

18 April 2019
Biosecurity Imports Levy Steering Committee
Via email: bilreview@yahoo.com

To whom it may concern,

RE: Biosecurity Imports Levy discussion paper

We as a group welcome the opportunity to make a submission to the Biosecurity Imports Levy discussion paper. This submission has been collectively written by a group of Industry Representative Bodies (IRB) representing a significant number of Australian horticultural industries. This group includes Australian Almonds, AUSVEG Limited, Australian Walnut Industry Association Incorporated, Cherry Growers Australia, Chestnuts Australia Incorporated, Citrus Australia, Dried Fruits Australia, Hazelnuts Growers of Australia, Nursery and Garden Industry Australia, Pistachio Growers' Association Incorporated, Protected Cropping Australia, Strawberries Australia Incorporated, Voice of Horticulture, Summerfruit Australia Limited, and Victorian Farmer's Federation.

In creating this submission, we have drawn heavily on points made by the National Farmer's Federation (NFF), whose submission we endorse and support in its entirety.

The importance to all Australians of an effective and robust, science-based and adequately resourced national biosecurity system cannot be overstated. There exist concerns about the adequate funding for this system. The recent Craik review identified a shortfall and recommended a biosecurity imports levy to partly address this shortfall, with funds raised to be invested in important activities such as environmental biosecurity, national monitoring and surveillance, research and innovation, and communication and awareness.

We strongly support the introduction of such a levy, which targets biosecurity risk creators and will fund improvements to strengthen the national biosecurity system for the benefit of all Australians.

We believe that it is critical that the full quantum of funds raised through the levy is invested back into the biosecurity system and does not disappear into consolidated revenue. It is also essential that the revenue raised through the imports levy is not used to substitute existing government investment, but for additional activities that will improve the system, and not to replace government investment or maintain the status quo.

We support the two specific mechanisms proposed by the steering committee that would support the transparent and well targeted investment of the levy revenue – namely the establishment of a Biosecurity Advisory Council, and production of an annual biosecurity Budget-related paper.

We would now like to provide some responses to the specific questions raised by the Steering Committee in their discussion paper.

Question 2.

It has been determined that the proposed levy is a tax, and the government has committed that revenue raised through the levy will be directed to non-regulatory biosecurity activities to strengthen the overall system. Given this, and the remit of the committee to develop advice on the design of such a levy, we

consider that exploration of new cost-recovery charges would be more appropriately addressed through a separate process.

Question 4.

We strongly support the proposed recommendations in paragraph 31. We support the Australian Government commitment to produce an annual Biosecurity Budget-related Paper with a full reconciliation of funding sources and expenses. As well as providing much-needed transparency and accountability, such a measure would send a strong signal to industry and the community about the national importance of biosecurity, and the government's commitment to working with industry to deliver a world-class biosecurity system by identifying priorities and addressing gaps.

Question 5.

The principles as presented are important considerations for the design of the biosecurity imports levy. We firmly agree with the committee's view that where possible existing collection mechanisms should be employed, and that the point of imposition should be as close as possible to the cargo owners/imports who have created the demand for the import, which will minimise the scope for cascading as costs are passed through the supply chain.

Question 6.

We agree in principle that the levy should be extended to air freight, and that mechanisms for enabling this should be investigated as a matter of priority. However, we urge the committee to focus on the core task of developing advice to enable a levy on imports by sea to be introduced by 1 September 2019.

We note that the Australian Government has committed to not increasing the Passenger Movement Charge (PMC) until 1 July 2022, and that consideration of levies on air and sea passengers is outside the remit of the committee. We would welcome the opportunity to engage in any future review of the PMC.

Question 8.

We support in principle the use of the Full Import Declaration as an efficient means of collecting the levy. The arguments presented are compelling, and we understand this is an existing system that could readily be adapted to collect the levy with minimal administrative impost and without the requirement for new systems to be developed.

Question 9.

The industry funding figures presented in the table on page 13 of the discussion paper relate to cost-recovered expenses for services provided by the Department of Agriculture and Water Resources (DAWR) and are therefore not a complete reflection of the private sector contribution to the biosecurity system.

Our industries have faced many new and ongoing incursions including the Varroa mite and multiple Brown marmorated stink bug responses. The costs associated with new biosecurity incursions can be significant. Red Imported Fire Ant costs to the Queensland industry were assessed by NGIQ at \$18 million/annum to manage the insect (property mitigation measures, lost trade, market access, administration, preventative treatments/barrier treatments, compliance costs, etc.). Over the past 18 years this equates to a total of \$324 million and counting. Similarly, for citrus canker the costs-shared for

the response was approximately \$30million for the Emerald outbreak while the current outbreak is estimated at \$18.72M. The costs for Banana freckle were at \$25 million, while Tomato potato psyllid was at \$6million.

Myrtle rust was assessed in 2012 by NGIA to cost industry (QLD, NSW & VIC) approximately \$27 million/annum to manage the pathogen (crop management, lost trade, market access, administration, loss of commercial varieties, etc.). Over the past 6 years this equates to a total of \$162 million and counting.

Our industries see ourselves as significant contributors to the ongoing wellbeing of plant biosecurity in Australia. Our contributions can be seen in the role our members play in crop monitoring, pest management and biosecurity reporting. Individual growers incur significant additional costs in the wake of an incursion and consequently an unquantifiable cost burden has been placed on industry as a result of previous arrivals. Most importantly though, we see ourselves as the largest funder of actions taken to preserve and improve plant health and the post-border components of Australia's biosecurity continuum through the multitude of Research, Development and Extension (RD&E) efforts funded by the levies that all growers pay. Over the years, billions of dollars in plant health research that directly benefits our biosecurity system have been funded through the various industry levies paid by producers, represented by us as IRBs and managed by the seven plant Research and Development Corporations (RDCs). We believe that it is necessary to recognise that industry, through research and extension funding, contribute greatly to Australia's internationally enviable position of having a relatively strong biosecurity system.

In addition to the research, development and extension funding our industries contributed additional funds and resources to biosecurity through the EPPRD Levy and Plant Health Australia Levy to undertake significant biosecurity programs. Many of the industries have been or are involved in both 'normal; commitments' and cost-sharing arrangements for EPP eradication programs some which are funded from levies and some which are funded directly from 'general revenue' of the grower organisations.

Question 10.

The proposed introduction of this levy provides a unique opportunity for the government to strengthen the national biosecurity system by making careful investments in areas where the greatest returns are to be had, and in areas that are currently underfunded, including environmental biosecurity.

This would add further weight to the argument for establishing a Biosecurity Advisory Council to provide strategic advice to the minister responsible for biosecurity to assist with prioritising and targeting biosecurity investment.

We appreciate having the opportunity to provide this response for your consideration. Should you require any further information in relation to this submission, please do not hesitate to contact any of the signatories listed below.

Yours sincerely,

Almond Board of Australia
Ross Skinner
Chief Executive Officer
rskinner@australianalmonds.com.au

Australian Walnut Industry Association
Trevor Ranford
Industry Development Officer
sahort@bigpond.com

AUSVEG
James Whiteside
Chief Executive Officer
james.whiteside@ausveg.com.au

Cherry Growers Australia
Tom Eastlake
President
president@cherrygrowers.org.au

Chestnuts Australia
Trevor Ranford
Industry Development Officer
sahort@bigpond.com

Citrus Australia
Nathan Hancock
Chief Executive Officer
nathan.hancock@citrusaustralia.com.au

Dried Fruits Australia
Anne Mansell
Chief Executive Officer
ceo@driedfruitsaustralia.org.au

Hazelnut Growers of Australia
Trevor Ranford
Communications Officer
sahort@bigpond.com

Nursery and Garden Industry Australia
Peter Vaughan
Chief Executive Officer
peter.vaughan@ngia.com.au

Pistachio Growers' Association
Trevor Ranford
Executive Officer
sahort@bigpond.com

Protected Cropping Australia
Jan Davis
Executive Officer
Admin@protectedcroppingaustralia.com

Strawberries Australia
Simon Dornauf
Chair
simon@hillwoodberries.com.au

Summerfruit Australia
Trevor Ranford
Chief Executive Officer
ceo@summerfruit.com.au

Voice of Horticulture
Peter Vaughan
Chair
peter.vaughan@ngia.com.au





