee would negate a fair portion of most carriers’ profit margin. Will this fee be reduced for parcels valued under low thresholds. For example, parcel value is $15, will DAFF fee be $0.10

The application of the $0.40 fee will be applied to every SAC declared for the importation of goods valued at or below AUD$1000 by sea or air cargo.

#### Can I just confirm the answer regarding how industry remits the 40-cent fee. Is that industry will remit what we think is the correct amount?

Further information will be available over the coming months as design discussions commence with industry sectors, including the fee arrangements to recover the regulatory costs of this activity. As a general position, it is proposed this involve those parties responsible for the import of these goods remitting to the department, in arrears on a self-assessment basis, the relevant amount.

### GENERAL QUESTIONS

#### How much does industry and Australian farmers contribute to biosecurity?

The details of contributions are available within the department’s Portfolio Budget Statement. This is available on the department’s website: [Budgets - DAFF (agriculture.gov.au)](https://www.agriculture.gov.au/about/reporting/budget).

#### When is the Inspector General Lloyd Klumpp's review expected to be finalised or handed down?

Information on the Inspector General of Biosecurity's current and completed reviews can be found on the Inspector General of Biosecurity's website [Current and completed reviews | Inspector-General of Biosecurity (igb.gov.au)](https://www.igb.gov.au/current-and-completed-reviews).

#### Over 12.4 per cent of Australian arable land is now under certified organic management. Will the funding also cover the additional requirements of organic biosecurity needs?

The sustainable biosecurity funding package focuses on strengthening Australia’s biosecurity system to help protect Australia from the entry of exotic pests and diseases (regardless of whether they are agricultural or environmental pests or diseases).

#### How will the increase to the Passenger Movement Charge contribute to the sustainable funding model.

The Australian Government made a decision to increase the Passenger Movement Charge from $60 to $70 per traveller. Funds from this increase form part of consolidated revenue and help provide government with the capacity to contribute to the cost of sustainably funding the biosecurity system, among other things. This charge is administered by the Department of Home Affairs. More information regarding the Passenger Movement Charge can be found here: [Passenger Movement Charge (PMC) (abf.gov.au)](https://www.abf.gov.au/entering-and-leaving-australia/crossing-the-border/passenger-movement/passenger-movement-charge-%28pmc%29).

#### Will there be funding for the Biosecurity Volunteer Service?

The Biosecurity Volunteer Service was not included in this year’s federal Budget announcement.

#### There is acknowledgment in the presentation that the import processing timeframes had suffered due to lack of resources as a result of the lack of finances, and that this will ease, however we shouldn't expect huge improvements. Why can industry not expect it to now be resourced adequately to ensure little or no delays?

Prior to the 2023-24 Budget announcements, biosecurity was reliant on short-term funding approaches that made it harder for the department to plan and meant that resources had to be diverted to manage emerging risks in cost -recovered and taxpayer funded pathways. With permanently increased funding, the department is able to plan ahead in the knowledge of long-term secure funding. This means the department can prioritise where it deploys resources to efficiently and effectively manage biosecurity risk. Separately, the recently announced increase and the current border fees and charges will stabilise our resourcing for those border regulatory activities within these arrangements.

The Australian Government has committed the annual reviews of our industry cost-recovery arrangements to ensure they are recovering funding need to efficiently and effectivity undertake biosecurity clearance activity. The commitment to a structural review of border fees and charges will provide a further means of ensuring these arrangements are efficient and effective into the future. Industry views will be sought as part of these processes.

#### Is there money in the budget committed to LGBTQIA+ biosecurity awareness & visibility?

No, specific funding was not allocated in the 2023-2024 Budget to LGBTQIA+ biosecurity awareness and visibility.

#### In low production years (e.g. drought) will the government top up funding for biosecurity?

The Biosecurity Protection Levy will be a standalone levy collected by the department and remitted to consolidated revenue. These funds will support the Australian Government’s capacity to deliver permanently increased funding for the Australian Government’s biosecurity activities. Through the budget, the government has permanently increased the funding allocation to the department for biosecurity - a reduction in Biosecurity Protection Levy collections because of falling production will not affect the funding to the department.

#### When are you looking at securing and allocating funding to implement DAFF's Green Lane Program?

The department is committed to working with industry to develop arrangements that recognise highly compliant entities, including consequent on the work through the Green Lane Program. Funding provided through the budget will support these efforts. The implementation of ‘green lane’ arrangements will also be a matter for consideration in terms of future border cost-recovery arrangements.

**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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