**ADF submission – Sustainable funding model for biosecurity**

(Answers max 200 words per question to be submitted via Have Your Say online survey)

*Considering the potential funding options and opportunities outlined in the discussion paper, 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?*

A sustainable funding model is where there is adequate and ongoing funding to deliver core biosecurity services that meet or exceed output measures. It should rely less on ad hoc funding injections and more on regular, predictable contributions from beneficiaries (food producers and consumers) and risk creators (inbound travellers and importers). Such contributions should augment, not replace, ongoing government funding.

The model would cover the cost of the following core services and outputs:

1. Container and livestock tracking (>90% viewed in real time online)
2. Inspection services (>80% inspections of all international inbounds)
3. Maintenance of footbaths for incoming passengers from high-disease-risk zones e.g., chemical replacement (100%)
4. Public communication and education campaigns (x2 p/a)
5. Importer and exporter permit and auditing program (>90% coverage)
6. Control/eradication of feral animals and weeds in high-risk areas (>1,000 p/a)
7. Updates of biosecurity manuals and preparedness activities e.g. training (x1 p/a)
8. Research, development and extension in bio-protection (>x1 technology established)
9. Inspector General of Biosecurity auditing and implementation of actions (>1 audit p/a and >80% actions implemented)
10. Governance and administration of the system (>x2 meetings p/a)

Initiative funding should be used only for projects or time bound initiatives.

*How would your proposed model operate at a practical level and who would it apply to?*

The work program would be delivered by the federal Department of Agriculture and funded under agency resourcing in Budget Paper 4. Expenses will be paid for by levy revenue collected from industry and state/territory governments matched by federal government co-contributions i.e. all beneficiaries and risk creators to pay. These arrangements ensure that the national policy of biosecurity being a shared responsibility is implemented.

The rationale for this model is that biosecurity is a market failure by way of externalities. An incursion can be created by one person, yet industries and society more broadly have to bear cost despite best efforts to reduce risk and comply with legal and practice obligations.

*How would your proposed model impact you and others? What would be the benefits or disadvantages to you and/or other stakeholders?*

Having an ongoing funding stream for delivery of core biosecurity services paid for by beneficiaries and risk creators:

1. ensures fairness and equity in cost sharing

2. reduces the need to develop budget and grant bids, which takes time and resources from the public service and industry.
3. improves transparency of what is being delivered and to what extent
4. provides greater opportunity for capability development and shared governance and decision making
5. improves measurement of service delivery and in turn accountability for performance.

*Is the proportionality between those who contribute to the funding system and those who benefit the most, right?*

In June last year the Biosecurity (Strengthening Penalties) Bill 2021 received royal assent. This increased the maximum financial penalties for a number of offences that are in the Biosecurity Act 2015. These fines should be used to support cost recovery of the biosecurity system.

The Federal Government is strongly advised to work with industry to establish a dedicated biosecurity levy for each animal and plant sector to provide a clear industry funding stream for biosecurity. This would augment current matching funding arrangements with governments.

Gaps and shortfalls in cost recovery from beneficiaries and risk creators must be addressed in the new model. Some examples are:

1. International mail moved to a cost recovery arrangement in 2015. In 2007–08 government appropriation for international mail was $18.445 million yet the current cost recovery fee paid by Australia Post is $15.3 million, or 19% lower than it was in 2007–08.
2. Assessment of import permits and goods at border by inspectors is currently uncharged.
3. Importers have reportedly shown some willingness to contribute financially but lack a mechanism to do so. The 'container levy' initiative emanating from the Craik Review failed to deliver a workable model.

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

Rumination, temperature and motion sensors on livestock can be used in an Internet of Things (IoT) network to detect unusual animal behaviour consistent with disease infection in real time. For example, a temperature sensor detects fever, which is often an early symptom of a disease. The data from these sensors are sent via the cloud for viewing and analysis via different software applications. This form of technology can be combined with the current National Livestock Identification System to enable a far more comprehensive picture of livestock health and movements, thus significantly enhancing the livestock sectors' biosecurity preparedness and traceability systems.

The NLIS requires a major upgrade to make the system more efficient, accurate and user friendly. Currently the interface for farmers and other livestock handlers can be quite complex, costing them time and disincentivising them from using the system effectively. This can be rectified as part of the rollout of electronic tagging of all sheep and goats across the country where system upgrades will be required anyway to absorb the additional capacity.

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

Previous Inspector General of Biosecurity reports have identified various inefficiencies in the department's operations. Some of these are:

1. inefficient and inconsistent application of biosecurity regulations
2. unnecessary delays in completion of regulatory delivery and potential delays and additional costs to import sector businesses
3. overall reduction in efficiency of delivery of Australia's prevention biosecurity functions (pre-border and at-border)
4. lack of frontlines service focus and understanding.

It is concerning that these opportunities have not been prioritised highly in government. The Inspector General of Biosecurity said, 'it appears that the department has approached Inspector-General recommendations as an administrative, rather than transformative, process and not treated them with the level of importance that seemed to be envisaged by the Australian Parliament when it established the statutory role in the Biosecurity Act 2015.' It maybe that the efficiency dividend has stifled progress, but leadership, culture and process also play a part. Whatever the driver this needs to change. For example, the Future department review identified the department does not have contemporary ICT and data systems to support innovation and improved performance outcomes. Discontinuing the paper-based processes and consolidating governance can address this issue.

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

The government can:

1. implement the IGB's recommendation in Accountable implementation of Inspectors-General recommendations that 'the department's corporate areas' establish and support corporate systems, including practical tracking and reporting software; integration of improved biosecurity planning, delivery and monitoring into corporate improvement approach; and timely, valuable reporting.'
2. amending the Biosecurity Act 2015 to expand the scope of the IGB and improve departmental responsiveness and accountability.
3. consider working with the Department of Health to find ways to monitor incoming passengers for drug-resistant pathogens, aware that Australia's current drug-resistant pathogen levels in livestock are low and the most likely entry point for such pathogens will be via passengers/rural workers returning from overseas.
4. support implementation of SafeMeat's national traceability reforms.