



**SUBMISSION ON THE INTERGOVERNMENTAL AGREEMENT ON
BIOSECURITY REVIEW - DRAFT REPORT**

27 FEBRUARY 2017



ABOUT AUSVEG

AUSVEG is the national peak industry body representing the interests of Australian vegetable and potato growers and is committed to securing the industry's future.

We advocate for growers to all levels of government and ensure that the industry has a strong, active voice in the public sphere. We also communicate industry issues and perspectives to government, media and the public.

AUSVEG is also a service provider for a number of levy-funded research projects that are funded by Horticulture Innovation Australia using levy and government funds.

Ensuring the results from these research projects are made available to Australian vegetable and potato growers is vital for the vegetable and potato industries to remain on the forefront of global horticulture production and for local growers to be able to operate an efficient, productive and profitable growing operation.

QUERIES

For more information on this issue, please contact AUSVEG Manager – Science and Extension

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1. PREAMBLE

AUSVEG welcomes the opportunity to provide comment on the *Intergovernmental Agreement on Biosecurity Review - draft report*.

While it is recognised that the Intergovernmental Agreement on Biosecurity (IGAB) was a largely government-to-government agreement, the Terms of Reference for this draft were considerably broader and encompassed most of the biosecurity landscape. Therefore, this review represents a significant opportunity for Australia to audit and further develop its biosecurity system.

In compiling this response AUSVEG has produced general comments (noted in the next section) and thereafter provided detailed comment on the individual chapters of the draft. Responses to the feedback requests are summarised at the end of this submission, although many of the specific comments below are also relevant to these questions. References to page numbers apply to those from the PDF provided for comment ([accessible online here](#)).

2. GENERAL COMMENTS

The draft provides a comprehensive summary of Australia's biosecurity system and has much to commend it. However, there are some significant gaps that have not been addressed.

This is particularly the case in the discussion around funding and industry participation. The significant roles played by Plant Health Australia (PHA) and Animal Health Australia (AHA) in biosecurity are also significantly underplayed and as a consequence there are a number of areas, including some recommendations, that cannot be endorsed.

The Australian biosecurity system is complex with many overlays and interactions and it is AUSVEG's view that opportunities to simplify the system should be sought wherever possible. Perhaps reflecting the complexity of the biosecurity system, the draft is also somewhat disjointed, with closely related topics separated in the text – for example, the discussion of roles and responsibilities (chapter 2) is presented before, and separated from, discussion of governance (chapter 7). Between these two chapters there are discourses on the environment, research & innovation (R&I), market access and pest prioritisation. The consequence is that some of the recommendations are either confusing or contradictory, and the draft appears to get lost in detail.

In addition, the report alternates between a strategic overview on some things and then on others delves into quite detailed operational matters. In some instances recommendations and discussion are quite detailed, whilst in others they are superficial.

Overall, the draft would have benefited from a clear definition of what is meant by 'biosecurity' which could have informed the overall structure of the report, addressing the Terms of Reference in the process.

It is also implied in both the general discussions around the various topics and in the associated recommendations, but never stated explicitly, that the draft envisions the National Biosecurity Committee (NBC) as being the core operative body in the national system. As such, AUSVEG notes that the draft requires a more detailed examination of the NBC than is currently provided. Such an empowered and central role of the NBC raises a number of issues, in particular how it would exercise this function – particularly with non-government bodies. Draft recommendation 25 and the suggested governance structure outlined on page 70 only partially address this area.

The draft also does not adequately address the more dysfunctional areas of the national system, and where they are noted, there is little explanation as to why these areas have been ineffective. In reviewing IGAB, the draft notes numerous instances where mechanisms exist for jurisdictions to enact IGAB principles and frameworks but where they have failed to carry out that role – for example, the discussion around domestic trade disputes and a reluctance to implement agreed arrangements (page 25). The draft then recommends either new or existing principles be enacted.

Unfortunately, the draft is missing a dissection of the reasons for why the current mechanisms have failed, or not been activated. Without an understanding as to why previous recommendations, or parts of the IGAB, have not been implemented it is not possible to make an adequate assessment of any proposed change. Greater understanding or insight into the reluctance by jurisdictions to enact current IGAB principles would also help inform the potential efficacy of recommendations contained in the draft (such as recommendation 5).

One valuable option for the future which is not explored within the draft is the possibility to attribute responsibility for the overall system to the Commonwealth, with jurisdictions then contracted to perform particular tasks. The concept of everyone being responsible means that in many cases no-one is responsible, with no accountability, and there is no or little consequence for non-compliance by jurisdictions.

AUSVEG also notes a key concern of industry that has not been explored – the risks faced by production businesses when reporting an exotic pest or disease. Lack of certainty regarding reimbursement during a quarantine situation, particularly when an incident definition phase extends over one or more growing seasons, plays a significant factor in willingness to report and, thus, early detection. Until this issue is seriously considered by government, and solutions developed, the system will remain weak in the area of general surveillance and industry buy-in.

AUSVEG welcomes the detailed consideration given by the draft to the environment and its place in biosecurity. This is a particularly complex area, and one that the current system/structure does not address in any meaningful way.

While the Terms of Reference were broad, AUSVEG believes that in some areas the report has exceeded these, particularly those relating to the Emergency Plant Response Deed (the Deed). Nonetheless, the suggestions around the Deed have merit.

Finally, the draft's recommendations would benefit from further clarity and detail. The draft contains forty recommendations – however, it does not provide a hierarchy of implementation and, as noted above, some recommendations appear to pre-empt others. A suggested pathway to implementation should be included by linking the priority reform areas to the recommendations.

3. SPECIFIC COMMENTS BY CHAPTER

Chapter 1 – Australia's biosecurity system

This chapter sets the scene for the draft and provides a good overview of the current system. However, it would benefit from a clear enunciation of what the panel believes the concept of "biosecurity" to encompass, with then forming the foundation for discussion in chapters on roles, responsibilities, governance, and other related areas.

The draft report's acknowledgement of increased urbanisation and the role of peri-urban environments, as well the impact of small landholders, and the challenges these provide to biosecurity is welcome and deserves greater focus.

Chapter 2 – Knowing and owning our roles and responsibilities

The draft has captured a number of the key issues that exist in the current system and provides some good examples of areas in the supply chain (and the population as a whole) that should be brought into the biosecurity system. It is, however, somewhat lacking detail on how this might be enacted.

The mention of Natural Resource Management (NRM) bodies is important and AUSVEG would like to see their charter and operations mandate a role in biosecurity, as well as an articulation how this may occur. An appropriate vehicle would be through a national biosecurity position that would interact with PHA and AHA, and sub-committees of NBC. Utilising or involving NRM bodies would also aid in engaging with the environment sector and peri-urban sector, with AUSVEG's experience suggesting that many NRM bodies are significantly involved with smaller landholders on urban fringes.

This chapter devotes some discussion to the concept of 'shared responsibility' and provides a definition for the reader. This definition reduces shared responsibility to that of people taking responsibility – a redundant definition and term that AUSVEG believes should be replaced with another term, such as 'shared management'. The definition should then be informed by a shared understanding amongst all parties about their roles, responsibilities and level of participation in the system.

A key feature of chapter 2 is table 1, which outlines the roles and responsibilities of participants in the national system. This table would provide greater clarity if it defined the various components of the biosecurity system and created a hierarchy of roles and responsibilities for each component. This would then determine the participation level of parties and help develop a biosecurity framework and associated governance and responsibilities. It would also provide a better understanding of shared

management. In the table as currently presented, many roles are subsets of others, which is somewhat confusing.

The concept of developing a joint national statement of intent is canvassed in the draft report, and the recommendation to this effect is welcome. Unfortunately, the outcome of any attempt to implement recommendation 1 is undone by numerous other recommendations later in the draft that would pre-empt or preclude the recommendation from having a meaningful outcome – for instance, recommendation 18, which recommends that First Ministers should formally establish the NBC and articulate its Terms of Reference.

AUSVEG strongly endorses draft recommendation 1 and believes that this process should be jointly managed by PHA and AHA. The current Plant and Animal Industry Forum meetings can provide both the forum to develop industry positions and also industry representatives to work with NBC, PHA and AHA in subsequent development of the tasks identified in Recommendation 1.

AUSVEG also believes that this should be a precursor (not a concurrent process) to a number of other recommendations being enacted, particularly those relating to governance and structure, as well as financing the system. If this sequence of events were to not occur then it is difficult to envision a genuine enthusiasm amongst non-government participants who may well view it as another 'box-ticking' exercise.

In addition, it is possible that through a genuine partnership in formulating responses to the issues raised in recommendation 1, it may transpire that other recommendations will change or may no longer be relevant. It also must be recognised for this to be a meaningful process it will require funding, which has not been addressed by the draft. It is suggested that this could be made available through existing sources or a one-off allocation. If done properly, this process could produce a positive seismic change in Australia's biosecurity system.

Finally, the draft notes on page 16 that the National Biosecurity Engagement and Communications Framework has not delivered. It would have been helpful if the reasons for this had been canvassed and detailed in the report for future learnings.

Chapter 3 – Market access is the key

Market access is at the core of much of biosecurity, and it is a truism that if people did not travel or trade then there would be little need for biosecurity other than threats posed by non-human mediated means.

In chapter 3 it is noted that there are mechanisms in place to both streamline domestic market access and resolve disputes, but that there is an unwillingness by jurisdictions to do so (particularly regarding the latter issue). Here again, an exploration as to why this situation occurs would have been informative; otherwise, there would seem little prospect for success of draft recommendation 5.

Feedback is sought around effort and costs associated with area freedom claims. The discussion around this issue is one-sided and also ignores that there are a number of instances where industry and other groups are also investing in maintaining these claims. There also exist a large number of opportunities in the current system that have not been explored as a way of enhancing area freedom claims.

Part of the issue has been an inability or lack of desire by jurisdictions to utilise industry information to assist in this area. Seed potato certification schemes are a case in point. Similarly, many other industries collect information as part of their production and trade requirements, yet these are again unutilised. This area was noted by the Commonwealth when IGAB was launched to industry parties in Dec 2011.

Thus, in response to feedback request 2 ('The Review Panel seeks feedback on the total effort and costs associated with demonstrating area freedom by jurisdictions, and the value of that trade'), AUSVEG suggests that this request should be considerably reworded and that any work in this area go beyond jurisdictional investment to include how existing systems can be captured by jurisdictions.

The draft recommendations in this chapter (2-6) otherwise have merit as they recognise the current deficiencies of the system. However, once again there is no suggestion as to how these recommendations should occur and under whose aegis or oversight. This perhaps highlights a comment made earlier in this submission about the lack of accountability in the current IGAB system due to the number of jurisdictions involved.

There is nothing in the draft recommendations to indicate that a new IGAB would be any more effective in achieving some of these aims than the current IGAB. To this end, AUSVEG suggests that based upon the outcomes of a truly national cross-party process, as outlined above, it may be possible to achieve something that would better achieve the harmonisation required.

As noted earlier in this submission, the possibility of the Commonwealth taking full responsibility for governmental responsibilities and contracting these back to the states has not been considered. This could particularly apply in harmonising domestic trade and biosecurity regulations. AUSVEG notes some of the frustration that exists within the current Sub-committee on Domestic Quarantine and Market Access (SDQMA) system.

AUSVEG notes the following statement from the draft:

Notwithstanding these moves, stakeholders continue to raise concerns around the red tape, time delays and costs associated with biosecurity inspection and certification services. While there is no doubt room for improvement, it is largely the case that the constraints applied are a combination of trading partner requirements on imports to meet their domestic legislation or to ensure a rogue event does not occur.

AUSVEG and other stakeholders acknowledge that there are importing country and interstate obligations that need to be met and that this requires jurisdictional authorisation. However, this is not the issue around delays and costs; rather, it is the often-inflexible arrangements around inspection and

certification as well as under-resourcing in this area that is the problem. Instances have been noted where exporters have been told that they will need to book days in advance for inspection. This is unacceptable, particularly in the very dynamic trading environment of fresh produce.

AUSVEG notes and agrees with the sentiments expressed in the first paragraph on page 28, emphasises the importance of schemes such as Biosecure HACCP and would like to see the Commonwealth take a stronger lead in facilitating such schemes.

Chapter 4 – Stronger environmental biosecurity

AUSVEG is pleased to see that in the draft there is a considerable focus on the questions around including the environment in biosecurity. However, the chapter would have benefited from an outline by the review team as to what it perceives to be 'the environment'. This is not as self-evident as it may appear, and again, may mean different things to different people.

Consequently, whilst the draft recommendations produced from this chapter (7-12) have merit, they warrant further explanation/clarification. While AUSVEG can see the merit of having the Chief Environmental Biosecurity Officer in the Department of the Environment as logic would dictate, it is unclear to whom this officer would report and how the position would interact with Chief Animal and Plant Protection Officers. There needs to be further clarity around this position and reporting line.

In reference to the section on AHA and PHA, AUSVEG would note that there should be clarity around how these bodies should interact and with whom should they interact. It is also AUSVEG's understanding that both AHA and PHA are already endeavouring to develop these engagement processes. In addition, AUSVEG understands that PHA's operational charter includes engaging with environmental groups and it is in fact actively doing so. Significantly, funding for participation and the role that any environment body would play within in these two organisations has not been addressed in the draft, unless it is envisaged that the body to be formed from recommendation 11 (the 'Environmental Biosecurity Committee') is the vehicle.

There is also a question as to how any environmental organisations would interact with the National Environmental Biosecurity Response Agreement (NEBRA). AUSVEG notes the earlier comment in the draft about the potential for a greater role in biosecurity by NRM bodies. These and other similar organisations would appear to offer some opportunity for engaging with environment groups. However, their control and reporting arrangements around Australia appear to be variable and unclear. Thus, unless there are some clear lines of responsibility and communication they could be the subject of conflicting priorities between state, the Commonwealth and between Commonwealth departments. What role would an Environmental Biosecurity Officer play with respect to NRM bodies? This needs to be explored in more detail in the draft.

In addition, the draft suggestions around Wild Health Australia are also welcomed. Unfortunately, it has been the observation of AUSVEG that plants do not receive equivalent attention it comes to environmental and biosecurity issues. Therefore, AUSVEG has concerns that unless there is sufficient

consideration given to plants as a whole, they may not receive sufficient attention in the environmental sphere. This is already clearly evident when one considers resources devoted to plants and animals in the current biosecurity system.

Chapter 5 – Building the national system: pest by pest, disease by disease

AUSVEG agrees with much that is written in this chapter. However, it also has concerns that the review panel have only looked at the problem from a jurisdictional perspective, with little recognition of the considerable effort made by many industries in producing biosecurity plans and also contingency plans for specific pests. Furthermore, whilst most in the biosecurity sphere would agree with the sentiments in this chapter and the content of recommendations 13 and 14, AUSVEG notes that these recommendations are quite high-level and would seek clarity on proposed accountability given the federated nature of the system (such as who will ensure or take responsibility that these recommendations will be actioned).

AUSVEG recognizes that there are difficulties in a more inclusive approach, particularly when trying to align national priorities against those for regional or industry specific priorities. This situation applies both in industry and also between jurisdictions – what is important for Tasmania is not necessarily important for Queensland or the Northern Territory. Thus, while there is a proposed mechanism for national pests, the chapter is short on detail about how or what should be done for second-tier pests that have state or regional significance. In particular, the brief sentence at the end of 5.1.1.2 (page 41) *"Pests and diseases that do not meet the national thresholds or criteria could continue to be managed appropriately by jurisdictions and/or the relevant industry or industries"* is not constructive advice under the current context.

AUSVEG is also strongly of the view that unless industry is fully involved in this process (such as on the appropriate sectoral committee, as outlined in 5.1.1.1) any resultant recommendations would be unlikely to meet with industry support.

We also note that the draft provides a definition of what is a pest. AUSVEG believes that the definition to be used should be consistent and align with that in the plant and animal deeds.

Finally, draft recommendation 14 is endorsed, and as noted above, this should involve all participants in the national system.

Chapter 6 – Research and innovation

The national biosecurity RD&E structure is as complicated as the rest of the biosecurity system, and in response to the development of the Keogh and Goucher report, there have been numerous submissions to the Cooperative Research Centre (CRC) on the context of plant biosecurity RD&E. These submissions have provided a comprehensive overview of the R&D environment and its challenges.

Throughout industry submissions to the Plant Biosecurity CRC (for the Keogh and Goucher report) there was universal opposition to a new biosecurity entity being established. AUSVEG was part of this opposition, and our position has not changed.

There is also some confusion within the biosecurity RD&E community about the difference between RD&E expenditure as an investment or as a funding source. It is also unclear in the draft report as to whether the authors are considering R&I as merely expenditure (such as by only analysing the costs of a funding model) or as an investment. This is an important distinction as it plays a significant role in determining future direction and participation.

Discussions with a number of key funders of the existing Plant Biosecurity CRC have revealed that they do not want a united funding entity as currently proposed, and that they are instead seeking an investment model that is both flexible and can be tailored to individual levy group requirements. It is recognised that there are both national (cross-sectoral) areas for biosecurity investment and industry-specific areas for investment; this means that a one-size fits all approach is both inappropriate and unreflective of the relative risk across different sectors.

As in other aspects of biosecurity, the situation with respect to RDCs and cross-sectoral funding is changing rapidly, and AUSVEG draws attention to a large cross-sectoral project on pest surveillance recently submitted for the third round of Rural R&D for Profit funding.

The role of RDCs and biosecurity funding has been underplayed in this draft. For example, AUSVEG notes the comment on page 50 that investments by some RDCs “...are *relatively small*”. This statement is meaningless – both in terms of what ‘relatively small’ actually means in an objective sense, and also because the importance of biosecurity across the various RDCs also varies depending upon the exposure of the particular RDC to risk (for example, compare biosecurity risks for forest products compared to the horticulture sector).

Secondly, to some extent the difficulties associated with RDC and biosecurity investment are problems of the Commonwealth’s own making, particularly when it comes to funding/investment allocation. This will be covered further in AUSVEG’s comments on the later chapter on funding.

Further, due to the way funding agreements are constructed and the way the biosecurity system operates, there is a discernible disconnect between stakeholders’ actual influence on the system and their access to information. For example, Peak Industry Bodies (PIBs) are signatories to the Plant and Animal Health deeds and are therefore party to both biosecurity decision-making and detailed information about activities within the system; however, they are largely sidelined from R&D investment. Conversely, there is no direct involvement in the biosecurity system for most RDCs. Such disjunctions greatly add to the complexity and effectiveness of the current system.

Lastly, there is also no acknowledgement in the current RDC reporting environment of the benefits to the national system of RDC investments in biosecurity through pest and disease prevention. For example, current R&D regarding fruit fly control, which is largely funded by Hort Innovation, do not

appear to be a part of the assessment criteria of what is constituted by biosecurity investment. We would ask, what would have been the cost if these investments had not been made?

In considering the options presented by the draft, the construction of a new entity to oversee biosecurity R&I is not needed. There are already enough structures in place that could adequately perform this role, and the system does not need further complexity by overlaying another structure. As noted in table 4, and in the general discussion in this chapter, there are numerous bodies and strategies involved in the national biosecurity R&I system; what is lacking is that either the membership, operating charters or function of these various committees is not suitable to achieve their objectives.

For example, the National Plant Biosecurity Implementation Committee should be restructured so that those on the committee can have an investment responsibility and be made a sub-committee of NBC. There are a number of other potential options and AUSVEG is aware, although not privy to, some initiatives by the plant based RDCs in this space. AUSVEG would encourage the review panel give due analysis to the potential for adjusting the existing system to achieve the desired outcome.

Notwithstanding the above points, the proposal for a new entity needs to be considered in light of the extensive discussion in this draft and in numerous other forums and papers about the decline in resources available for biosecurity. AUSVEG does not agree with the statement on page 56 that a new entity is arguably more cost-effective than existing arrangements. Neither has evidence been provided to support this proposition nor have other options been adequately explored. Construction of a new entity would divert valuable funds away from research, as it is unlikely that anything less than substantial funds would be required for overheads (a brief overview of the Plant Biosecurity CRC financials reveals that a new entity would require a considerable diversion of funds from R&I to overheads.)

Lastly, the existing plant CRC and its predecessor have proved to be poor at extension and implementation of outputs. In most cases outputs have been confused with outcomes. AUSVEG would ask, what has changed as a result of over \$200m worth of expenditure on Plant Biosecurity CRCs over the past 10yrs?

Discussions among other industry personnel have shown very little awareness of the outputs from the current CRC and it is difficult to see how a new entity would change this situation without further duplication in the RD&E system. Compulsorily allocating existing funding away from the current RDCs is unlikely to elicit either cooperation or ownership by levy groups and would involve considerable levy payer backlash and would remove 'line of sight' control over investments. Lastly, it would also change the conditions under which levy payers voted for or agreed to participate in the existing RDCs and this may require a new round of levy payer consultation, which again adds to costs and invites the question as to who would pay for the requisite consultation.

Chapter 7 – Strengthening governance

A considerable portion of this chapter, which contains 11 draft recommendations, is related to governmental issues and as such is of less direct relevance to AUSVEG. A number of the

recommendations are self-evident (such as 17 and 21) and supported, while some seem to be counter to those made earlier (for example, 18 and 25). However, AUSVEG draws attention to its earlier comments about a rethink of whether an IGAB is still appropriate at all.

There are two particular areas of concern in this chapter and they relate to conflict of interest and the proposed new structure of the system. It is noted that feedback is sought on the Terms of Reference for the NBC. It would thus seem logical that, to a considerable degree, the Terms of Reference would determine membership. However, the draft has pre-empted this and has already made recommendations about membership (such as in draft recommendation 20).

Secondly, in proposing a suggested makeup for a new NBC, the draft has not provided a list of criteria for membership. Membership should reflect function and responsibility. It is a concern held by AUSVEG that the government desire to involve all parties in biosecurity in decision making will not be reflected in the make-up of the NBC. As noted in earlier comments, it is AUSVEG's view that the biosecurity framework and structure should reflect roles & responsibilities and the relevant parties that meet attributes.

As a further query, noting the suggestion in recommendation 17 that agriculture/primary industry should take the lead role, AUSVEG would ask how the environment would be considered and included in a new IGAB. The draft has devoted considerable effort to discussing the importance of the environment, yet based upon figure 7 it is restricted to being only a sub-committee of NBC. This seems inappropriate.

AUSVEG is particularly concerned at the suggestion that the Agriculture Senior Officials Committee (AGSOC) should provide oversight to the biosecurity system. This is a perpetuation of the serious conflicts of interest that are currently found in the system, both in legislation and operating procedures. A fundamental tenet of good governance is that there should be independent oversight. Those responsible for making decisions relating to all aspects of biosecurity, including resourcing, should also not be responsible for judging the effectiveness of what they do.

AUSVEG believes that, at the very least, oversight and evaluation should reside within an independent body involving government audit offices and be subject to independent scrutiny by all those in the system. Even more appropriate would be for such auditing and evaluation to be performed by a third (non-government) party. This is particularly the case if it is expected that industry is to play a greater role in participating and resourcing the system, as suggested elsewhere in this draft. This function could be provided by PHA and AHA.

AUSVEG would also like to provide specific comment on recommendation 21:

The NBC should take steps to increase its public profile and openness, including establishing a stand-alone website. The website could be maintained by, but be separate from, the Australian Government Department of Agriculture and Water Resources, and could accommodate and centralise all information on the NBC, its committees, and their activities.

AUSVEG would take this further and suggests expanding the following to include a list of all federal government committees, sub-committees, membership and modus operandi. This would address a noted issue (including comments from personnel working in the biosecurity field) that the number of committees related to governance of the biosecurity system are diverse and often changing.

AUSVEG notes recommendation 25 and draws the panel's attention to comments throughout this submission on participation and committees reflecting the biosecurity structure, level of involvement and responsibility and financial commitment. In particular, attention is drawn to the draft's own writings (in 8.2.1 vii) where it is noted that parties "*...are involved in decision making according to their roles, responsibilities and contributions*". Recommendation 25 is not consistent with what is proposed, and if industry is to be fully participating in the biosecurity system then it should be represented on NBC. AUSVEG re-iterates its earlier comments about membership reflecting participation.

Recommendation 26 suggests that there should be an annual roundtable for AHA/PHA members to enable them to contribute to the NBC process. AUSVEG views this suggestion as redundant, and notes that in the case of PHA, they have an industry forum that meets at least twice a year, have regional engagement strategies for industry, and meet regularly with their stakeholders. A properly constructed NBC would have direct input from industry groups along the lines suggested earlier in this submission, of which the current consultative process would remain a part.

It is also of concern that apart from this brief section there is no discussion of the role of AHA or PHA in NBC, and the proposed new structure does not include them although they are currently part of NBC. Is it intended that AHA and PHA play no future role in NBC according to the findings of this review?

AUSVEG disputes the contention that the National Management Group (NMG) and the National Biosecurity Management Group are identical. It is our understanding that while membership is potentially the same, the NMG is a more fluid structure with industry participation dependent upon purpose and affected industry parties.

Finally, AUSVEG notes that figure 7 suggests expansion of the NBC to include the New Zealand government, yet there is no recommendation to integrate industry (or environment and community) representation into the group.

As a general summary, AUSVEG believes that this chapter fails to address some of the key failings in the current system and the measures proposed therein. While being a step in the right direction, the recommendations in this chapter will do little to ease the complexity and fragmentation of the current system. Consequently, the new structure proposed in Figure 7 cannot be endorsed.

Chapter 8 – Funding our national system

This chapter correctly notes the current challenges in biosecurity funding and provides some more novel approaches to funding the system. As such, it has much to commend it. However, there appear to be some significant gaps in the information presented and also some disconnect between what is

suggested for governance and how this would relate to funding. As a general observation this chapter also seems to have an overt bias to towards the government's perspective on any funding arrangements.

There appears to be some confusion about what is government investment. For example, on page 76 it is noted that the annual investment in biosecurity by jurisdictions is \$650m. However, it is then noted that this figure includes \$300m of cost-recovered funds. AUSVEG would contest that money that is cost-recovered is not investment. Furthermore, as this cost recovery is presumably from non-government sources, the true situation is thus an investment by jurisdictions of \$350m and an expenditure by non-government sources of \$300m.

AUSVEG also notes that role of PHA and its annual National Biosecurity Status Report gets scant attention. Recommendation 32 needs to be more explicit about what is required, otherwise it risks being largely redundant. This is symptomatic of the larger key issue that confronts the non-government sector – the apparent confusion within government on what they expect from industry bodies.

Further, after having made that decision, there is also a question of how government can facilitate these expectations – an issue raised previously in this submission when considering funding of biosecurity R&I. Government cannot expect strong industry participation if industry does not have strong and resourced industry bodies. It can also not expect that such bodies should be merely passive participants in the system. Having multiple and diverse participation in biosecurity funding will inevitably lead to conflicts as every sector or body has different set of expectations. The key is therefore to manage the expectations of those financially contributing and to be prepared to tolerate and manage disagreement. Any funding model needs to consider how this can be done through appropriate governance strategies.

Notwithstanding the above, chapter 8 does provide some useful suggestions for funding the biosecurity system and has also noted some significant deficiencies in the current system. AUSVEG concurs with the comment on page 73 – to date, cost-sharing discussions have been dominated by government perspectives and this again reflects the fact that at no stage has there been a national discussion about how government and industry should interact and what is meant by 'shared responsibility'.

It would be useful to have had a more detailed discussion about why jurisdictions make their current investment decisions (page 77). If this is not investigated further, AUSVEG believes that draft recommendations 30 and 31 will be difficult to implement. Additionally, the draft suggests using the Risk Return Resource Allocation (RRRA) model. AUSVEG does not have a view on the appropriateness or otherwise of this model, but notes that any review should be under the auspices of third parties and the same criteria for assessment should be applied across the entire biosecurity continuum.

In discussing 'free riders', AUSVEG notes the draft's statements and has assumed that this is particularly related to comments around incursion and surveillance management – although this is not made clear in the draft. AUSVEG notes that whilst the commodities listed in table 8 may only represent 5% of total production value, the risk posed by some (particularly cut flowers, tomatoes and hay & silage) is vastly disproportionate. The draft's discussion around free riders therefore does not adequately represent the true situation, particularly from an industry perspective.

For example, tomatoes are a member of the solanaceae – a plant family that is subject to large number of pests of which tomatoes are prime hosts. In the case of vegetables and potatoes (represented by AUSVEG), tomatoes' share of the industry as a percentage of production value is close to 15%, and yet in any incursion management involving solanaceous hosts tomatoes will benefit. The cost-shared Torres Strait Fruit Fly strategy provides a prime example.

AUSVEG believes that for true equity in biosecurity funding and participation, all parties should contribute. In instances where an industry does not have levy or even a national body, the Commonwealth should impose a levy that can be used to fund responses and other activities that reflect the degree to which the relevant industry is affected. This should be managed by either PHA or AHA as appropriate.

Although this chapter has some positive suggestions about funding, it is AUSVEG's view that funding models should be investigated following the discussion about party involvement in the national biosecurity system. A more logical approach would be to determine what a biosecurity system looks like, who needs to be involved and at what level parties need to be involved for that to occur and then what resources and governance are needed to effect the desired outcome. All or some of the suggestions contained in this chapter may be applicable.

The draft notes the ad hoc approaches to funding biosecurity. AUSVEG believes that unless the funding discussion takes place along more logical lines, there is a danger that adoption of some of the ideas in the draft could only increase such fragmentation. For example, it is mentioned in the draft that local government should be represented at a high level in the biosecurity system on NBC; however, the recommendations that they will bring resourcing capacity to the system leave it unclear what they would be contributing in terms of funding.

In the discussion on emergency response capacity, the draft provides a couple of options. Both have merit, but again there is no acknowledgement that these are matters for Deed parties to consider, which would bring them under the auspices of PHA and AHA. AUSVEG also notes that PHA has already established working groups to look at improving and streamlining decision making processes.

Further, AUSVEG notes that in the case of emergency responses the existing jurisdictional arrangements, particularly around trade, have been almost dysfunctional from an industry perspective – although it is acknowledged that there has been some improvement by jurisdictions in this area more recently. While parties at SDQMA agree on the need for consistent approaches and co-ordinated responses, particularly in the event of incursions, our experience is that the opposite often occurs. There is a strong case for internal biosecurity to be managed nationally and not through the current system, which is not cost-effective, is confusing and is marked by jurisdictional autonomy. This issue should be further explored.

The draft asks for feedback on options to ensure a rapid response to exotic pest incursions. AUSVEG would make the following comments:

Option 1: Cost-sharing arrangements should provide for four weeks of monitoring, assessment and preliminary control strategies, while an overall assessment is conducted on the possibility of successful eradication.

AUSVEG feedback: There is provision for this action under the deed already. Funding of short-term interim response plans to aid fast tracking of the incident definition phase is not unknown during incursion response. Interim response plans require flexibility, especially in terms of timeframe. In some instance four weeks may not be sufficient, in others it would be overly sufficient. In such a scenario, cost-sharing for the incident definition phase may become the norm, thereby encouraging jurisdictions to not honour normal responsibilities. AUSVEG does not support this option.

Option 2: Cost-sharing arrangements should include a default funding arrangement for when decisions cannot be quickly reached about the success or otherwise of an eradication program.

AUSVEG feedback: More information is required on this option. Presumably, it suggests that lack of consensus will result in cost-sharing arrangements proceeding. It does not provide clarity on the role of the NMG here. Again, this option may encourage jurisdictions to not honour normal commitments and lack motivation to undertake a scrupulous incident definition phase as cost-sharing will be assured if there is lack of consensus through insufficient information. AUSVEG does not support this option.

The presentation in Box 11 is concerning as not only does it show the increasing level of risk posed for the future, but clearly reveals that innovative approaches will be required to bridge the gap. It also shows that jurisdictions need to be devoting more rather than less resources to biosecurity. Again, a clear discussion about participation will help inform what some of these 'innovative approaches' may be.

Draft recommendation 35 would also appear to imply that rates and charges should change (presumably not downward), and it is hoped that this is not code for cost shifting.

It is not clear what the draft means by 'cost sharing' and to whom this should apply. In some areas of the draft it appears to imply everyone, while in others it would seem to involve only jurisdictions. There needs to be greater explanation/clarity about what the panel or draft means when it refers to cost sharing.

Despite the reservations expressed above, the draft makes some good suggestions about funding biosecurity, and in principle AUSVEG believes these warrant more detailed exploration.

The information presented in table 10 is potentially concerning. The table shows that approximately 14.5% (that is, \$8 of \$55) of the current incoming passenger levy is for foot and mouth disease. AUSVEG would query if all of this money (totalling \$132.45m in 2015-16) flows into the animal biosecurity system if it is specifically used for foot and mouth disease.

AUSVEG believes that any money collected for biosecurity activity needs to be managed jointly by those who are paying and managing the levy, to ensure that it is used appropriately and not subject to

excessive interference. It should not reside in the hands of government, and again, the draft does not consider the possibility for PHA and AHA management. There is considerable merit in an incoming passenger levy; however, it could be argued that it should apply across all incoming goods, not just people. This would need to be constructed in such a way that it would not conflict with WTO guidelines.

Chapter 9 – Measuring system performance

Monitoring and measurement is an important area for any system. AUSVEG has made comments earlier in this submission about who should be tasked with monitoring and measurement. However, AUSVEG also suggests that a more quantitative approach should be investigated. Australia has currently set its Appropriate Level of Protection (ALOP) very low, to which a *p*-value should or could be ascribed; this should then provide a basis for determining performance, future investment and what it will mean for future incursion costing.

AUSVEG requests greater clarity around the section on knowledge and data (page 96 *et seq*). There is already a national system available and this is highlighted in Box 15. AusPestCheck (developed by PHA), together with the Victorian system, are more than capable of delivering what is required; however, the draft fails to acknowledge these vehicles. Again, the role of PHA has been downplayed. There would seem to be no need to introduce further complexity with yet another data management system, particularly given the investment already made. Here again, complexity is being created when it is not necessary.

AUSVEG notes that draft recommendation 39 makes eminent sense and any group should include appropriate industry expertise. A good example of such an approach is the National Imported Seed Regulation working group.

Chapter 10 – A future system, a future IGAB

AUSVEG concurs with much of what is written in this draft; however, it would go further and suggest we need a National Biosecurity Agreement, which could reside with the Commonwealth and be enacted through a series of contracting arrangements with other jurisdictions. A weakness of the current IGAB – which there is no reason to suppose will not be an issue with a reformed IGAB – is that ultimately there is no way of ensuring that proposed outcomes will occur, as collective responsibility in this context has led to a lack of accountability.

AUSVEG would like to see discussion on what a national biosecurity system should look like if alternatives to the IGAB are considered.

4. CONCLUSION

This draft report is a welcome step toward developing a truly national approach toward biosecurity. However, it does have some significant gaps and has seriously downplayed the roles of some key participants in the biosecurity system, particularly AHA and PHA. AUSVEG suggests that PHA and AHA's participation in Australia's biosecurity system could also include taking responsibility for R&I in the biosecurity sector.

The draft has also failed to clearly articulate the core attributes of biosecurity against the roles, functions and responsibilities of those involved. This may have contributed to some issues regarding proposed representation of stakeholders in the biosecurity system under a reformed IGAB – in particular, the level of industry involvement in the NBC. If the system is to be truly co-managed, industry must have representation with the NBC, and not just be relegated to an adjunct advisory committee.

Further, it is not entirely clear by what mechanism environmental pests will be represented in Australia's biosecurity system. While AUSVEG repeats its appreciation for the draft report's acknowledgement of the importance of the environment in a reformed IGAB, the final report should include further clarity and definition on what considerations and actions will be taken in this vital area (including a clearly-defined working concept of 'the environment').

Finally, key issues regarding pest incursions must be brought into the spotlight for resolution, with the final version of this report presenting a valuable opportunity to address these concerns. In particular, there are two key issues: the lack of incentives for industry to report detections of incursions in the first place, and the ongoing issue of the 'free rider' problem during responses to incursions of cross-commodity pests. Combined, these issues seriously undermine the speed, effectiveness and resourcing of Australia's responses to pest incursions, and must be addressed if Australia's overall biosecurity system is to increase its effectiveness in the future.

In addition, AUSVEG would ask that the development of the final report take care to accurately represent current resourcing in the biosecurity system. In particular, the draft report misrepresents the total biosecurity investment by jurisdictions in 2015-16 to be around \$650 million, while noting that this includes a total of \$300 million in cost-recovered funds. Given that these funds have been collected by governments for the delivery of services to industry, it would be more accurate to say that jurisdictions have invested \$350 million while non-government sources, and primarily industry, have invested \$300 million.

AUSVEG would encourage the review panel to develop the final report in a way that forms the basis for an informed national discussion of the system going forward, which involves all participants and provides readers with a road map for how changes to the system could occur.