

Rural and Regional Affairs and Transport Legislation Committee

Answers to questions on notice

Agriculture, Water and the Environment Portfolio

Inquiry: Biosecurity Amendment (Enhanced Risk Management) Bill 2021
[provisions]

Question No: IQ21-000088

Hearing Date: 07 October 2021

Division/Agency: Biosecurity Strategy and Reform Division (BSRD) G6

Topic: Biosecurity levy

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Question Type: Spoken

Senator Sterle asked:

Senator STERLE: ... Why didn't a biosecurity levy go ahead? We've had a fair bit of banter on this.

Ms Lane: I'm happy to provide some details on notice on this one. I think we have answered some questions on this in previous estimates hearings. The decision at the time was not to proceed with a levy, but we do continue to look for the most optimal funding arrangements to support the biosecurity system and our management of biosecurity risk. That's certainly a piece of work that continues.

Senator STERLE: Sure, because there were blues around who was paying what and all that; I do remember. But I also remember the trigger was ready to be pulled in the Senate. It was coming, coming, and then—whoopsadaisy—it fell over. Then it was coming back again; it was nearly there, and over it went again. So it is a fair question that I ask. I look forward to what you can provide to the committee on that, Ms Lane or others.

Ms Lane: I'm happy to do that.

Senator STERLE: Thank you. Can the department provide details about how biosecurity will be funded over the longer term?

Ms Lane: I think that's one we can probably wrap that into that same question on notice, but there is certainly some work that we're doing. For example, we continue to look at our funding base to make sure that's appropriate. We have cost recovery arrangements in place that are reviewed sort of regularly as part of the usual cost recovery process. But I am happy to provide detail around the pieces of work that are in play there.

Senator STERLE: That would be good, thanks very much.

...

Senator STERLE: Is a user-pays system being considered?

Ms Lane: In what sense are you talking there, Senator?

Senator STERLE: Levy. Sorry, the cost of the biosecurity.

Ms Lane: I will take that on notice and provide some further detail about the pieces of work that we have in train in that—

Senator STERLE: Sorry to cut you off, but, yes, that is fine. If it does come back with a negative on user-pays, can you give us an explanation of why that's not being considered? We don't have a levy. We are not considering a levy. Is that right? Are you still thinking about it or is the levy completely gone?

Ms Lane: As I said, we are considering what a sustainable funding arrangement for biosecurity looks like. We do have cost recovered activities, appropriation funded activities, so there are a range of funding mechanisms for what we do. We are currently looking what the system needs to support what it needs to do into the future. I am happy to provide further detail on notice.

There's much probably not much more I can add on that.

Senator STERLE: That's fine.

Answer:

1. The biosecurity functions undertaken by the department are currently funded through a mix of industry cost-recovery arrangements and budget appropriation. This mix is expected to continue, consistent with the Australia Government Charging Framework which guides when user charging can be applied. Funding arrangements are regularly reviewed and adjusted. For example, on 1 January 2020 the department revised biosecurity charges for industry while a \$400.1m biosecurity package was also announced in the 2021-22 Budget following earlier investment in African Swine Fever and Khapra responses.
2. Following broad industry consultation and further consideration of the impacts on industry, the Australian Government made the decision not to proceed with the proposed Onshore Biosecurity Levy. This decision did not impact on the overall Commonwealth biosecurity budget. Further information is available from <https://www.awe.gov.au/news/media-releases/onshore-biosecurity-levy>.
3. The Commonwealth Biosecurity 2030 strategic roadmap, released by Minister Littleproud on 24 May 2021, sets out the strategic actions needed to ensure the biosecurity system is fit-for-purpose into the future. This includes aligning our funding and investment model to emerging system needs and ensuring that biosecurity partners contribute equitably. This will include effort against four key actions:
 - a. Assess broader underlying system cost and efficiency drivers.
 - b. Examine current and possible future cost recovery arrangements.
 - c. Work with state and territory partners to provide transparency to stakeholders about governments' commitment to biosecurity investment.
 - d. Explore co-funding and investment strategies with key system partners to build the strength of the national system.
4. A review of existing cost-recovery arrangements is currently being undertaken.