



Replace biosecurity protection levy with import container levy	
Party:	The Coalition
<p>Summary of proposal:</p> <p>The proposal would establish a new Sustainable Biosecurity Funding Model that includes an import container levy.</p> <p>The proposal would be ongoing and start on 1 July 2025</p>	
<p>Additional information (based on further advice provided):</p> <ul style="list-style-type: none">• A mandatory levy would apply to all containerised imports (including empty containers) brought into Australia by sea, with exemptions for military equipment. This levy would be applied as a \$25 levy per 20-foot (TEU) container equivalent.• A mandatory levy would apply to all containerised imports (including empty containers) brought into Australia by air, with exemptions for military equipment. This levy would be applied as a \$12.50 levy per container.• The Biosecurity Protection Levy (BPL) – as announced as a component under the 2023-24 Budget measure <i>Strengthened and Sustainable Funded Biosecurity System</i>¹ – would be reversed from 2025-26 onwards (1 July 2025), including all associated departmental funding.• The net financial impact under the proposal would be redirected as additional funding for biosecurity activities.• Preparations for implementation of the levy would commence on 1 July 2025, with application of the levy commencing from 1 January 2026.	

Costing overview

The proposal would be expected to have no impact on the fiscal balance and decrease the underlying cash balance by around \$30 million over the 2025-26 Budget forward estimates period (see Table 1).

The net fiscal balance impact of the proposal is zero. This reflects an increase in revenue from the proposed levy changes and an increase in departmental expenses in 2025–26, the year prior to policy commencement. These impacts are fully offset by additional administered funding for biosecurity activities, as specified in the proposal.

The underlying cash balance impacts of the proposal differ from the fiscal balance impacts due to the expected timing lag between when levy payments are recognised and when they are actually received.

¹ The 2023-24 Budget measure *Strengthened and Sustainable Funded Biosecurity System* provided an additional \$1 billion over 4 years from 2023-24 (and \$268.1 million per year ongoing) to meet its election commitment to strengthen Australia's biosecurity system. [Budget paper 2, page 57](#).

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

The Parliamentary Budget Office (PBO) has not assessed the feasibility of implementing the necessary legislation and levy processing systems in the 6 months between 30 June 2025 and 1 January 2026 to support the proposed levy commencement date of 1 January 2026. The PBO has also not assessed whether the proposed import container levies are in line with Australia's commitments and obligations as a member of the World Trade Organisation (WTO).

Table 1: Replace biosecurity protection levy with import container levy – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-	-	-	-	-
Underlying cash balance	-11.4	-16.6	-1.0	-0.9	-29.9

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

- Indicates nil.

Uncertainty

The stated financial implications for the proposed import container levies are sensitive to the projected volumes of containerised imports entering Australia by sea and by air.

These projections are uncertain and affected by a range of economic and geopolitical factors, both domestic and international. There is additional uncertainty for projected containerised imports by air, as there is currently no high-quality data readily available for these imports.

Additionally, the stated financial implications for the BPL are uncertain due to the inherent uncertainties of agricultural production (on which the BPL is levied) due to its dependence on unpredictable external factors, namely the climate and weather.

While the PBO has not assumed any behavioural response to this proposal, there is also uncertainty about whether the proposal would encourage container importers to alter their activity to reduce exposure to the levy.

Key assumptions

The PBO has made the following assumptions in costing this proposal:

Import container levies

- All necessary legislation, memorandums of understanding, and administrative arrangements would be in place to enable the proposed levies to commence on 1 January 2026.
- Container imports by sea would grow in line with projected endogenous goods imports over the medium term.
- Container imports by air would grow in line with projected imports via air freight over the medium term.
- There would be no behavioural response to the proposal for container imports by land or sea, as the levy represents only a small increase to the total cost of shipping.
- Both levies would be paid on a quarterly basis with a 3-month lag between levy liabilities being raised and collected.

- This is reflected by differences between the impacts on the fiscal balance (FB) and underlying cash balance (UCB), due to the differences between when levy revenue is recognised and when levy receipts are collected.
- The Simplified Targeting and Enhanced Processing (STEP) system will integrate into the Integrated Cargo System (ICS) to facilitate the collection of biosecurity and inspection fees, and will therefore be able to facilitate the collection of the proposed levies.
- Departmental resourcing available between 30 June 2025 and 1 January 2026 would provide sufficient preparatory time and resources for the proposed commencement of the import container levies on 1 January 2026.
- Following commencement of the import container levies, no additional departmental resourcing will be required on an ongoing basis to administer the proposed levies.

Reverse the Biosecurity Protection Levy

- Biosecurity Protection Levy receipts form part of the budget baseline and can be reversed.
- Under current conditions, revenue from the BPL until 2026-27 will be consistent with the projections as per the 2023-24 Budget, and 2027-28 onwards revenue will grow in line with the Consumer Price Index (CPI).
- The levy would be paid on a monthly basis with a one-month lag between levy liabilities being raised and collected.
 - This will be reflected by differences between the impacts on the FB and UCB due to the differences between when levy revenue is recognised and when levy receipts are collected.

Additional Biosecurity Funding

- The additional biosecurity funding is calculated based on the net fiscal balance impacts of other aspects of the proposed policy, including the departmental resourcing in 2025-26.
- All additional biosecurity funding allocated each year will be spent.

Methodology

Import container levies

Projections of containerised imports arriving in Australia by sea were based on historical sea container import counts from the Bureau of Infrastructure and Transport Research Economics (BITRE), and projections of endogenous goods imports provided by the Department of the Treasury.

Projections of containerised imports arriving in Australia by air were based on historical air container import counts data from the Department of Agriculture, Forestry and Fisheries (DAFF), and both historical data and projections for gross air freight imports by weight from BITRE.

The projected revenue for both import container levies was calculated as the product of the projected import container counts and the specified levy rates. Levy receipts were calculated by applying the assumed lag between the recognition and receipt of levy payments.

The annual additional funding for biosecurity activities was set equal in value to the annual combined revenue of both import container levies.

Reverse the Biosecurity Protection Levy

The revenue expected to be raised under current conditions by the BPL was consistent with projections as per the 2023-24 Budget up to 2026-27. For 2027-28 onwards, revenue was grown in line with CPI.

The departmental costs associated with the BPL expected under current conditions are consistent with projections as per the 2023-24 Budget up to 2026-27. For 2027-28 onwards, these were grown in line with the Wage Cost Index 3 (WCI 3) less an efficiency dividend.

Revenue and departmental costs would be reversed from 2025-26 onwards, resulting in financial implications equal to the negative of the aforementioned revenue and departmental costs for the BPL under current conditions.

Financial implications were rounded consistent with the PBO's rounding rules.²

Data sources

Commonwealth of Australia (2023) *2023-24 Budget*, Commonwealth of Australia.

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

BITRE (Bureau of Infrastructure, Transport and Regional Economics) (2024) [Australian aviation forecasts – 2024 to 2050](#), Australian Government, accessed 26 May 2025.

BITRE (2024) [Waterline 70](#), BITRE website, Australian Government, accessed 26 May 2025.

BITRE (2014) [Containerised and non-containerised trade through Australian ports to 2032–33](#), BITRE website, Australian Government, accessed 26 May 2025.

DAFF (Department of Agriculture, Fisheries and Forestry) (2024) [Biosecurity Protection Levy: Gross value of production data and commodity calculations](#), DAFF website, Australian Government, accessed 26 May 2025.

DAFF (2023) [2023-24 Portfolio Budget Statements: Department of Agriculture, Fisheries and Forestry](#), DAFF website, Australian Government, accessed 26 May 2025.

Department of Agriculture and Water Resources (2017) [Intergovernmental Agreement of Biosecurity Review – Final Report](#), DAFF website, Australian Government, accessed 26 May 2025.

² <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Attachment A – Replace biosecurity protection levy with import container levy – Financial implications

Table A1: Replace biosecurity protection levy with import container levy – Fiscal balance (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Revenue													
<i>Import Container Levy - Sea</i>	61.0	124.0	126.0	129.0	129.0	130.0	132.0	134.0	135.0	137.0	139.0	440.0	1,376.0
<i>Import Container Levy - Air</i>	3.1	6.2	6.4	6.5	6.6	6.8	6.9	7.0	7.2	7.3	7.4	22.2	71.4
<i>Biosecurity Protection Levy (BPL)</i>	-52.4	-53.1	-54.4	-55.7	-57.1	-58.6	-60.0	-61.5	-63.1	-64.6	-66.2	-215.6	-646.7
Total – revenue	11.7	77.1	78.0	79.8	78.5	78.2	78.9	79.5	79.1	79.7	80.2	246.6	800.7
Expenses													
Administered													
<i>Funding for biosecurity measures</i>	-11.5	-77.9	-78.8	-80.6	-79.3	-79.0	-79.7	-80.4	-80.0	-80.6	-81.1	-248.8	-808.9
Total – administered	-11.5	-77.9	-78.8	-80.6	-79.3	-79.0	-79.7	-80.4	-80.0	-80.6	-81.1	-248.8	-808.9
Departmental													
<i>Department of Agriculture, Fisheries and Forestry - Reversal of BPL</i>	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9	3.2	9.2
<i>Departmental implementation of biosecurity funding model</i>	-1.0	-	-	-	-	-	-	-	-	-	-	-1.0	-1.0
Total – departmental	-0.2	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9	2.2	8.2
Total – expenses	-11.7	-77.1	-78.0	-79.8	-78.5	-78.2	-78.9	-79.5	-79.1	-79.7	-80.2	-246.6	-800.7
Total (excluding PDI)	-	-	-	-	-	-	-	-	-	-	-	-	-

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

- Indicates nil.

Table A2: Replace biosecurity protection levy with import container levy – Underlying cash balance (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Receipts													
<i>Import Container Levy - Sea</i>	46.0	108.0	125.0	128.0	129.0	130.0	132.0	133.0	135.0	137.0	138.0	407.0	1,341.0
<i>Import Container Levy - Air</i>	2.3	5.5	6.3	6.5	6.6	6.7	6.9	7.0	7.1	7.3	7.4	20.6	69.6
<i>Biosecurity Protection Levy (BPL)</i>	-48.0	-53.0	-54.3	-55.6	-57.0	-58.4	-59.9	-61.4	-62.9	-64.5	-66.1	-210.9	-641.1
Total – receipts	0.3	60.5	77.0	78.9	78.6	78.3	79.0	78.6	79.2	79.8	79.3	216.7	769.5
Payments													
Administered													
<i>Funding for biosecurity measures</i>	-11.5	-77.9	-78.8	-80.6	-79.3	-79.0	-79.7	-80.4	-80.0	-80.6	-81.1	-248.8	-808.9
Total – administered	-11.5	-77.9	-78.8	-80.6	-79.3	-79.0	-79.7	-80.4	-80.0	-80.6	-81.1	-248.8	-808.9
Departmental													
<i>Department of Agriculture, Fisheries and Forestry - Reversal of BPL</i>	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9	3.2	9.2
<i>Departmental implementation of biosecurity funding model</i>	-1.0	-	-	-	-	-	-	-	-	-	-	-1.0	-1.0
Total – departmental	-0.2	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9	2.2	8.2
Total – payments	-11.7	-77.1	-78.0	-79.8	-78.5	-78.2	-78.9	-79.5	-79.1	-79.7	-80.2	-246.6	-800.7
Total (excluding PDI)	-11.4	-16.6	-1.0	-0.9	0.1	0.1	0.1	-0.9	0.1	0.1	-0.9	-29.9	-31.2

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

Table A3: Replace biosecurity protection levy with import container levy – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<i>Fiscal balance</i>	-0.3	-0.9	-1.3	-1.4	-1.5	-1.6	-1.6	-1.7	-1.8	-1.9	-2.0	-3.9	-16.0
<i>Underlying cash balance</i>	-0.2	-0.7	-1.2	-1.4	-1.5	-1.5	-1.6	-1.7	-1.8	-1.9	-2.0	-3.5	-15.5

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary.³
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

³ [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/)