



Parliament of Australia
Parliamentary Budget Office

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Senator Richard Di Natale
Leader of the Australian Greens
Parliament House
CANBERRA ACT 2600

Dear Senator Di Natale

Please find attached a response to your costing request, *A National Biosecurity Authority* (letter of 29 June 2016).

The response to this request will be released on the PBO website (www.pbo.gov.au).

If you have any queries about this costing, please contact Colin Brown on (02) 6277 9530.

Yours sincerely

Phil Bowen

29 June 2016



Policy costing—during the caretaker period for the 2016 general election

Name of proposal:	A National Biosecurity Authority
Summary of proposal:	<p>The proposal contains four components:</p> <p><u>Component 1: National biosecurity</u></p> <p>This component would implement the recommendations of the 2008 Beale review to:</p> <ul style="list-style-type: none">• establish an independent expert panel – the National Biosecurity Commission (recommendations 12-15)• establish a regulatory agency – the National Biosecurity Authority (recommendations 16-22). <p><u>Component 2: Environmental biosecurity measures</u></p> <p>This component would provide resourcing to implement the recommendations of the Senate Inquiry into Environmental Biosecurity with:</p> <ul style="list-style-type: none">• additional resourcing for recommendations 2-5, 14, 18, 24 and 26, which involve the Commonwealth working with the states and territories to adjust the biosecurity regulatory framework• additional resourcing for Commonwealth agencies to implement recommendations 1, 6, 8-13, 15-17, 19-22, which largely involve reviewing specific aspects of existing systems• the Department of Agriculture and Water Resources (DAWR) to undertake more regular ship inspections targeted at biofouling and improve surveillance of freshwater fish imports to implement recommendation 23. <p><u>Component 3: Invasive species</u></p> <p>This component would provide funding:</p> <ul style="list-style-type: none">• for the Centre for Invasive Species Solutions as recommended by the current Animal Cooperative Research Centre from 1 July 2017 to 30 June 2021.

	<ul style="list-style-type: none"> to establish, and for ongoing operation of, Environmental Health Australia, in line with proposals by the Invasive Species Council of \$8 million over four years to develop an invasive species target and plan, and a separate plan to reduce the risks from exotic pests to work through the Council of Australian Governments (COAG) to limit the movement of potentially damaging exotic species. <p><u>Component 4: National strategy to protect islands from biosecurity risks</u></p> <p>This component would provide \$5 million a year in funding (ongoing) for a national strategy to protect islands from biosecurity risks.</p> <p>The proposal would have effect from 1 July 2017.</p>
Person/party requesting costing:	Senator Richard Di Natale, Australian Greens
Date of public release of policy:	22 June 2016 http://greens.org.au/sites/greens.org.au/files/20160622%20Biosecurity%20initiative.pdf
Date costing request received:	29 June 2016
Date costing completed:	29 June 2016
Expiry date for the costing:	Release of the next economic and fiscal outlook report

Costing overview

This proposal would be expected to decrease the fiscal and underlying cash balances by \$185.2 million over the 2016-17 Budget forward estimates period. This reflects an increase in administered expenditure of \$115.6 million and \$69.5 million in departmental expenditure.

The financial impact of this proposal includes a number of components, only some of which would be expected to have impacts beyond the 2016-17 Budget forward estimates period. Detailed financial implications are provided at Attachment A.

This costing is considered to be of medium reliability as there is some uncertainty over the size and scope of some of the functions that would be undertaken or funded by the Commonwealth.

Table 1: Financial implications (outturn prices)^{(a)(b)}

Impact on (\$m)	2016–17	2017–18	2018–19	2019–20	Total
Fiscal balance	-	-62.4	-61.4	-61.4	-185.2
Underlying cash balance	-	-62.4	-61.4	-61.4	-185.2

(a) A negative number indicates a decrease in the relevant budget balance.

(b) Figures may not sum to total due to rounding.

- Indicates nil.

Key assumptions

In costing this proposal it has been assumed that the:

- secretariat support for the National Biosecurity Commission would be provided by the new National Biosecurity Authority
- costs for the new National Biosecurity Authority would be partially offset by funding for existing activities to be transferred to the authority from DAWR
- development of plans and strategies would take two years to complete.

Methodology

Component 1: National biosecurity

Departmental expenditure for the establishment of a National Biosecurity Commission and National Biosecurity Authority were based on existing commissions and authorities of a similar size and scope.

Component 2: Environmental biosecurity measures

Administered expenditure includes an allocation for ongoing surveillance and inspection functions.

Departmental expenditure includes an ongoing allocation for review of cargo surveillance measures and private agriculture import regulations.

Components 3 and 4: Invasive species, and National strategy to protect islands from biosecurity risks

Capped elements of the component are as specified to develop an invasive species target and plan, and a plan to reduce the risks of exotic pests and a national strategy to protect islands from biosecurity risk.

The establishment and ongoing management of a Centre for Invasive Species Solutions and Environment Health Australia are based on like establishments of a similar size and scope. Funding for these bodies is treated as an administered grant from government to the new bodies consistent with the treatment of funding provided to similar existing bodies.

All departmental expenditure estimates account for the net effect of indexation parameters and the efficiency dividend, in accordance with the Department of Finance's costing practices.

Data sources

- DAWR:
 - Portfolio Budget and Additional Estimates Statements (various)
 - Annual reports (various)
 - Contract listings (various).
- Department of Environment:
 - Portfolio Budget and Additional Estimates Statements (various)
 - Annual reports (various)
 - Contract listings (various).
- Environmental Biosecurity, Senate Environment and Communications References Committee, May 2015.
- Invasive Animals Cooperative Research Centre – Annual Report (various).
- One Biosecurity: a working partnership, Beale et al, 30 September 2008.
- Plant Health Australia - Annual reports (various).
- Remuneration Tribunal - Determination 2015/02: Remuneration and Allowances for Holders of Part-Time Public Office.
- The Department of Finance provided indexation and efficiency dividend parameters.

Attachment A: A coordinated approach to biosecurity—financial implications

Table A1: Combined impact of all components—Financial implications^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Impact on fiscal and underlying cash balances													
Administered	-	-39.1	-38.0	-38.5	-115.6	-39.0	-39.5	-20.8	-21.1	-21.4	-21.8	-22.1	-301.3
Departmental	-	-23.3	-23.3	-22.9	-69.5	-23.0	-21.0	-21.1	-21.2	-21.2	-21.3	-21.3	-219.7
Total	-	-62.4	-61.4	-61.4	-185.2	-62.0	-60.5	-41.9	-42.3	-42.7	-43.1	-43.5	-521.0

(a) A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual and cash terms.

(b) Figures may not sum to total due to rounding.

- Indicates nil.

Table A2: Component 1: National biosecurity—Financial implications^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Impact on fiscal and underlying cash balances													
Departmental													
National Biosecurity Commission	-	-0.5	-0.5	-0.5	-1.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-5.6
National Biosecurity Authority	-	-8.2	-8.1	-8.1	-24.4	-8.2	-8.2	-8.3	-8.4	-8.4	-8.5	-8.5	-83.0
Total - departmental	-	-8.7	-8.7	-8.7	-26.1	-8.7	-8.8	-8.9	-8.9	-9.0	-9.0	-9.1	-88.5
Total	-	-8.7	-8.7	-8.7	-26.1	-8.7	-8.8	-8.9	-8.9	-9.0	-9.0	-9.1	-88.5

(a) A negative number for the underlying cash and fiscal balances indicates an increase in expenditure. Impacts on the fiscal and underlying cash balances are equal.

(b) Figures may not sum to total due to rounding.

- Indicates nil.

Table A3: Component 2: Environmental biosecurity measures—Financial implications^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Impact on fiscal and underlying cash balances													
Administered	-	-2.7	-1.3	-1.3	-5.3	-1.4	-1.5	-1.6	-1.7	-1.8	-2.0	-2.1	-17.5
Departmental	-	-6.2	-6.2	-6.2	-18.5	-6.2	-6.2	-6.2	-6.2	-6.2	-6.2	-6.2	-62.3
Total	-	-8.9	-7.4	-7.6	-23.9	-7.7	-7.8	-7.9	-8.0	-8.1	-8.2	-8.3	-79.8

(a) A negative number for the underlying cash and fiscal balances indicates an increase in expenditure. Impacts on the fiscal and underlying cash balances are equal.

(b) Figures may not sum to total due to rounding.

- Indicates nil.

Table A4: Component 3: Invasive species—Financial implications^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Impact on fiscal and underlying cash balances													
Administered													
Centre for Invasive Species Solutions	-	-18.2	-18.4	-18.6	-55.2	-18.8	-19.0	-	-	-	-	-	-92.9
Environmental Health Australia	-	-18.2	-18.4	-18.6	-55.2	-18.8	-19.0	-19.2	-19.4	-19.6	-19.8	-20.0	-190.9
Total - administered	-	-36.4	-36.8	-37.2	-110.3	-37.6	-38.0	-19.2	-19.4	-19.6	-19.8	-20.0	-283.8
Departmental													
Centre for Invasive Species Solutions	-	-0.5	-0.5	-0.5	-1.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-4.9
Environmental Health Australia	-	-0.5	-0.5	-0.5	-1.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-4.9
Invasive species and exotic pest plans	-	-2.0	-2.0	-2.0	-6.0	-2.0	-	-	-	-	-	-	-8.0
Work through COAG	-	-0.5	-0.5	-	-1.0	-	-	-	-	-	-	-	-1.0
Total - departmental	-	-3.5	-3.5	-3.0	-9.9	-3.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-18.9
Total	-	-39.9	-40.2	-40.1	-120.2	-40.5	-38.9	-20.2	-20.4	-20.6	-20.8	-21.0	-302.7

(a) A negative number for the underlying cash and fiscal balances indicates an increase in expenditure. Impacts on the fiscal and underlying cash balances are equal.

(b) Figures may not sum to total due to rounding.

- Indicates nil.

Table A5: Component 4: National strategy to protect islands from biosecurity risks —Financial implications^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Impact on fiscal and underlying cash balances													
Departmental	-	-5.0	-5.0	-5.0	-15.0	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	-50.0
Total	-	-5.0	-5.0	-5.0	-15.0	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	-50.0

(a) A negative number for the underlying cash and fiscal balances indicates an increase in expenditure. Impacts on the fiscal and underlying cash balances are equal.

(b) Figures may not sum to total due to rounding.

- Indicates nil.