Department of Agriculture, Fisheries and Forestry Sustainable funding and investment to strengthen biosecurity: discussion paper

Submission by the Invasive Species Council

The Invasive Species Council welcomes the opportunity to provide comments on options for sustainable funding and investment to strengthen biosecurity.

We strongly support the initiative to explore sustainable funding solutions as a priority, as it is a critical step to enabling our biosecurity system to be prepared for future challenges and move beyond a reactive approach to resourcing. Integral to the challenge of delivering sustainable biosecurity funding will be ensuring that environmental biosecurity is on equal footing when compared to efforts that are focussed on protecting Australia's primary industries. The discussion paper focuses strongly on the activities performed by the federal government primarily at the border. In line with the National Biosecurity Strategy, a stronger biosecurity system requires sustainable funding across the whole system.

To inform the investigation of funding options, it is important to estimate the future funding levels needed for Australia to achieve the Appropriate Level of Protection (ALOP) and other biosecurity goals, including targets under the Convention on Biological Diversity. As the 2017 Inter-Governmental Agreement on Biosecurity (IGAB) review concluded, one of the highest priorities for increased funding should be environmental biosecurity. Although considerable progress has been made since that review – for example, the establishment of an Environmental Biosecurity Office and the development of the National Priority List of Exotic Environmental Pests, Weeds and Diseases – there are still major gaps in environmental biosecurity. It particularly lags behind agricultural biosecurity in the level of preparedness for new incursions, surveillance and research.

Although allocation priorities are not the focus of the discussion paper and this submission, it is important to keep in mind that some options for increased funding, such as some forms of cost-recovery and industry levies are not suitable for funding environmental biosecurity. The department should specify and investigate the most promising options for increasing funds for the predominantly public good elements of environmental biosecurity.

Discussion paper question 1

"Considering the potential funding options and opportunities above, as well as from your experience, what elements do you think a sustainable biosecurity funding model should include? Are there elements that should not be included; if so, why?"

The discussion paper outlines some good options that could achieve the goals outlined for a sustainable funding model.

General appropriations

Since the environment is a 'public good', it is appropriate for more funding to be sourced from general appropriations where this is utilised for environmental biosecurity and environmental protection mechanisms. There are no direct commercial beneficiaries of these measures, rather the whole of society benefits. Government appropriations have been the

primary mechanism for resourcing of the biosecurity system in Australia historically. There will continue to be a need for such appropriations of the biosecurity system, particularly for priority environmental pests and weeds, as in these cases it will be the whole of society that are the primary beneficiaries.

The establishment of the Environmental Biosecurity Office is a positive step towards strengthening environmental biosecurity, providing much-needed national leadership and capacity in this area. However, the current budget, both in terms of departmental and administered appropriations, notably the Environmental Biosecurity Project Fund ($825,000), are far from sufficient to address the weaknesses identified in the IGAB review and inspector-General of Biosecurity reports. This lack of adequate resourcing creates a risk that Australia is not as well equipped as it should be when it comes to preventing and preparing for future environmental incursions.

Polluter/user pays principle

Although widely advocated, the polluter pays principle has not been comprehensively applied in biosecurity. Whilst there is now much greater cost recovery for certain biosecurity functions, the public continues to bear most of the costs resulting from economic activities that harm the environment via the introduction and spread of invasive species. We recommend a comprehensive gap analysis to transparently determine where else the polluter pays principle could justifiably apply.

Australia's trade and tourism sectors are the primary vectors for the introduction of new biosecurity risks. Under a polluter pays/risk creators approach these sectors should bear a proportional amount of the cost for managing the risks associated with their industries.

There are specific high risk pathways that could be considered when investigating this approach. For example, evaluating the social, economic and environmental costs associated with high-risk import pathways, such as cut flowers or the pet and aquarium trade (both notable for their heightened environmental risks), and determining if there are appropriate mechanisms in place to resource the risks associated with these industry pathways.

Freight levies

In 2018, the proposal to raise $325 million over three years for biosecurity from a container levy was withdrawn after lobbying from cement and mineral freight companies. We strongly recommend that this model be pursued again. There are already a variety of air and sea freight, conveyance and container levies in place, and the concept is neither new nor controversial. As the department would know, industry bodies were not necessarily opposed to the levy per se, but rather to the lack of consultation with different sectors and lack of clarity on what the levy would achieve or the problems it would address.

At a principle level, ISC is strongly supportive of ensuring 'risk creators' are contributing significantly to resourcing the biosecurity system in Australia.

Passenger movement charge

An increased passenger movement charge, with a fixed share going directly to the Commonwealth's biosecurity system, would be a significant boost to the available funding, considering the costs of operating biosecurity functions at Australian airports. The current movement charge recovers the costs of border processing at airports. This charge has risen in the past to cover increased costs, including foot-and-mouth biosecurity risk in 2001. While we support an increase in this charge, it should be noted that Australia already has one of the highest passenger movement charge rates in the world. Applying a distance or origin risk profile to the charge would not only provide an increase in available funding for biosecurity activities, but also benefit the tourism sector and passengers who are not the highest risk.

Cost recovery

Biosecurity supporting primary industry has the benefit of being supported by cost recovery. This mechanism works well in the export and fee for service areas, and is a defensible and industry supported arrangement. The major gap in the biosecurity funding arrangements are in relation to the contribution of risk creators to the overall sustainability of the system.

Finally, without transparent and comprehensive sharing of data and information, it will be very difficult to separate what funding currently exists, how it is sourced and allocated, and more importantly to understand how much is needed in the future.

Discussion paper question

"Are there other technologies, current or emerging, that could be employed to increase the efficiency of the biosecurity system, and perhaps reduce operational cost?"

Increasing Australia's investment in systems and technologies that both improve risk management and drive efficiencies in the system for users and governments should be a high priority. This question highlights the need for a dedicated and nationally coordinated environmental biosecurity Research, Development and Extension. This should include implementation of relevant priorities under the National Environment and Community Biosecurity RD&E Strategy, which has languished for lack of funding since the first strategy in 2016. Innovations such as eDNA tools can significantly boost the capacity to detect incursions. There are commercial incentives for investment in industry's priorities for technology and research, and the reliance of environmental biosecurity on consistent government and community investment has impeded progress on environmental research priorities.

Discussion paper question

"How could the Commonwealth Government improve efficiency in the biosecurity system (consistent with meeting our Appropriate Level of Protection)?"

As part of improving transparency in decision making under the National Environmental Biosecurity Response Agreement (NEBRA), this process should be informed by analysis of the funding levels needed. The department should assess how much additional funding the system needs to keep up with escalating risks. It can be argued that the current level of funding and efficiency is not meeting our current ALOP for environmental biosecurity risks and responses.

To most cost-effectively achieve the ALOP for the natural environment requires strengthening prevention and preparedness. This can be exemplified by the costliness of programs to eradicate invasive ants. A smaller investment in pre-border and at-border detection and post-border surveillance could arguably have prevented some of the incursions now costing taxpayers tens of millions of dollars. The lag-time of several years before some incursions were detected is a strong argument for the efficiency of investing more in surveillance programs, including those that rely on citizen science. Because Australia has undertaken many successful ant eradications, we are now world leaders and capable of efficiently eradicating large incursions. But this is not the case for most other types of organisms. For these, Australia can improve its efficiency by developing response plans (as has been done for most agricultural priorities).

Discussion paper question

"What other investments or actions could the Commonwealth Government make or take to sustainably support the delivery of biosecurity activities?"

Private capital from carbon & biodiversity funding could also fund on-ground environmental biosecurity work. There is a lack of understanding on what potential there is for reducing emissions by controlling herbivores and weeds on pastoral properties. This presents an opportunity for the department to explore innovative funding mechanisms with other agencies.

There is also the development of new biodiversity markets that are being driven through the environment portfolio. These mechanisms are as yet untested for delivering large scale investment, but it will be important to focus on target major environmental threats, especially high priority environmental biosecurity risks, particularly newly arrived and established invasive species.

Key points

1. Include sustainable funding considerations for environmental biosecurity in the next discussion paper or consultation process, estimate the level of funding needed to strengthen environmental biosecurity to meet the ALOP and other relevant targets.
2. Consider the whole biosecurity system when exploring sustainable funding mechanisms.
3. Increase the budget of the Environmental Biosecurity Office using sustainable long-term funding sourced from general appropriation, to fully establish the staffing and EBPF fund administration function.