

Biosecurity Sustainable Funding

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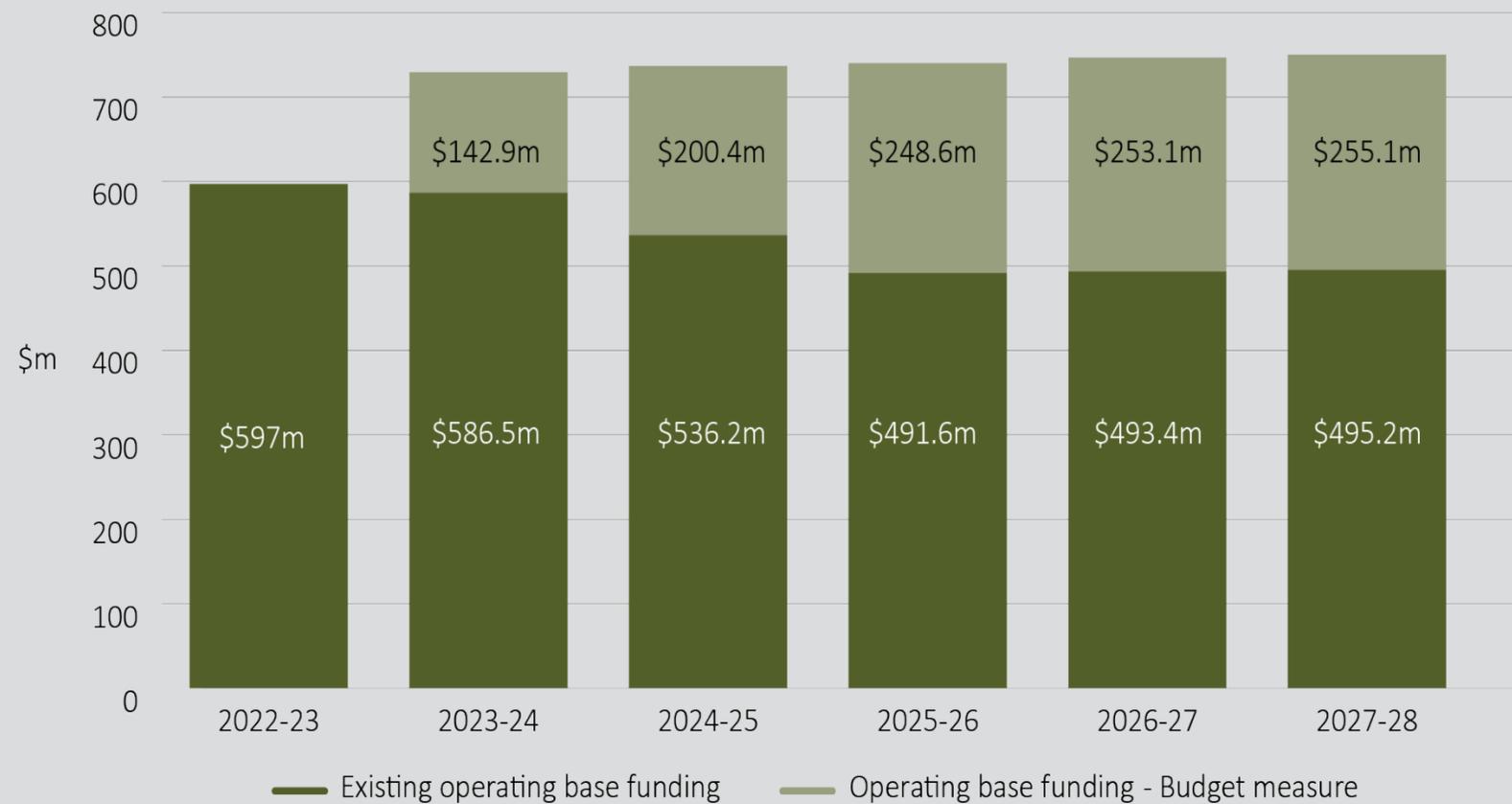


Australian Government

Department of Agriculture, Fisheries and Forestry

Biosecurity sustainable funding – increased funding

Operating base funding (Existing and with Budget measure)



The above graph shows funding for biosecurity policy, operational and technical functions and includes corporate costs associated with delivering these functions. Funding will be indexed.

Long-term, sustainable funding to strengthen Australia's biosecurity system.

\$1.03b over four years and \$267m per year from 2027-28

- \$845m over 4 years (and then \$255m p.a.) for core biosecurity effort by the department (policy, technical, operational) aimed at preventing pests and diseases entering Australia
- \$40.6m over the next 4 years and \$12m ongoing to maintain the Indigenous Rangers Biosecurity Program - a key protection in relation to our northern border
- \$145m over the next 3 years for modern, digital systems in our cargo pathway (STEPS program) – delivering safer and more efficient clearance effort



Australian Government

Department of Agriculture, Fisheries and Forestry

Biosecurity sustainable funding – shared cost

We have come to the view that funding biosecurity is also a shared responsibility - between taxpayers, those who create risk and those who receive significant benefits from the biosecurity system.

We decided a mixed funding model was the fairest approach and that's why the cost of our sustainable biosecurity funding measures will be shared, with taxpayers, importers, international travellers and producers all contributing.

Minister Watt, Croplife Post Budget Speech 2023



Biosecurity sustainable funding – shared cost

(a) Biosecurity funding without Budget measures

Total \$536.2m



(b) Biosecurity funding with Budget measures

Total \$804.6m



The figures above show biosecurity funding in 2024-25 (a) without both the Budget measures and increase to existing fees and charges expected to apply from 1 July 2023; and (b) with both the Budget measures and increase to existing fees and charges expected to apply from 1 July 2023. Funds from the increase in the Passenger Movement Charge form part of consolidated revenue but provide the Government with capacity to contribute to the cost of sustainably funding the biosecurity system.



Biosecurity sustainable funding – shared cost

Increased import clearance fees and charges

- In addition to the budget package, fees and charges for biosecurity clearance increased on 1 July 2023. This is the first significant increase since 2015.
- These changes are estimated to recover an additional \$36 million in 2023-24, with annual reviews to ensure actual costs are being recovered into the future.
- These changes are essential to restoring the integrity of cost recovery arrangements for biosecurity services that the government provides.



Biosecurity sustainable funding – shared cost

Budget package – new import clearance charge on low value goods

- From 1 July 2024, a new cost recovery charge on low value (\$1,000 or less) goods imported into Australia by air or sea will be introduced, recovering around \$27 million per year.
- This charge will cover the cost of biosecurity clearance on imported goods that is not currently subject to cost recovery – up to now taxpayers have been paying this cost.



Biosecurity sustainable funding – shared cost

Budget package – new Biosecurity Protection Levy

- From 1 July 2024, a new Biosecurity Protection Levy on all domestic agricultural, fisheries and forestry producers will be introduced.
- This levy is intended to collect around \$50 million per year.
- To be set, on a per commodity basis, at a rate broadly equivalent to 10% of 2020-21 agricultural levies or, where these are not in place, an equivalent metric
- Design details to be finalised following industry engagement.



Biosecurity sustainable funding – shared cost

Budget package – other measures

- Funding arrangements recovering the cost of biosecurity clearance of international mail, and military equipment and personnel coming into Australia, will also be reviewed to ensure appropriate contributions.
- Enhanced accountability and transparency arrangements will be introduced to ensure we can monitor how the system is going.
- While not associated with the biosecurity package, the government will increase the current Passenger Movement Charge from \$60 to \$70 per person from 1 July 2024, the first increase since 2017.



There is more to be done

- Consideration of other costs incurred at the border (International mail gateway, military)
- A structural review (with industry) to consider future reforms to our border charging models to ensure they are fit for purpose
- This will include consideration of import or container levy options
- Establishing arrangements that deliver on the government's request for greater system transparency and accountability
- Ongoing work with industry to deliver business practices that drive safe and efficient import clearance; along with efforts with overseas countries, states and territories, producers on prevention and preparedness
- Taking forward the National Biosecurity Strategy

“So going forward, funding for biosecurity will be delivered with more transparency and public accountability than ever before. I will be setting up robust, accountable and transparent governance around biosecurity funding and outcomes.

We will report annually to show where biosecurity funding is coming from and how it is being spent.

But we also want to see real improvement for those extra dollars.”

Minister Watt



Questions?

Biosecurity Sustainable Funding Secretariat

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Biosecurity Protection Levy

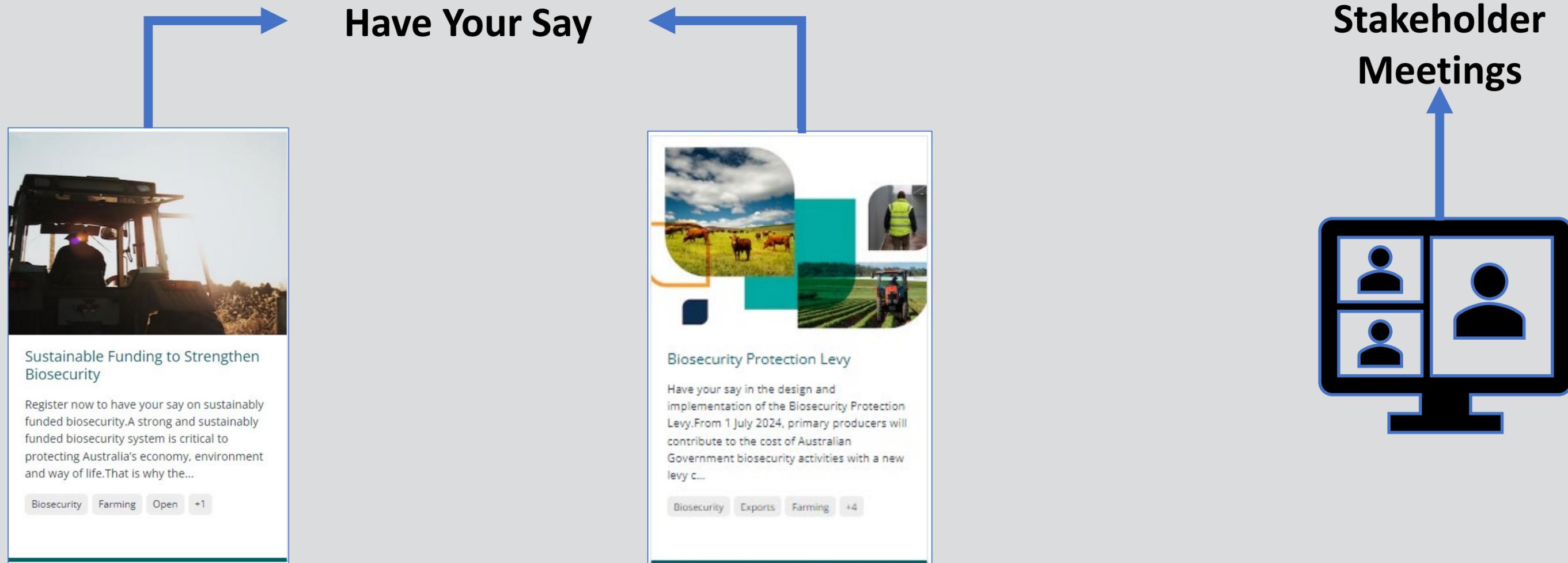
Things to note

- This is a new levy, most likely to be established through separate legislation to statutory agricultural levies.
- It will not be implemented by changing current industry-led agricultural levy rates.
- It does not affect the modernising agriculture levies legislation consultation process.
- As we want to minimise administrative costs to producers, collection agents and government, we will look to common approaches where that makes sense.
- This levy is intended to apply whether or not a producer currently pays statutory agricultural levies.
- It is not a 'cost recovery' charge.



Biosecurity Protection Levy - consultation

To date we have undertaken consultation through:



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Department of Agriculture, Fisheries and Forestry

Biosecurity Protection Levy – what have we heard?

- Overwhelming agreement that sustainable funding for biosecurity is a significant and positive milestone.
- Beneficiary pays approach important to make clear (shared responsibility).
- Stakeholders very keen to see value proposition – visibility on how money raised is being spent (particularly with funds going to CRF and offset for appropriation to the department) and benefits.
- Whilst there is acknowledgement that importers are paying significantly more under the increased fees and charged from 1 July, some stakeholders would like to understand more about the potential of further border charges e.g. a container or import levy.
- Important to establish principles underpinning levy design.



Biosecurity Protection Levy – what have we heard?

- All industries need to be included and levy applied consistently across industries.
- Mixed views on setting of the BPL rate for commodities with reference to agricultural levy rates - some suggestions to use alternate approach e.g rates proportional to GVP
- Thresholds, exemptions and exceptions seen as important – but applied consistently across industries.
- Whilst the biosecurity protection levy is independent of statutory agriculture levies we have heard from many stakeholders that utilising existing agriculture, fisheries and forestry levy collection mechanisms to collect the biosecurity protection levy is preferred.
- Inclusion of protection or review mechanism to avoid continual increase in levy rates over time



Biosecurity Protection Levy – next steps

- We are undertaking analysis of the feedback received to inform the final design.
- Also feeds into development of legislation.
- Further engagement on the feedback we received and final levy design.
- Ahead of the levy taking effect on 1 July 2024, we will work with industry, including collection agents, to ensure everyone can be as best prepared as possible.

