



QUEENSLAND
FARMERS'
FEDERATION

Agriculture (Biosecurity Protection) Levies Bill 2024 [and other associated Bills]

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Prepared for:

Senate Rural and Regional Affairs and Transport
Legislation Committee

Date prepared:

April 2024

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The united voice of
Queensland agriculture

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This submission is provided to:

To: Mr Tas Lanarch, Committee Secretary

Senate Rural and Regional Affairs and Transport Legislation Committee

Department of Agriculture, Fisheries and Forestry

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Our members

- Canegrowers
- Cotton Australia
- Queensland Fruit & Vegetable Growers
- Nursery & Garden Industry Queensland
- eastAUSmilk
- Australian Cane Farmers Association
- Queensland United Egg Producers
- Turf Queensland
- Queensland Chicken Meat Council
- Pork Queensland
- Bundaberg Regional Irrigators Group
- Burdekin River Irrigation Area
- Central Downs Irrigators Ltd
- Fairburn Irrigation Network
- Mallowa Irrigation
- Pioneer Valley Water Co-operative Ltd
- Theodore Water Pty Ltd
- Eton Irrigation
- Queensland Oyster Growers Association
- Lockyer Water Users Forum

About the Queensland Farmers' Federation



The Queensland Farmers' Federation (QFF) is the united voice of agriculture in Queensland.

We are a member-based organisation representing the interests of peak agriculture industry organisations (both state and national). Through our members, QFF represents more than 13,000 primary producers across the cotton, cane, horticulture, dairy, nursery and garden, poultry, pork, and intensive animal industries.

We unite the sector to engage in a broad range of economic, social, environmental, and regional issues through advocacy, policy development, and project activity. We work with the government of the day on behalf of industry, farmers, and the community to provide powerful representation and contribution to the policy direction, sustainability, and future growth of Queensland's agriculture sector.

Our Council of member representatives and policy committees set the strategic priorities for policy development and advocacy, while our Executive Board ensures our corporate governance.

QFF draws on the expertise and industry knowledge of our members, and through our commitment to collaboration and considered policy development, we lead Queensland's agriculture sector towards a strong future, ensuring our members are ahead of the game and have a voice at the table on the issues that matter to their members.

Submission

QFF welcomes the opportunity to provide comment on Agriculture (Biosecurity Protection) Levies Bill 2024 and other associated bills.

We provide this submission without prejudice to any additional submission from our members or individual farmers.

Summary

Biosecurity is a costly business but so too are breakdowns in that biosecurity that can catastrophically affect the whole of Australia from primary producers, through to supply chain businesses, the natural environment, natural resource management, the community and the Australian economy. There has been modelling showing the impact of a single disease such as Foot and Mouth Disease which would cost billions and have impacts on the economy for up to a decade. Some markets might never recover.

With the stakes this high, it is critical that everyone plays a part.

A major problem with the proposed Biosecurity Protection Levy is that it examines the costs and contributions of only one part of the Biosecurity spectrum, the Australian government component, and uses this to say agricultural producers should pay more without considering what they already pay for biosecurity on other parts of the spectrum. It does not quantify or acknowledge the costs

done by producers, state and local governments and other stakeholders. For producers, there is no avenue to turn on a revenue source to assist in their biosecurity investment costs and for the paper to say that levy will mean that producers will now contribute 6% to the Australian government, while true, is a misrepresentation of industry's true contribution to biosecurity.

Other significant issues are:

- Failure to follow the established processes for the introduction of new levies.
- Inconsistency with the agreed principles of the National Biosecurity Strategy
- Strong likelihood of negative unintended consequences for agriculture and the community with flow on costs to the consumer.
- No transparency in how the collected funds will be used to deliver additional biosecurity outcomes.
- Lack of recognition of existing producer contributions to the biosecurity system
- No recognition of alternative approaches such as increased contributions from those entities and processes that create biosecurity risks, including importers and their reliance on shipping containers.”

Queensland Farmers' Federation is opposed to this levy. This submission will outline the inequity of this proposed levy. It will also examine other methods of paying for biosecurity which would be fairer for all.

Recommendations

1. That this levy process is halted, and a fairer system be looked at across the whole Biosecurity spectrum recognising that the agriculture system produces essential services and products for all and already invest significant resource to protect against the risk creators' activities.
2. That, in designing this fairer system, that the process ensures that it is consistent with the government's own Cost Recovery principles and Levy Guidelines on transparency, accountability and stakeholder engagement (from input to policy development to implementation and review) and that the agricultural industry has the opportunity to participate in this review.
3. That if any co designed levy raises any funds, that it is returned 100% back to industry to determine the best and most impactful use of this money. The current proposal, by going into consolidated revenue, affords no guarantee it will contribute anything to biosecurity.
4. That the Government ensure a sustainable funding model for biosecurity by placing the onus on risk creators including progressing and establishing an importer container levy, as recommended by the independent Craik Review.¹

¹ Intergovernmental Agreement on Biosecurity Review Final Report 2017

<https://www.agriculture.gov.au/biosecurity-trade/policy/partnerships/nbc/intergovernmental-agreement-on-biosecurity/igabreview/igab-final-report>

Biosecurity is a spectrum and continuum – roles and responsibilities

There are numerous components that create and defend our biosecurity risks. There is the biosecurity continuum which includes prevention, surveillance, response and recovery.

Within each of these areas, there can be pre border, border, post border activities managed and responded to by numerous stakeholder and government agencies. The roles and primary responsibilities are outlined in the National Biosecurity Statement ² and details the complexity and breadth of responsibilities for biosecurity. To introduce a Biosecurity levy for only agricultural producers ignores this complex spectrum and unfairly apportions costs to a single sector which cannot apportion their costs back to other sectors – prices are determined by external factors including retail demands and cannot just be passed on along the supply chain.

Biosecurity is a shared responsibility but are costs properly shared

The consultation paper refers to the proposed Biosecurity Protection Levy as contributing to the cost of Australian Government biosecurity activities in delivering a fairer system of payment for the biosecurity system. It outlines a new model for funding biosecurity based on shared responsibility between those who create risk and those who receive significant benefit.

In reality though, agricultural producers are the casualty of the risk creators rather than the beneficiary of measures taken, that essential safety nets the creators from liability. The discussion paper says from 2024 importers will be paying around 48% or \$390.7 million annually, towards the cost of the Commonwealth biosecurity system with an increase of \$72.5 million. While this supports the Commonwealth Biosecurity system, the importers are not subject to any of the producer or state costs of biosecurity disease outbreaks. The government does not ask flood and fire victims to pay towards activities that prevent or mitigate natural disasters nor should they ask agricultural producers to pay for risk which has been directly introduced by the activities from importers and other risk creators.

Agriculture producers already pay:

- Levies for research and marketing and the Australian
- Private business insurance
- On farm biosecurity measures already in place and associated costs incurred are significant. This represents a combination of physical infrastructure including perimeter fencing for barrier biosecurity systems, wash bays, farm comms monitoring for at risk “visitors” and design of processes and procedures (signage, zoning, footbaths, quarantine for new animals, planning, water sanitation etc). There are additional operational costs for labour shower in/out etc
- Electronic aps for biosecurity systems and visitors
- Audits for their systems
- EADRA agreements in the event of an outbreak via their signatory member organisation

² <https://www.agriculture.gov.au/sites/default/files/sitecollectiondocuments/biosecurity/national-biosecurity-statement.pdf>

The Royal Commission into National Natural Disaster Arrangements (2020)³ described the essential goods and services across the country as critical to the economy. Working supply chains and food are part of this along with electricity, communications, water and transport. Biosecurity incursions heavily impact supply chains and food production and may last for months or even years. Thus everyone, as are agricultural producers, is deeply invested in ensuring no biosecurity incursions.

QFF recommends that this levy process is halted, and a fairer system be looked at across the whole Biosecurity spectrum recognising that the agriculture system produces essential services and products for all and already invest significant resource to protect against the risk creators activities.

Biosecurity Protection Levy does not comply with Levy Guidelines or Cost Recovery policy

The Australian government has policies and guidelines on Cost recovery fees and levies and Levy Guidelines. While called a levy, it presents in the consultation paper as a cost recovery. The consultation webpage of this proposed levy state that “we are still not covering the full cost” of our services. However, whether it is cost recovery or a levy, it does not comply with the government’s own guidelines on levies and cost recovery.

Australian Government Cost Recovery Policy⁴

The cost recovery policy (CRP) is to promote consistent, transparent, and accountable charging for government activities. The cost recovery framework is underpinned by three principles that must be applied across all stages of the cost recovery process:

- Efficiency and effectiveness
- Transparency and accountability
- Stakeholder engagement

Stakeholder engagement is a key part of the policy across all 4 stages.

The 4 stages are:

1. Stage 1 Australian Government policy approval to cost recover
2. Stage 2 Cost recovery model and CRIS
3. Stage 3 Implementation
4. Stage 4 Portfolio charging review

For stage 1, stakeholders, particularly those directly affected by charges, should be consulted in developing the rationale for cost recovery of an activity where possible, **before** the Australian Government considers the proposal. Early engagement provides an opportunity to refine policy proposals and signals the potential for cost recovery to stakeholders. This engagement did not happen.

³ Royal Commission into National Natural Disaster Arrangements – Chapter 9 Essential services

⁴ <https://www.finance.gov.au/government/managing-commonwealth-resources/implementing-charging-framework-rmg-302/australian-government-cost-recovery-policy>

For stage 2, the objective is to develop and document the cost recovery model, prepare legislation, consult with stakeholders and prepare and publish the CRIS on the entity's website. This did not happen nor has the model justified how cost recovery charges have been calculated and how they relate to the costs of the activity. If this consultation is part of stage 2, then the relevant questions relating to this are not part of the survey questions.

Other statements in the CRP policy outlining stakeholder engagement include:

- Stakeholder involvement will generally result in better design, planning and implementation of government activities. Successful stakeholder engagement is most likely to occur when it is well planned and when Commonwealth entities enter into a meaningful dialogue with stakeholders, consider their views and, where appropriate, take action.
- Entities should engage actively with stakeholders throughout all stages of the cost recovery process, from policy development through to implementation and review. They should develop and implement an ongoing engagement strategy in consultation with stakeholders. They should also consider including performance indicators to measure the effectiveness of stakeholder engagement and revise their processes based on feedback.
- Stakeholder engagement is particularly important for cost recovered activities, as cost recovery charges have a direct impact on those who pay them.

Levy Principles

The Australian Government has established processes for levies. (Levy guidelines How to establish or amend agricultural levies⁵) When introducing a new levy, the guidelines include amongst other requirements the following:

1. The proposed levy must relate to a function for which there is a market failure.
2. A request for a levy must be supported by industry bodies representing, wherever possible, all existing and/or potential levy payers, the relevant levy beneficiaries and other interested parties. The initiator shall demonstrate that all reasonable attempts have been made to inform all relevant parties of the proposal and that they have had the opportunity to comment on the proposed levy. A levy may be initiated by the government, in the public interest, in consultation with the industries involved.
3. The initiator of a levy proposal shall provide an assessment of the extent, the nature and source of any opposition to the levy and shall provide an analysis of the opposing argument reasons why the levy should be imposed despite the argument raised against the levy.
4. The initiator must be able to demonstrate that there is agreement by a majority on the levy imposition/collection mechanism or that, despite objections, the proposed mechanism is equitable under the circumstances.

Section 8.1.4 says with regard to industry priorities – are industry priorities accurately captured in the types and amounts of levies collected; are there alternatives to a levy that could be explored?

QFF recommends that, in designing this fairer system, the process ensures that it is consistent with the government's own Cost Recovery principles and Levy Guidelines on transparency,

⁵ <https://www.agriculture.gov.au/agriculture-land/farm-food-drought/levies/levy-guidelines>

accountability and stakeholder engagement (from input to policy development to implementation and review) and that agricultural industry have the opportunity to participate in this review.

Industry Levies should not go into consolidated revenue

As a general rule, levies are funded back into the area for the purpose they are collected for. This happens for other agricultural levies and industry which then has a say in how that money is spent. In this case the proposal is for the monies to be collected to be put back into consolidated revenue. Not only does this distort the true cost of expenditure on government expenditure on biosecurity (is it just an offset of the government's own declared budgets for biosecurity or is it true extra spending), but it is also not transparent and the fact that other levies are specifically targeted at biosecurity and will not be abolished (e.g. Australian Animal Health Council Levy) adds further to the inconsistency and lack of accountability of this levy.

QFF recommends That if any co designed levy raises any funds, that it is returned 100% back to industry to determine the best and most impactful use of this money. The current proposal, by going into consolidated revenue, affords no guarantee it will contribute anything to biosecurity.

Risk creators are the beneficiaries of biosecurity spending, not agriculture

As an island continent, Australia has been naturally protected against exotic diseases and pests entering the country. With an economy and culture that is now global, this no longer exists and many private businesses actively add to this risk from which they profit. In particular containers enter Australia and not all of them are inspected and some introduce new biosecurity threats into the country. Agriculture is a passive victim in this influx of goods and has to spend significant parts of their business profits in biosecurity plans, managing visitors, fencing, compartmentalising their business, training staff, and establishing biosecure systems that include ensuring that anything coming onto the premise is from a biosecurity secure place.

QFF recommends that the Government ensure a sustainable funding model for biosecurity by placing the onus on risk creators including progressing and establishing an importer container levy, as recommended by the independent Craik Review.

Yours sincerely

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