



BIOSECURITY PROTECTION LEVY

Consultation paper

October 2023

Biosecurity Protection Levy

The members of the Australian Seed Federation are at the foundation of Australia's \$75 billion agriculture industry. Our membership covers the full seed supply chain and includes plant breeders, seed growers, seed processors and seed marketers. The seed industry has been a great advocate for a strong and sustainable biosecurity system in Australia and is already a healthy contributor to biosecurity funding.

The Australian seed industry, along with many other parts of the agriculture industry, supports the aspiration of implementing a long-term sustainable biosecurity funding model. A sustainable funding model is, however, moot should Australia's biosecurity system not improve its effectiveness and efficiency so that the agriculture industry, and all other contributors to the biosecurity system, can realise return on investment.

As we have stated previously, members of the Australian Seed Federation do not want to contribute more for no gain.

We ask that the following be taken into careful consideration as part of this consultation process.

System and workforce improvements

Sustainable investment is not the only priority of the National Biosecurity Strategy released in 2022. The priorities of creating a shared biosecurity culture, strengthening and expanding partnerships and developing and sustaining a highly skilled workforce must not be lost as the full funding picture is being painted.

The Australian Seed Federation wants to see times associated with border clearance and seed inspection substantially improve as the continued delays encountered by the seed industry are unsustainable. These ongoing delays lead to increased transportation and freight costs incurred by the same companies being asked to contribute more to the overall costs of the biosecurity scheme. Cost and time impacts of seed companies that import seed flow through to other companies within the seed supply chain as well as growers who work under strict seeding timeframes.

The government must set, in partnership with relevant industries, objectives related to overall system improvements. These must be transparently and regularly reported on.

The Australian Seed Federation has recently begun a project with teams within the Department of Agriculture, Fisheries and Forestry to address a disadvantage that the seed industry faces due to a lack of biosecurity officers trained in seed assessments.

As seed inspection is a specialised skill, the seed industry has now been sought out to be an active partner in seed education to assist the department to train up more biosecurity officers for seed inspections. This is a very welcome development and members of the Australian Seed Federation have willingly engaged in the project to date, sharing their expertise, facilities and products for training purposes.

The government must continue to engage in projects and processes that allows for co-design within Australia's biosecurity system to allow for a more connected, efficient and science-based system.

Considerations regarding primary producers

In considering how a producer is to be defined for the purposes of the Biosecurity Protection Levy, there is a lack of clear principles to guide this consultation. Levied industries are committed to their levies funding strategic initiatives like innovation and research and development.

As current levies and this proposed levy relate to such different activities, this calls into question the effectiveness of using current industry levies to determine a biosecurity protection levy.

Most seed companies find themselves covering more than one – and in some cases even all – of the following roles:

- Seed importers
- Seed breeders
- Seed growers
- Seed processors
- Seed marketers
- Seed exporters

It would not be appropriate to expect a production-based levy across the entirety of the seed supply chain.

Careful consideration needs to be given to at what point increased biosecurity costs on seed companies lead to companies choosing instead to limit their business operations or preference other markets over Australia rather than pay increased fees and levies.

Should some companies choose to leave the Australian market, that would have serious impact within the broader agriculture industry, food supply chain and export market and lead to a decrease in demand for biosecurity services which would negatively impact the cost recovery arrangements.

Given the complexity of the biosecurity protection levy as well as the limited industry engagement prior to the 2023-24 biosecurity components of the budget announcement, further consultation as well as periodic reviews of the funding model(s) is imperative.

If the proposed changes to fees and charges for biosecurity activities do not address the underlying systemic issues, the department must consider a broader review of the system, enshrined in principles of co-design.

Transparency of funds collected

The design behind a biosecurity protection levy stems from the rationale that beneficiaries of a strong biosecurity system must contribute financially for a strong biosecurity system.

Keeping in mind that the vast majority of targets of the biosecurity protection levy *already* financially contribute in this way, the rationale demands that all funds collected must go directly to strengthening the biosecurity system for the primary production sector.

The department has made it clear that any funds collected will not be considered part of a Consolidated Revenue Fund.

The department must be transparent in their financial reporting regarding a biosecurity protection levy.