



Intergovernmental Agreement on Biosecurity Review
SUBMISSION

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Summary

Australian Grape & Wine welcomes the opportunity to comment on the Intergovernmental Agreement on Biosecurity. There are many positive attributes in the system and several shortfalls. The biosecurity system in Australia is a leading example of state and federal Governments working together alongside industry. As stated in the Discussion Paper the very existence of an intergovernmental agreement is both valuable and necessary. There is also encouraging evidence of improvements in the system that have occurred in the last seven years since the 2017 Craik Report, but potentially some areas that have not worked so well, remain under-resourced or have become outdated. For example, the heavy focus on the prevention and emergency response, whilst supported to an extent, seems to have detracted from the many other costly aspects of biosecurity and the need to be prepared and resilient to the inevitable increase in pests and diseases. This includes new arrivals and existing pests that have spread or become more serious due to forces beyond our control such as climate change or the ever-decreasing availability of pesticides. Although underfunding is considered out of scope of the review, without provision of additional public resources many of today's problems are likely to persist.

The Discussion Paper has already outlined some early observations that Australian Grape and Wine broadly agrees with. In particular, is the acknowledgement that there remain gaps in the framework beyond emergency response. The wine industry is a key beneficiary of change in this area because our most threatening pest and diseases are those that are pathogenic. As many of the most important exotic diseases of grapevines take several years to be detected, emergency response arrangements are unlikely to be put in place because by the time they are discovered the horse will have already bolted.

Alongside what has already been recognised in the early observations, and noting the serious funding deficiency being the elephant in the room, there is scope for improvement in the following areas:

- Decision making in a response;
- Who contributes;
- Lack of incentives for risk management by the risk creators;
- Failure to recognise the significant contributions of industry;
- Inclusion of industry in investment decision making;
- Process efficiency at the borders;
- Recommendations from the 2017 IGAB report that remain outstanding.

States lack adequate resourcing

It is quite apparent that the state and territory jurisdictions are stretched beyond capacity. The volume and frequency of plant pest incursions is at unprecedented levels and the system is struggling to keep pace. Despite these constraints, a close and reasonably effective working relationship exists between plant industries and state agencies. This is something that we value and a testament to a shared commitment to cooperate for the best interest of our industries and the public. It is this close relationship that has made evident the exceptionally high workload that plant biosecurity agencies are exposed to on a day-to-day basis.

Past research has also highlighted gaps in the capacity of state and territory jurisdictions in their capacity in a response. When these jurisdictions are underfunded, decision-making is affected and industry loses trust in the system. All decision-making should be underpinned by cost benefit analyses, not by resourcing availability (or lack thereof).

Emergency response decision making should be reviewed

Decision making in a response lacks independence and this situation can lead to disagreement between parties. There are decisions that could benefit from an independent third-party expert assessor. These include funding weights and pest categorisation, whether a pest is an emergency plant pest and whether it is technically feasible and cost beneficial to eradicate. Mechanisms must remain in place so that governments and industry can present their opinion and to opt out if there is strong justification, but only once independent analysis driven recommendations have been presented. Alternatively, or concurrently, there could be a more effective dispute resolution process that involves an independent party.

The system could also be strengthened, and many of its issues alleviated through a nationally led approach to incursion management, particularly in the case where the response is significant in scale and/or cross jurisdictional.

There are elements in the New Zealand Government Industry Agreement for Biosecurity Readiness and Response (GIA) that seem to deal with some of these problems more effectively. One is the more detailed approach to determining funding proportions of the government and industry. The GIA includes a cost sharing mechanism for both readiness and response, a dispute resolution process, a role for independent technical assessors and tends to favour a greater contribution from government making it more affordable for industry.

Industry needs greater support for recovery from pest and disease disasters

There is justification that biosecurity, being a public good, could be better supported through general revenue. Pest and disease incursions impact businesses in much the same way that flood fire and drought does, yet this is not reflected in any disaster relief mechanisms to assist industries recover from the devastation caused when a pest arrives in Australia. The response costs to agriculture industries can be astronomical, and often well excess of industry's capacity to pay. Furthermore, when a response is not successful, there is limited support for recovery. Whilst we acknowledge that reliance on government assistance can in some cases act as a disincentive for businesses to mitigate against disaster risk, the existence of natural dispersal pathways means that many exotic pest and disease risks are beyond any one business's direct control.

The biosecurity continuum - prevention, eradication, containment and asset-based protection - return on investment analysis has been used guide to guide investment towards prevention and mitigation measures in advance of an adverse event occurring rather than on recovery and rectification. The rationale for such as approach has been likened to human health examples such as cancer screening programs being more cost beneficial than treating the illness.¹ But the fact that early investment provides a great return to government, does not negate the need for public investment in post-incursion recovery where investment in prevention has failed.

Biosecurity preparedness efforts need a boost

Again, a low levels of public funding to support plant biosecurity preparedness indicates a failure to recognise the benefits to society that biosecurity provides. Despite national action plans for various priority pests such as Australia's number one, *Xylella fastidiosa*, many priority actions remaining outstanding due to funding constraints.

Recently a high priority pest, grapevine red blotch virus was discovered in an Australian germplasm collection. Now, several months later an *Agrobacterium* species linked to widespread failure of new vineyards in certain regions is

¹ <https://www.agriculture.gov.au/sites/default/files/sitecollectiondocuments/biosecurity/partnerships/nbc/priorities-for-aus-bio-system.pdf>

under investigation, thought to be previously undiscovered in *Viti vinifera*. There have been significant economic costs to affected businesses. The causal organism could potentially be a new pathogen host interaction. The cost of such incidents, along with many other potential pathogens that could affect winegrapes largely fall upon industry. This is due to the current arrangements where many novel pest and disease events fall outside of government support mechanisms or are not considered sufficiently threatening in today's resource constrained environment where there are too other many completing priorities. It seems evident to industry that whether it be flaws within the current systems or funding constraints within state jurisdictions, that the appetite to respond in the optimal way is clouded.

Pre-border and at border funding mechanisms do not serve as an incentive for risk creators to derisk

The costs associated with increasingly frequent incursions usually occur through no fault of those who bear the financial consequences. With that in mind, risk creators' contribution to prevention remains inadequate. A strategically designed levy system targeted to those who create the most biosecurity risk would better align the marginal private investment in risk mitigation with the marginal social costs, thereby creating a more efficient market outcome. A more sophisticated scheme could be designed to incentivise behavioural change amongst risk creators by offering a levy relief alongside lower inspection costs linked to their risk profile.

Greater recognition of industry contributions to the system is needed.

Although out of scope of this review, the proposal to introduce a Biosecurity Protection Levy on agriculture, highlighted the lack of recognition of existing contributions of primary producers through both research and development, emergency response levies and post-incursion management. According to Wine Australia's most recent annual report, in 2022-23 the grape and wine sector committed over \$3 million of research funds to biosecurity related projects. A further \$1 million is collected from our industry under various state and national biosecurity industry levy legislation. Our state and national associations contribute significant in-kind resources and all plant sector businesses contribute huge resourcing in pest and disease surveillance and biosecurity related risk management as part of everyday business. Other plant industries have also committed millions in research funds, on ground biosecurity and cost sharing emergency responses.

Although industry engagement in decision-making has improved, it could still be strengthened

Strengthening the involvement of industry in all biosecurity investment decision making offers a win win to government and industry. By being more involved, industry will be empowered to promote what good work is being done and to work with governments to highlight and address any deficiencies. Australian Grape and Wine recently expressed support for the creation of a Sustainable Biosecurity Funding Advisory Panel and welcomes this recent commitment by the Government. It is anticipated that this will enhance investment decisions through incorporation of existing knowledge and the views of the agriculture and trade sectors on the types of Commonwealth biosecurity funding that are most impactful for these industries.

When it comes to new levies, industry expects and deserves appropriate consultation. Close and early consultation should become an absolute imperative of government when it comes to any political matter affecting the competitive operating environment of Australia's agricultural industries. This includes a need for earlier consultation prior to initiating new levies or charges, avenues for input into future biosecurity priorities and the provision of readily accessible information about where Government biosecurity funding is being spent.

The 2023 budgetary commitment for ‘Sustainable funding for a strong biosecurity system’ planned to look at other options to address the biosecurity risk created by imports (including an import levy).² Through the Department of Agriculture, Fisheries and Forestry (DAFF), the Federal Government should pursue efficiency in the system and address its labour-intensive processes. Both actions are in line with the recommendations of the independent Craik Review (2017).³ A proposal by the Australian Peak Shippers Association (APSA) and Freight and Trade Alliance (FTA) highlighted that additional levies on imports would be accepted if it was commensurate with improved and immediate trade facilitation measures and resources towards a modernised system. It is not clear if or when this suggestion will be taken on board.

Address outstanding issues from last reviews

The Craik review of the *Intergovernmental Agreement on Biosecurity (IGAB), Priorities for Australia’s biosecurity system*, raised a number of issues that have remain unresolved, as did those that came before it (Beale, 2008 and Nairn, 1997). An important recommendation of the Craik report was the requirement for reporting performance publicly to provide more transparency of the activity and investment by each jurisdiction. A critical part of this next review should also be strengthening the need for acknowledgement of past failures and/or outstanding recommendations so that a continuous improvement cycle is promoted.

About us

Australian Grape and Wine Incorporated is Australia’s national association of winegrape and wine producers. We are recognised as the representative organisation under the *Wine Australia Act 2013*. We are the industry member of Plant Health Australia representing winegrapes and a signatory to the Emergency Plant Pest Response Deed. As well as biosecurity, our activities focus on providing leadership, strategy, advocacy and support that serves Australian wine businesses now and into the future. Winegrapes are grown in every state of Australia. There are over two thousand producers and approximately six thousand grape growers, a vast majority based in regional Australia; for some their businesses are also their family homes. The sector supports employment of over 160,000 people and its many businesses make a significant contribution to growing regional economies by driving growth in jobs, regional exports and food and wine tourism.⁴ Regional communities are beneficiaries of strong biosecurity, as certain pests and diseases have the potential to devastate the primary industries upon which their economies rely.

Australian Grape and Wine strongly supports the Government’s election commitment to sustainably fund Australia’s biosecurity system, acknowledging the importance of a well-resourced biosecurity system. As a sector our grape and wine producers contribute a proportion of existing research and development levies towards biosecurity research and extension. Australian Grape and Wine supports biosecurity in the wine sector funded by both the Plant Health Levy as well as in kind contributions over and above what is collected through the levy. This goes towards policy input and planning and preparedness work. Individual businesses show a strong and growing contribution to biosecurity on their properties.

² <https://www.agriculture.gov.au/sites/default/files/documents/FINAL%20BUDGET%20FACTSHEET%20Biosecurity.pdf>

³ <https://www.agriculture.gov.au/sites/default/files/sitecollectiondocuments/biosecurity/partnerships/nbc/priorities-for-aus-bio-system.pdf>

⁴ <https://www.wineaustralia.com/getmedia/34d4f68c-c8e9-4625-a078-bdaf197c09ef/AgEconPlus-Gillespie-Economic-Contribution-Wine-Report-2019.pdf>

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