Horticulture Innovation Australia

Horticulture Innovation Australia Ltd Submission on the Draft Intergovernmental Agreement on Biosecurity Report Introduction

Introduction

Horticulture Australia is a grower owned Research and Development body representing forty three (43) industry sectors that have a combined annual GVP of approximately $90 million. The current investment portfolio of Horticulture Innovation Australia (HIA) is approximately $320 million, of which $101 million is for strategic across horticulture RD&E. Significant investments within this include the recent pollination strategy ($12 million) and SITplus™ ($45 million) and a number of other strategic longer term collaborations. HIA's investment in biosecurity is substantial and represents approximately 15% of the total expenditure in 2015-16. Table 6 of the IGAB draft report highlights this annual investment in biosecurity is growing. HIA also has a constitutional responsibility to improve horticultural market access & development, and funds significant activity in this area.

Within the national RDC framework (Council of RDCs) HIA has cross-sectoral responsibility for Biosecurity. Accordingly HIA welcomes the opportunity to provide comment and feedback to the IGAB review panel. While all aspects of the biosecurity system are of interest to HIA, clearly Research and Innovation (Chapter 6) of the draft IGAB report and building strategic investment alliances are of core concern.

Noting the increasing recognition amongst RDCs and particularly those involved in plant based industries HIA commissioned a position paper in 2016 to investigate options as to how the seven plant based RDCs could develop a cross-sectoral investment model in biosecurity. This position paper and subsequent activity forms the basis for this submission. It is acknowledged that plants represent only a part of the biosecurity system however it is also noted that the challenges existing for plant biosecurity are not significantly different to those in the animal sphere.

The Biosecurity System and RD&E

The 2016 position paper noted that Australia's current biosecurity system largely had all the aspects of biosecurity covered, however highlighting its excessively complex nature. It found there was a mismatch between functions, roles and responsibilities in a number of areas. Examples were noted in incursion management, RD&E funding and decision making. In particular the paper noted that within the current system there was very little opportunity for government and non-government parties to interact formally. The principal vehicle for any government/industry interaction was limited to PHA meetings.

It was also noted that there was a disconnect between operational biosecurity and RD&E with industry bodies being part of incursion management but not always being part of the RD&E decision making

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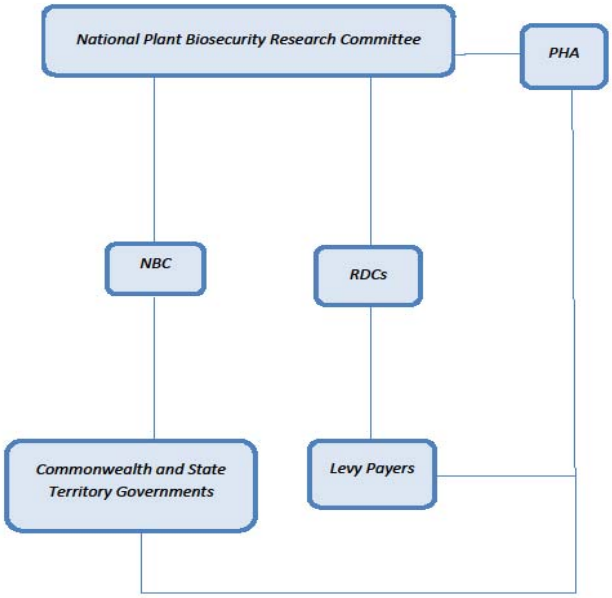
system. The opposite was true with RD&E investors not being privy to operational requirements which in many cases could help inform RD&E investment.
The position paper noted the unanimous desire amongst industry parties, levy payers and also RDCs to utilise existing structures rather than create further complexity and wastage in the system with another RD&E body (proposed by Keogh and Goucher, 2016). Clayton-Greene (2016) proposed two models for future RD&E investment.

The first model proposed re-organising the existing National Plant Biosecurity RD&E Implementation Committee such that it reflected actual investors and decision makers, whilst the second proposed a direct relationship with NBC and plant based RDCs.

The second model (Figure 1) would see the plant RDCs form their own forum that would operate in a similar manner to that described in Model 1, however it would work together with the NBC under the chairmanship of PHA to achieve a higher level of co-ordination and planning. This option would see governments and plant RDCs set their own priorities on behalf of levy payers, then come together to determine RD&E investments with coordination being provided by PHA. The structure was seen as clean and provided a streamlined approach to RD&E aligning key enablers and decision makers.

Figure 1 A model whereby plant based RDCs would work directly with NBC members to align and co-ordinate areas of common interest. (Source: Clayton-Greene, 2016)



This second model has full levy payer support, been supported by all the plant based RDCs and is currently being discussed with positive support from the Commonwealth, and other key potential stakeholders.

HIA together with the other plant based RDCs is strongly supportive of this second model and notes that it also addresses many of the problems identified in the IGAB draft report. HIA is proposing a co-investment model where real decision making would occur through a NBC sub-committee. The key feature of this model is flexibility and co-investment. It recognises that whilst there are a number of cross-sectoral activities which will have varying importance across the plant biosecurity system, and the level of investment by any single RDC and also jurisdiction in any particular area needs to reflect the priorities of each. It also recognises that individual industries and jurisdictions will also have unique needs that require addressing, but do not require a cross-sectoral approach. Such a model would also permit future growth as further co-investors came into the system including CSIRO, Plant and Food Research NZ, environmental organisations and even ACIAR. This model has the potential to extend to other components of the biosecurity system outside the plant space. However recognising that any new system requires 'bedding down', it is proposed that initially this would only involve the seven plant based RDCs. Creating a direct engagement with NBC would see the current disconnect between operational activity and research addressed. HIA notes that this has been raised by a number of its members.

In considering the draft IGAB report HIA believes that the role of RDCs in biosecurity has been significantly devalued. The contention that the investment by RDCs is "relatively small" is mis-leading. The definition of relatively small needs clarification. The draft report has not provided any indication as to what it believes is a suitable investment figure, nor how this should be equated with the individual charters and responsibilities of the various RDCs. The draft report seems to be unaware of the variation of the importance of biosecurity between the RDCs (i.e. Horticulture, Grains and Forest Products). The draft report has also made no effort to provide an analysis of how investments by RDCs in incursion prevention or exotic pest management have materially contributed to the Australian economy to this point. In the case of Horticulture this has included working with industry groups and PHA to fund industry and on-farm biosecurity plans, exotic pest and disease management plans (when eradication is no longer feasible and thus not covered by the Plant Health Deed), pest contingency plans (i.e. for Tomato Potato Psyllid), virology and epidemiology research and more recently cross-sectoral work with the grains industry on surveillance.

Partnership agreements such as those between parties to create SITplus™ or those between GRDC and Bayer are providing significant investments with very real biosecurity implications. As noted in the introduction to this submission, the new pollination initiative by HIA is another significant investment with biosecurity consequences. Although the IGAB draft mentions SITplus™ there is little acknowledgement of other activities by RDCs in this area.

HIA strongly disputes the contention that RDC investment is ad-hoc and short-lived. Curiously the draft report quotes some examples (SITplus™ again) which are exactly antithesis of ad-hoc investments and again takes no notice of HIA's strategic investment platform that comprises nearly 1/3 of its annual budget. HIA is aware of a number of programs both within its own investment portfolio and also in other RDCs of long term investments both with and without biosecurity implications. These include programs on Panama disease race 4 disease resistance, sugar cane breeding for exotic and regionally limited diseases, cotton industry research on whitefly which is funding 14 PhD students and 3 post-docs as well as work on yellow-leaf curl, Sugar Research Australia working with ACIAR in New Guinea and also a collaborative program with SE Asian bodies on disease diagnostics whilst GRDC are co-operating with horticulture on a surveillance program. None of these are short-term, and this is a snapshot of long-term biosecurity related investment by RDCs. It is really surprising that this has been ignored by the draft IGAB report. The plant based RDCs are funding many student and post-doctoral positions and playing a significant role in keeping capacity in the biosecurity system.

HIA also draws the review panel's attention to a recent cross-sectoral collaboration on surveillance through a Round 3 Rural R&D for Profit bid on a national surveillance scheme.

This view of short-term investment seems to be one offered by a number of state jurisdictions that have not either fully understood or are aware of what RDCs actually do, and may be driven by an unfilled desire for long term tenure support. It is concerning that these statements regarding RDC investment portfolios have been made without providing evidence to support these claims.

HIA notes the role that an earlier strategic investment in Tomato Potato Psyllid and Liberiabacter diagnostics has been instrumental in helping in the current (February 2017) Tomato Potato Psyllid (TPP) incursion in WA. This was again work initiated by industry through the former Horticulture Australia Limited (HAL) as part of preparedness program in case TPP should arrive in Australia. At the time of the outbreak there were also moves in progress to update the TPP Contingency Plan. HIA is centrally involved in helping with resource responses to the current outbreak. The preparatory work that has happened over the past 7y years is also testament to the value of a close relationship between HIA, PHA and the R&D provider.

HIA does not support the draft IGAB option 1 and has not seen nor heard among non-government investors in the Plant Biosecurity CRC and all industry parties, there is universal opposition to a new biosecurity RD&E body being created. HIA is also aware of considerable disquiet amongst a number of current Plant Biosecurity CRC funders about the outcomes which have occurred from untied funding. Opposition to a proposed new body cite excessive cost, discontent with the current PBCRC, its outcomes and a reluctance to provide untied funding which may or may not match industry and government priorities. A new entity would remove a clear 'line of sight' for levy payers and should funds be compulsorily directed away from RDCs a spirit of cooperation would not exist. The IGAB review panel correctly noted that such an action would require legislative changes and may also require extensive consultation with a number of levy paying groups as it has effectively changed the original premise upon which a levy was struck. This process is unlikely to be popular amongst many stakeholders and is also likely to involve considerable cost. Who would pay for and oversee this consultation process? It is highly unlikely that under the IGAB review preferred "stand alone" option, that any of the preparatory work and response arrangements that are were described above for the TPP incursion would have occurred.

In opposing a new entity HIA disputes the notion that new body would be "…arguably more cost-effective" than existing arrangements. HIA notes that there has been no evidence provided to support this claim. Furthermore noting the universal acknowledgement that funding for biosecurity is becoming increasingly tight it would seem wasteful in the extreme to create another entity which based upon the figures suggested in the draft report will soak up valuable funds of at least $2-3m in overheads. The costs of how extension/technical transfer activities would occur has also been ignored. Implementing the RDC model would cost considerably less and could arguably be done for less than $400,000 per year.

It is also argued that creating such a new body creates a precedent for a number of other sectors in the national R&D landscape. Following this logic one could then suggest that a national soil RD&E body, a national water RD&E body, and a national weed RD&E body is warranted. This seems particularly archaic and bureaucratic, throwing back to the prehistoric method of research management, which the contemporary innovation narrative has moved on from.

Other Biosecurity System Components

A National System

Having provided a framework for RD&E investment HIA believes that this has implications for other aspects of the biosecurity system, but again noting the comments in the RDC position paper most of the ingredients for a national biosecurity system already exist. Therefore in considering other aspects of the system, it is again the HIA view that any IGAB or alternative arrangement should utilise existing systems and structures wherever possible. Much of the current dissatisfaction or under performance in the current system comes from a misalignment of roles, responsibilities and participation and funding, not that the mechanisms do not exist.

HIA notes the request for feedback on a national biosecurity system and the suggestion for a national discussion on what this means and what it would look like. However HIA also notes that the draft review in a number of recommendations have already pre-empted some of the potential outcomes from any national collaboration that would occur from recommendation 1. This is unsatisfactory and HIA believes it would lead to a number of questions as to the real genuineness of any such consultative approach.
HIA also feels that discussion on National Biosecurity should be prefaced by a clear discussion paper that clearly articulates the areas that national biosecurity needs to address. The IGAB draft does not adequately cover this, and is a strategic oversight. The draft report as it stands alternates between

providing quite detailed operational directives and then in other areas only having a broad and at times vague strategic oversight. This has made the draft narrative somewhat difficult to follow. It is acknowledged that the biosecurity system is extremely complex and that this has perhaps contributed to this rather fragmentary approach.

Market Access

Market Development is a constitutional responsibility of HIA's constitutional charter. HIA notes that there are probably of number of opportunities to engage with industry groups and bodies to help in supporting area freedom and other market access related activities. HIA also notes the important role that programs such as Biosecure HACCP can play in helping market access.

Environmental Considerations

While HIA recognises the importance of environmental aspects of biosecurity, it is not clear from the draft report what the panel means by the environment, or who or what that encompasses. This makes discussion about an 'environmental biosecurity officer' difficult with it not clear what this person would actually do. HIA questions the merit of further fragmenting the system by having this person located in a separate ministry. This would seem to only further complicate an already complex system, creating another silo.

The Environmental sector is important, but also complex and encompasses a wide cross-section of views and organisations. Environmental issues are also involved in a number of other national and jurisdictional activities, not just in biosecurity. There does not appear to be a unified view amongst government as to what is meant by the environment and what that entails and again or who or what should be involved. There needs to be a unified approach in this matter as a number of other national priorities like water and soils are also implicated when discussing environmental issues. It would be appropriate that there is a consistent approach across these other areas so a consistent engagement model can be adopted. This is critical when it comes to informing RD&E priorities.

It is also pointed out that once a clear understanding of what is meant by the environment and who is to be engaged in this space then such participation can occur at the appropriate level in the national biosecurity system. Should they have access to R&D funding, they could then also participate in the R&D space utilising the RDC model.

Pest and Disease Prioritisation

HIA agrees with much of the review teams observations and points out that the RD&E model being proposed by the plant RDCs fits very well within a discussion around national pest and disease priority setting. However HIA is strongly of the view that this should be a joint and equal process between government and non-government parties and utilising similar criteria. The resultant agreed priority list can then be used to inform and drive a dynamic investment model. This would apply to both RD&E and also jurisdictional and industry preparedness and awareness.

Governance

HIA does not wish to pre-empt any outcomes from a national biosecurity consultation process, however it believes that governance needs to meet several key criteria and that criteria for participation in the system need to be clearly defined and based upon function, responsibility, financial commitment and accountability.

In this context the proposed RDC RD&E investment model provides an example of matching participation level with the criteria listed above.

In considering the draft reports discussion and recommendations in this chapter HIA notes that nowhere has a list of criteria been developed for the membership of the bodies proposed in the new governance structure, that there is no acknowledgement of the existing role played by PHA in the current NBC and that much of what is proposed would appear to pre-empt or override what the review team would want from draft recommendation 1. HIA believes that the correct approach would be NBC participation to be determined by what a national biosecurity system should encompass, reflecting the level of function, responsibility and financial accountability. This is consistent with the draft reports' 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". Many of the recommendations in this chapter are not consistent with this statement.

HIA does not support the proposed structure on governance given there is no further supporting rationale for its formation.

HIA does not support the contention that AGSOC should provide oversight on the effectiveness of NBC. 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. At the very least oversight and evaluation should reside within an independent body. In the case of government funds and performance this should be within audit offices. Overall oversight should be subject to independent scrutiny by all those in the system. It would be appropriate 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 the draft. This oversight could be provided by PHA and AHA.

Funding

HIA has a similar commentary on funding to those written above regarding governance and again draws attention to the proposed RD&E model.

Acknowledging that biosecurity involves a lot more than RD&E, HIA is concerned about capacity and funding for incursions and other biosecurity matters which are not covered by either the Research and Development levy or the PHA levy. There is also concern around a number of smaller industries who simply lack financial capacity. There needs to be consideration given to how a base level of capacity can be maintained across the biosecurity system through an appropriate funding model. The suggestions around emergency response are worth deeper consideration in this context and both of them have merit and would go some way to addressing the issues highlighted earlier.

A number of the funding suggestions made by the panel are worth exploration however it is noted that again the funding needs to reflect the requirements of the system and that the financial commitment then needs to be reflected in decision making capacity of biosecurity bodies.

Noting the comments about "free-riders", HIA believes this issue has been downplayed by the review panel particularly from a horticultural perspective. HIA is aware of the significant problems it has within its own membership about industries feeling they are cross-subsidising those who do not have a levy. The fresh tomato industry is particularly problematic particularly with a number but not all of the Solanaceae family falling under AUSVEG's auspices. The Solanaceae family represent a particularly high risk for exotic pests and diseases. HIA draws the panel's attention to the problems that arose when a Torres Strait fruit fly levy was proposed and the fresh tomato industry was a significant beneficiary, and was effectively subsidised by other industry bodies. An equitable funding model would see all contribute, and where industries have not put in place a mechanism then the Commonwealth has the capacity to do so through levying the appropriate group. HIA believes this would also serve as a catalyst for those industries affected to get organised, so that they at least can control their levy.

HIA is of the view that any national funding arrangement should be overseen by the RDC biosecurity framework described above to ensure that funds collected for biosecurity RD&E, goes to biosecurity RD&E. The RDCs manage this process in other investment areas. As an example of its concerns, HIA would ask if all the money collected annually from the Foot and Mouth component of the incoming passenger levy, goes to Foot and Mouth prevention or to animal biosecurity.

Summary

HIA welcomes the draft report on IGAB and notes that it encompasses far more than inter-jurisdictional arrangements. To this end it has provided an overview, albeit appearing to vary in its knowledge of the current system and its challenges. Whilst the report has much to commend as a starting point to frame a national discussion about biosecurity, there are significant gaps. In particular HIA is concerned about the lack of understanding and downplaying of the role of RDCs and PHA/AHA in the current or future biosecurity system.

References

Clayton-Greene, K.A. 2016 A National Plant Biosecurity RD&E System, A position paper. Report prepared for HIA, GRDC, CRDC, FWP, SRA, GWA and RIRDC.

Keogh, M & Goucher, G 2016, A sustainable and nationally coordinated plant biosecurity RD&E system for Australia, research report prepared for the Plant Biosecurity Cooperative Research Centre, Canb