



February 2024

Biosecurity Protection Levy

Strengthening our biosecurity system

The 2023-24 Budget delivered on the Australian Government's election commitment to strengthen Australia's biosecurity system through a new sustainable funding model.

The package includes more than \$1 billion over the next four years, and \$267 million per year from 2027-28 onwards to support:

- biosecurity operations, policy and technical functions on a sustainable basis, including continuation of the Indigenous Biosecurity Ranger Program in northern Australia; and
- improvements to the biosecurity system via the Simplified Targeting and Enhanced Processing System (STEPS) – a modern digital initiative to improve effectiveness and efficiency of biosecurity clearance in cargo pathways.

The package also delivers structural reforms to biosecurity funding to ensure it is more equitable.

The Government has already significantly increased funding from taxpayers and returned fees and charges for importers to full cost recovery. Importers are already making a much larger direct contribution to biosecurity costs and will contribute around \$95 million more to these costs in 2024-25 compared to 2021-22.

From 1 July 2024, the Australian Government will introduce a new Biosecurity Protection Levy payable by producers, a new biosecurity clearance charge on low-value imports and more cost reflective arrangements with Australia Post.

The Budget also included an increase to the Passenger Movement Charge, to support our critical border protection services including biosecurity. After these changes come into effect:

- taxpayers will contribute around 44 per cent of total biosecurity funding;
- importers will contribute about 48 per cent;
- producers will contribute about 6 per cent; and
- Australia Post will contribute about 2 per cent.

Biosecurity Protection Levy

Primary producers, whether growing for the domestic market or exporting into premium overseas markets benefit considerably from our strong biosecurity status. This is reflected in the high returns being secured from our export markets, with over 70 per cent of all Australian agricultural production being exported.

The Biosecurity Protection Levy will ensure that those who directly benefit from Australia's strong biosecurity make a modest and direct contribution to ensure the biosecurity system is sustainably funded into the future, with the vast majority of biosecurity funding still provided by taxpayers and importers .

The Government recognises that many primary producers already invest in biosecurity through on-farm biosecurity activities. Producers also support Australia's biosecurity system through investment in

research and development, membership fees for Animal Health Australia and Plant Health Australia, and contributions to emergency responses under deed arrangements.

While these investments are important, they do not directly fund biosecurity costs at the border that prevent pest and disease incursions into Australia. These investments are not being replaced or duplicated by Commonwealth activities funded through the Biosecurity Protection Levy.

The Australian Government has engaged widely through a public consultation process, and meetings with industry representative bodies and stakeholders, and the valuable feedback received has been carefully considered. Further details on the consultation are available at the Department of Agriculture, Fisheries and Forestry website at agriculture.gov.au/biosecurity-funding.

A more equitable design

The Government has listened to industry feedback and is addressing key concerns with the proposed design regarding:

- equity and fairness of levy rates;
- association and confusion with the existing agricultural levies system; and
- multiple imposition points for some commodities across the supply chain.

Changes to the design of the levy have taken these issues into account. Rates will be set using a common and equitable basis for all industry sector products and goods, and will not be set by reference to 2020-21 agricultural levy rates. The levy will be tailored to individual products and goods to remove multiple imposition points across a product's supply chain. The policy intent, key policy parameters and contribution to Commonwealth funding remain the same as announced in the Budget package.

The Biosecurity Protection Levy will:

- be payable in relation to agriculture, fisheries and forestry products or goods whether produced for the domestic or overseas markets;
- be imposed in the most effective and efficient way for each individual product taking into account any existing collection and remittance arrangements;
- have rates set on the basis of each industry sector's proportional share of total gross value of production (GVP);
- apply to relevant agriculture, fisheries and forestry products and goods, whether or not they are currently levied under the existing agricultural levy system;
- be imposed only once for each product across the supply chain; and
- be subject to review by the Department every three years in relation to rates and a review of the operation of the legislation after three years

GVP based model

The average GVP of each industry sector as a proportion of overall GVP will determine the proportional contribution of each sector to overall Biosecurity Protection Levy revenue. For example, if the GVP of an industry sector is 5 per cent of total GVP, producers within that sector would collectively contribute 5 per cent of Biosecurity Protection Levy revenue. Rates would then be set accordingly in relation to the levied products within sectors.

It is intended that the calculation of sectoral proportional contributions would be based on a 3-year average (over previous years) of GVP data provided by the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES).

Next steps

Legislation will be introduced to implement the Biosecurity Protection Levy, which is subject to Parliament's consideration.

The Australian Government acknowledges there was significant feedback about improving confidence in how biosecurity funding, including from the Biosecurity Protection Levy is being used. The Government has listened to this feedback, and is committed to strengthening transparency and accountability arrangements. The Government will have more to say about its approach to industry engagement on biosecurity priorities and future spending in the near future. This work will build on the Government's commitment to new annual publication of biosecurity funding and expenditure.

For more information or to contact the Department of Agriculture, Fisheries and Forestry, visit agriculture.gov.au/biosecurity-funding or email secretariatbsf@aff.gov.au.