



Australian Government
Department of Agriculture,
Fisheries and Forestry

Biosecurity Cost Recovery Arrangement

Cost Recovery Implementation Statement: 2023–24



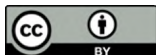
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Acknowledgement of Country

We acknowledge the Traditional Custodians of Australia and their continuing connection to land and sea, waters, environment and community. We pay our respects to the Traditional Custodians of the lands we live and work on, their culture, and their Elders past and present.

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1 Introduction

1.1 Purpose of the cost recovery implementation statement

The cost recovery implementation statement (CRIS) provides information on how the Department of Agriculture, Fisheries and Forestry (the department) implements cost recovery for biosecurity and imported food regulatory activities. The department's regulatory activities are associated with the controls and measures to manage and minimise the risk of pests, weeds and diseases entering, emerging, establishing or spreading within Australia, while facilitating trade and the movement of plants, animals, people and products.

Following a comprehensive review of the cost recovery arrangement, which was last reviewed comprehensively in 2015, the department consulted publicly with stakeholders from 27 March through to 1 May of 2023 (this included a one-week extension for stakeholders who requested additional time to provide feedback), on proposed changes to regulatory charging for biosecurity activities. This CRIS is the summation of the review, consultation and changes to regulatory charging agreed to by the Minister for Agriculture, Fisheries and Forestry. The new fees and charges are a critical element of the sustainable funding model for biosecurity that continues to protect Australia – overseas, at our border and within Australia.

1.2 Description of the activity

The department undertakes regulatory activities to assess and manage biosecurity risks arising from people, goods, and conveyances (vessels and aircraft) entering Australia. These activities also include assessing compliance of imported food with relevant food standards and public health and safety requirements. Biosecurity activities are regulated in accordance with the biosecurity legislative framework outlined in [section 3.2](#).

These essential activities, which occur onshore, offshore and at the border, are a major part of our day-to-day business. During 2021–22, almost 89 million cargo declarations were made, of which 4.4 million were full import declarations and 85.5 million were for low value cargo under \$1,000 in value. Over 45,000 international voyages and flights arrived at international airports and seaports around the country. Around 17,500 import permit applications were submitted and nearly 6,500 animals were processed at Post-Entry Quarantine (PEQ) facilities. A more detailed breakdown of our essential activities is provided at [Appendix A](#).

1.3 Industry/regulatory groups

Our biosecurity regulatory charges are imposed on 4 key groups: importers, conveyance operators, biosecurity industry participants and, to a limited extent, international passengers and their baggage.

We charge regulated entities to provide the following key biosecurity activities:

- Importers – inspection, assessment and management of the biosecurity risks associated with imported goods and packaging, including air and sea cargo, containers, food, live animals and plants. This includes husbandry activities undertaken by the department, associated with the

quarantine of live animals and plants prior to release into Australia, such as dogs, cats, hatching eggs, birds, ruminants, horses, bees, nursery stock and viable seeds.

- Conveyance operators – vessels and aircraft entering Australia. This includes assessments and inspections to manage the risks posed by the vessel itself, contaminants on the vessel, human biosecurity risks, ballast water and biofouling on vessels, and aircraft disinsection (where non-compliant on arrival) and assessment of aircraft for release from biosecurity control.
- Biosecurity industry participants – managing the administration as well as policy processes and conditions setting for regulatory arrangements approved by the department, including biosecurity approved arrangements and imported food compliance agreements.
- International passengers – assessment and management of biosecurity risks posed by baggage accompanying passengers arriving from overseas. Activities such as inspection and assessment of baggage are only cost recovered when provided outside of designated international airports or seaports.

1.4 Why cost recovery is appropriate

The [Australian Government Charging Framework](#) sets the rules and requirements on how a regulator determines costs, sets charges and how it will charge for regulatory activities. A key principle of the Government’s policy is that those who create the need for regulation should bear the cost of that regulatory effort. Prices for a regulatory activity are set to only recover the minimum efficient costs of carrying out that activity.

The Australian Government’s [Regulator Performance Guide 2021](#) is an important part of its commitment to reduce unnecessary and inefficient regulation. The Regulator Performance Guide encourages regulators to minimise the regulatory burden created through regulatory administration.

2 The biosecurity system

Our biosecurity system is critical to protect Australia’s economy, environment and way of life. By reducing the risk of impacts of pests and diseases, an effective biosecurity system supports the sustainability, profitability and competitiveness of Australia’s agriculture, fisheries and forestry industries – exports are forecast to be \$75 billion in 2022-23 (Kane 2023) – which helps drive a stronger Australian economy. Our agricultural supply chain is estimated to support more than 1.6 million jobs and our tourism sector contributed over \$50 billion to GDP in 2019-20 (DAWE, 2021). The reduction in pest and disease impacts also contributes to the health of the environment through better functioning ecosystems, protecting Australia’s environmental assets worth more than \$5.7 trillion (DAWE, 2021).

2.1 A changing biosecurity system

While ever-changing, our biosecurity environment has experienced significant events and challenges over the past few years. The biosecurity cost recovery arrangement was last comprehensively reviewed in 2015 in conjunction with the introduction of the *Biosecurity Act 2015* and the Biosecurity Regulations 2016. Since then, global disruptions, like the COVID-19 pandemic, combined with increases in international trade and travel, and the changing biosecurity risk profiles of near neighbours and trading partners, placed additional pressure on the biosecurity system and our ability to respond with speed and scale to emerging threats.

2.1.1 Factors driving change and the increased complexity of biosecurity threats

Box 1 describes some of the many factors driving change across the biosecurity system that contribute to the increased complexity of biosecurity threats.

Box 1 Factors driving change and increased complexity of biosecurity threats

Climate change is impacting the global environment, causing changes in weather patterns and more extreme weather events. It is altering the habitat, range and distribution of many pests, weeds and diseases, as well as increasing their ability to spread and establish in new areas. This has seen an increase in seasonal pests such as [brown marmorated stink bug](#) (BMSB).

BMSB utilise a very wide range of hosts and affects many plants, particularly tree nuts. While originally from eastern Asia, it has recently been introduced to North America and Europe, quickly having a significant impact on agriculture. Given Australia’s broad range of trading partners and commodities imported, this is just one of many hitchhiker pests we need to be vigilant in monitoring and keeping out of our country.

Shifting trade and travel patterns have seen Australia’s supply chains and demand for goods change and increase in complexity, changing the pathways through which biosecurity risk enters our borders, impacting how we work with trading partners and each other.

Predicted increases in trade and vessel movements will result in a greater likelihood of the introduction of marine pests like [Asian green mussel](#) (*Perna viridis*), which poses a serious threat to our aquaculture, native species and ability to export seafood.

Changing land uses are altering the interface between urban and non-urban areas and the environment. As cities expand and scattered and dispersed urban growth increases, the risk of the introduction and spread of

pests, weeds and diseases may also increase through land development, habitat loss and the movement of people and goods into new areas.

Illegal activity has increased in recent years, leading to a higher risk of biosecurity threats. The growth and increasing complexity of trade and online shopping – exacerbated by the COVID-19 pandemic – has inadvertently opened new pathways for illegal plants and animals to reach Australia.

Major global disruptions such as the COVID-19 pandemic, can shock supply chains and impact the movement of goods and people. While these changes are often temporary, they can act as a catalyst for permanent changes in behaviour and supply chain pathways. For example, many businesses, unsure of when goods might arrive, moved from purchasing ‘just in time’ to ‘just in case’ to ensure supply.

Further information about the changing and emerging biosecurity risk and the department’s strategic biosecurity future can be found in both the [Commonwealth Biosecurity 2030](#) and [The National Biosecurity Strategy](#).

3 Policy and statutory authority to cost recover

The Australian Government imposes charges for biosecurity activities to prevent, respond to and recover from pests and diseases that threaten the economy and environment.

3.1 Government policy approval to cost recover the regulatory activity

The department commenced cost recovery of selected biosecurity activities in 1979 and implemented broader biosecurity cost recovery from 1 January 1991. Recent government decisions confirm the department's continued authority to cost recover.

Announced in the May 2023 budget, the government has committed permanent and increased, long-term funding for a strengthened biosecurity system to help safeguard against biosecurity incursions that would impact trade, jobs, regional Australia, health and our environment.

An estimated \$27 million is forecast to be recovered through a cost recovery charge on low value (\$1,000 or less) goods imported into Australia by air or sea. Charging for this new measure will commence from 1 July 2024 and be included in a future CRIS.

More on the sustainable biosecurity funding package can be found in our [Budget Fact Sheets](#) on the department's website.

Further information on previous government authority for regulatory charging can be found in [Appendix D](#).

3.2 Statutory authority to charge

Fees and charges for biosecurity regulatory activities are recovered under separate statutory authorities.

3.2.1 Fees

Fees are used to charge an individual or organisation for the delivery of regulatory activities such as permit applications and amendments, inspection, assessment and audit fee-for-service activities provided directly to a specific individual or organisation. Husbandry services for plant and animals at post entry quarantine are also fee activities.

The [Biosecurity Act 2015](#) is the primary biosecurity legislation in Australia. [The Imported Food Control Act 1992](#) is the primary food importation legislation. Subordinate legislation (including regulations) and supporting policies affect the management of ballast water, approved arrangements and import risk analysis within the broader framework provided for in principal legislation.

The [Biosecurity Regulation 2016](#) provides fees for different biosecurity regulatory activities. Section 592 of the Biosecurity Act allow fees that may be charged in relation to activities carried out by, or on behalf of the Commonwealth, to be prescribed in regulations made under the Act.

The [Imported Food Regulations 2019](#) provides fees for different chargeable services. Section 36 of the Imported Food Control Act allow fees that may be charged in relation to certain chargeable services, to be prescribed in regulations made under this Act.

3.2.2 Charges or Levies

When biosecurity activities are provided to a group of individuals or organisations, a charge or levy is imposed for those activities, such as a full import declaration for cargo clearance, approved arrangements and imported food compliance agreements, or for the administration and management of biosecurity activities for plants and animals in post entry quarantine. A cost recovery charge is a tax (that may have a cost recovery component) and is imposed via a separate taxation Act. It differs from general taxation as it is 'earmarked' to fund regulatory activities provided to the group that pays the charge.

Charges are imposed through specific biosecurity and imported food charging acts and associated delegated legislation, which provide powers to impose and collect charges for biosecurity and imported food regulatory activities:

- [Biosecurity Charges Imposition \(Customs\) Act 2015](#)
- [Biosecurity Charges Imposition \(Excise\) Act 2015](#)
- [Biosecurity Charges Imposition \(General\) Act 2015](#)
- [Imported Food Charges \(Imposition—Customs\) Act 2015](#)
- [Imported Food Charges \(Imposition—Excise\) Act 2015](#)
- [Imported Food Charges \(Imposition—General\) Act 2015](#)
- [Imported Food Charges \(Collection\) Act 2015](#)

Specific charges are prescribed in the [Biosecurity Charges Imposition \(Customs\) Regulation 2016](#) and the [Biosecurity Charges Imposition \(General\) Regulation 2016](#).

Specific charges are prescribed in the [Imported Food Charges \(Imposition—Customs\) Regulation 2015](#) and the [Imported Food Charges \(Imposition—General\) Regulation 2015](#).

4 Regulatory charging model

4.1 Objectives and business processes of regulatory charging

The key policy objective for our regulatory activity is to:

- safeguard Australia’s animal and plant health status to maintain overseas markets and protect the economy and environment from the impact of exotic pests and diseases, through risk assessment, inspection and certification, and the implementation of emergency response arrangements for Australian agricultural, food and fibre industries.

This objective is available in the [Portfolio Budget Statements 2023–24](#) Outcome 2, page 4.

Regulatory activities are described in [Appendix B](#) and are grouped into 4 categories, examples of which include:

- 1) Program management and administration – administrative activities that support us to deliver our biosecurity regulatory activities.
- 2) Assurance – activities that mitigate risks to collective user groups by assessing departmental controls of systems and processes to ensure they operate in accordance with their intended design.
- 3) Incident management – activities that respond to incidents concerning alleged breaches of Australian regulation or import conditions.
- 4) Intervention – inspection and assessment activities provided directly to an individual, business or organisation, to meet import requirements.

4.2 Design of regulatory cost recovery

We determine appropriate regulatory cost recovery after establishing activity costs and volumes. We use a combination of regulatory fees and charges depending on whether an activity is for a specific individual or organisation, or group of recipients. Fees are used to recover the costs of direct intervention and certification activities undertaken for particular importers or regulated entities. Charges are imposed when activities are provided to a group of individuals or organisations. This recovers costs not directly linked to a specific individual or organisation but forms part of the costs of the overall biosecurity regulatory system.

4.3 Costs of regulatory charging

4.3.1 Cost allocation process

An activity-based costing (ABC) system is used to determine the cost of regulatory activities. Our ABC allocation methodology reflects effort incurred in delivering regulatory activities to the individual or entity. This provides an accountable and transparent allocation of costs that is also efficient and effective to administer.

Expenses are categorised as either direct or indirect costs.

- a) **Direct costs** can be directly attributed to the provision of an activity, for example, inspections and assessments. They comprise staff salaries and supplier costs including direct capital expenses, which includes plant, property, and depreciation.
- b) **Indirect costs** support the effective and necessary provision of our direct expense activity. They include corporate employee salaries, overheads such as information technology, finance, human resource costs, and indirect capital expenses including plant, property and depreciation.

The cost allocation process apportions indirect and direct costs to the processes and activities defined in [Appendix B](#). Indirect costs are included in the cost base to reflect the staff, systems and processes that assist with administration and benefit the arrangement. The same methodology is employed to allocate indirect costs to activities funded by budget appropriation, in line with our internal cost allocation policy.

The department uses the term “stream” to refer to the related activities provided to an industry grouping. The department has three streams under the biosecurity cost recovery arrangement and three sub-streams. The streams are as follows:

- Import clearance – for cargo import and clearance activities
- Seaports – for conveyance operators and air and seaports
- Post entry quarantine users
 - Horse importers
 - Importers of other animals, including cats, dogs, bees, live birds and hatching eggs
 - Plant importers

The ABC system allocates costs in a staged approach to these streams. The steps are:

- 1) Indirect costs are allocated to direct cost centres using a cost driver that estimates the relative use of each activity. Cost drivers are reviewed on an annual basis or as required. Changes to cost drivers are substantiated through effort or other data. Cost drivers for corporate activities are described in Table 1.

Table 1 Cost drivers for corporate activities

Cost driver	Description
Workpoints	Distributes costs based on space occupied, with the workpoint count reflecting the space where a person may be able to work.
FTE	Distributes costs based on each program's full-time equivalent staff numbers.
PC count/IT assets	Distributes costs based on the number of IT assets in a program.
Transactions	Distributes costs based on the number of transactions incurred over a period. This driver is used to allocate expenses related to accounts receivable and accounts payable functions.
Headcount	Allocates costs based on the number of staff a program area has as a proportion of the total number of the department's total staff.
Custom drivers	Allocate costs to specific cost centres, primarily based on usage for shared program resources.

- 2) Direct cost centre costs, which include the indirect costs allocated in step 1, are allocated to the activity and cost recovered stream that best reflects the activity undertaken.

The primary variable used in the allocation of costs to activities is effort. As a result, cost estimates vary with changes in activity. If actual activity levels change significantly during a financial year, the costs allocated to the arrangement may require adjustment to realign effort.

- 5) Activity/stream costs from step 2, are allocated to charge points that identify the cost associated with that charge. A combination of regulatory fees and charges is used.
- 6) Figure 1 shows how we attribute cost recovered activities to either charges or fees. Figure 2 provides an example of costs associated with an activity subject to inspection fees.

Figure 1 Charge and fee related activities and associated outputs

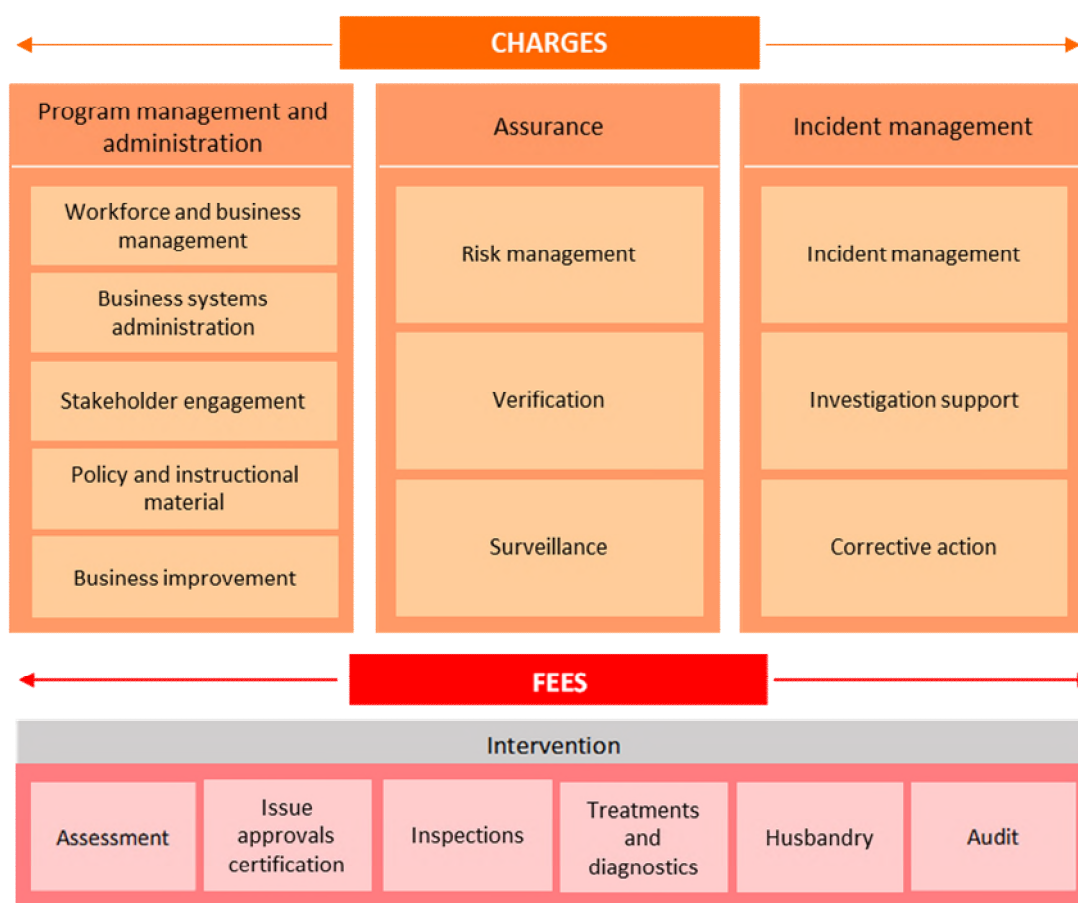


Figure 2 Activity based cost model

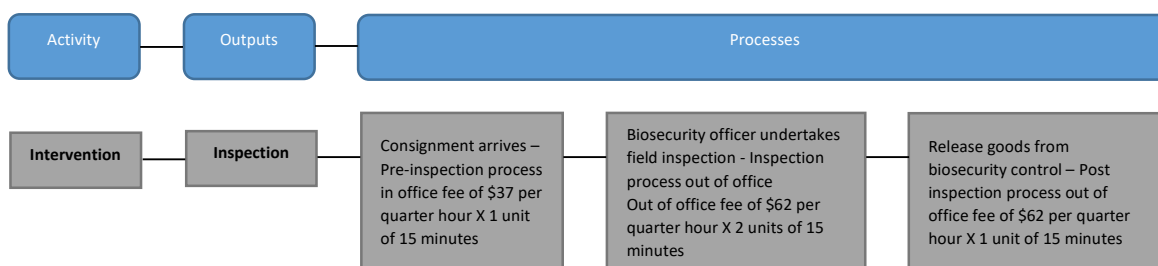


Table 2 provides a cost breakdown for each output contribution to recover direct and indirect costs for 2023–24.

Table 2 Biosecurity arrangement cost breakdown, 2023–24

Cost recovery activities	Direct (\$)	Indirect (\$)	Total (\$)
Charges	167,285,603	100,590,026	267,875,629
Full import declaration charges	139,788,206	79,450,470	219,238,676
Approved arrangements	5,283,238	2,315,030	7,598,268
Vessel arrival charges	13,974,054	9,722,163	23,696,217
Permit Application	968,479	661,859	1,630,338
Importation charges (PEQ)	7,271,626	8,440,504	15,712,130
Fees	75,612,188	4,231,482	79,843,670
Assessment	26,090,882	1,219,374	27,310,256
Issue Approval Certification	2,770,636	148,140	2,918,776
Inspection	36,780,292	2,518,912	39,299,204
Treatment	2,587,072	104,529	2,691,331
Audit	3,474,233	105,986	3,580,219
Husbandry	3,909,073	134,811	4,043,884
Sub-total	242,897,791	104,821,508	347,719,299
Less Government appropriation for anti-smuggling measures	-	-	(1,618,084)
Less diagnostic consumables recovered at cost	-	-	(162,542)
Less costs paid on behalf of and recovered from companion animal importers	-	-	(800,000)
Net costs to be recovered	-	-	345,138,673

4.3.2 Financial management strategies

We are committed to managing costs in an efficient and effective manner in line with our responsibilities as an administrator of public resources. We monitor costs monthly and set tolerance levels for variances between budgeted and actual expense. We regularly review and improve our workforce models, systems, and processes.

4.4 Cost recovery reserves

We maintain a cost recovery reserve to assist with managing the alignment of revenue and expenses and variations to forecast volumes. Our cost recovery reserve policy requires that a balance of up to 5% of annual program expense be maintained. The cost recovery reserve is the mechanism used by the department intended to manage under or over recovery of costs. Regulatory charging is set to recover reasonable costs. However, several factors can affect the difference between revenue and expenses. These factors include volume variances and changes in expenses based on risk profiles.

Subject to agreement between the department and industry, over-recoveries may be managed through remittance or investment initiatives.

Under-recoveries will result in the arrangement not recovering the expenses of the relevant regulatory activities. This in turn will result in the arrangement operating at a loss, and adversely impact on the reserve balance for the arrangement at year's end. Ongoing under recovery will lead to the need for further review of the regulatory charging arrangement to ensure its return to sustainable recovery of all regulatory costs.

Once a fee or charge is paid by industry, it becomes government revenue. The department will consult with industry on any under-recovery or over-recovery.

4.5 Changes to regulatory charging

The department undertook a comprehensive review of the biosecurity cost recovery arrangement between July 2021 and May 2023 focussing on current regulatory activities and costs only. In addition to changes to fees and charges to align with regulatory costs (refer to [section 4.6](#)), there are some structural changes to the biosecurity arrangement to streamline fees, achieve better equity among stakeholders and to improve the overall biosecurity cost recover arrangement.

The changes to costs, fees and charges described in this document are an appropriate and reasonable response to the changes in the biosecurity system, providing financial security to the department to support industry with efficient and effective biosecurity regulatory activities. This CRIS aligns effort and costs to manage the increased complexity of biosecurity threats.

4.5.1 Indexation and annual review

To recognise that our costs do not remain static and to avoid large increases in the future, legislation has been amended to introduce indexation of appropriate cost elements annually, based on an CPI (capital cities, all groups) movements sourced from the [Australian Bureau of Statistics](#). Indexation will be applied in conjunction with an annual review of the costs to identify efficiencies or increased effort associated with regulatory processes.

An updated pricing schedule will be provided to industry following release of the December quarter CPI movement and the annual review process, to provide as much time as practical for industry to make their own pricing amendments. The annual review and indexation process will provide industry with a greater degree of certainty on the timing and value of price changes, as well as reducing the need for amendment of legislation each time prices change.

4.5.2 Horse import charges

The horse husbandry fee will be removed and amalgamated into the horse importation charge to better reflect the import and quarantine process for horses. A husbandry supervision fee will only apply if a horse overstays the 14-day quarantine period. By amalgamating all costs related to importing a horse, importers will see one charge on an invoice for that service, streamlining the billing process.

4.5.3 Moving all animal imports to a reservation and confirmation model

The importation charge for bees, cats, dogs, horses, and other animals will move to the same charging arrangements that currently apply to live birds and hatching eggs. That is, 20% of the importation charge will be required as a non-refundable reservation charge. The remainder of the importation charge will be payable, along with the applicable husbandry fee, when the animal is confirmed for entry. This policy does not apply to the import of plants as the importation charge is based on a

monthly amount per m² and the amount of space will vary during the period of quarantine making it difficult to establish a reservation and confirmation charge for plants.

This change will assist the post entry quarantine facility to better manage its capacity for animal imports and recognises that the department incurs costs preparing for an import, regardless of whether the animal arrives.

The department acknowledges there are legitimate reasons for why a proposed animal import may not occur. The department has a refund policy where exceptional circumstances arise and can be demonstrated, such as changes in arrival dates or substitution of animal numbers in a consignment. Contact the relevant area at the PEQ for more information on the application of this policy.

4.5.4 Clarification for out of office fees

Some biosecurity industry participants operate sites where a departmental officer is available or located at the participant's premises for a large percentage of the working week, due to the throughput volume of imports managed by the participant. This is a formal arrangement agreed to by the department to streamline the clearance process for the participant and to minimise travel costs and down-time in travelling between multiple locations.

With the commencement of this CRIS, out-of-office fees will be payable for any fee-for-service activity where a departmental officer is required to travel to a site other than a departmental office. For clarity, where the departmental officer attends a site for the whole of their working day under a formal arrangement, the daily rate will continue to apply for this service. Where the officer's time does not attract a daily rate fee, the application of this change is to ensure equity of charges regardless of size or how often a departmental officer attends an importer or broker's premises.

4.5.5 Alignment of vessel classification

In line with the Biosecurity Regulations 2016, vessels will no longer be referred to as 'greater than' or 'less than 25 metres'. Vessels are referred to as either 'non-commercial' or 'vessels other than non-commercial' in classification. Non-commercial vessels are vessels that are used, or are intended to be used, wholly for recreational purposes. Commercial vessels are all other vessels. This change in terminology will bring classifications into alignment between the *Biosecurity Act 2015*, the Biosecurity Regulations 2016 and the departmental charging guidelines. Vessel operators should not expect any changes to our regulatory activities as a result of this update.

4.5.6 Better classification of approved arrangements and food import compliance agreements

Approved arrangements and food import compliance agreements (FICA) have been amended in the charging regulations to separate these out into single, multiple and broker arrangements to provide clarity to importers and approved arrangement holders. This change will also improve internal billing processes for holders.

4.6 Biosecurity fees and charges

Costs and volumes are modelled on information that was available to the department through the review process. Fees and charges have been rounded up to the nearest whole dollar for ease of calculation and to ensure our costs are recovered. Variances between estimated costs and estimated

revenue are the result of applying rounding to prices. Actual recovery of costs is dependent upon the costs incurred and the volume of transactions, imports or activities performed.

For some animal imports at the PEQ, we do not have any forecast import volumes, however, there are fixed costs that we cannot avoid. These costs are not cross subsidised by other imports but are managed by the department through other funding sources, typically government appropriation. A price is determined to recover some of those fixed costs along with the variable costs, should an import occur. It would not be appropriate to attribute all of the fixed costs to a low-volume import.

The amounts payable shown in Table 3 and Table 4 reflect the volumes and current costs associated with biosecurity regulatory activities.

Table 3 Charges - cost and estimated volumes and revenue for biosecurity arrangement, 2023–24

Type of charge	Estimated total cost (\$)	Charge point	Unit	Price (\$)	Estimated volume (units)	Estimated total revenue (\$)
Charges	98,944,933	Full Import Declaration charge – air	Per import declaration	43	2,301,773	98,976,239
	120,293,743	Full Import Declaration charge – sea	Per import declaration	63	1,910,000	120,330,000
	23,615,303	Vessel, other than a non-commercial vessel arrival charge	Per vessel	1,354	17,445	23,620,530
	80,914	Non-commercial vessel arrival charge	Per vessel	155	525	81,375
	1,630,338	Permit application charge	Per application	122	13,375	1,631,750
	17,437	Approved arrangement application charge	Per application	194	90	17,460
	2,720,413	Approved arrangement – AEPCOMM	Per item	20	141,000	2,820,000
	3,253,133	Approved arrangement – single site – including food import compliance agreements	Per item	2,680	1,214	3,253,520
	1,400,951	Approved arrangement – multi site	Per item	3,110	451	1,402,610
	206,335	Approved arrangement – broker	Per item	536	385	206,360
	3,687,776	Importation charge – horses Includes both the importation charge and the husbandry (supervision) fee	Per animal	4,917	750	3,687,750
	0	Importation charge – ruminants	Per animal	5,024	Nil imports forecast	0
	6,903,848	Importation charge – animal not covered by another item of this table (includes cat or dog)	Per animal	1,265	5,465	6,913,225
	4,502	Importation charge – bees	Per bee consignment	4,187	Nil imports forecast	0
	1,028,708	Importation charge – avian (fertile eggs)	Per hatching egg consignment	65,543	9	589,887
	283,625	Importation charge – avian (live bird)	Per live bird consignment	23,534	1	23,534
	1,898,796	Importation charge – plants	Per m ² per month	291	6,475	1,884,225

Cost recovery implementation statement: Biosecurity 2023–24

Type of charge	Estimated total cost (\$)	Charge point	Unit	Price (\$)	Estimated volume (units)	Estimated total revenue (\$)
Fee for service – inspection (including virtual inspections), examination, document assessment, analysis, diagnostic activity, clearance of cargo, treatment, audit, supervision and training.	32,826,075	In-office fee during ordinary hours of duty	Per 15 minutes	37	898,548	33,246,276
	35,571,302	Out-of-office fee during ordinary hours of duty	Per 15 minutes	62	580,520	35,992,240
	305,159	Out-of-office fee during ordinary hours of duty	Daily	1,221	250	305,250
	242,920	In-office fee outside ordinary hours – weekday for continuous activity provided immediately before or after ordinary hours	Per 15 minutes	55	4,469	245,795
	351,797	In-office fee outside ordinary hours – weekday for non-continuous activity provided before or after ordinary hours only	Per 30 minutes	110	3,236	355,960
	1,867,184	In-office fee outside ordinary hours – weekend or departmental holiday	Per 30 minutes	120	15,744	1,889,280
	1,288,967	In office fee outside ordinary hours, after the first 30 minutes – weekend or departmental holiday	Per 15 minutes	60	21,737	1,304,220
	312,225	Out-of-office fee outside ordinary hours – weekday for continuous activity provided immediately before or after ordinary hours only	Per 15 minutes	80	3,949	315,920
	246,681	Out-of-office fee outside ordinary hours – weekday for non-continuous activity provided before or after ordinary hours only	Per 30 minutes	160	1,560	249,600
	1,275,042	Out-of-office fee outside ordinary hours – weekend or departmental holiday	Per 30 minutes	170	7,589	1,290,130
	1,613,753	Out-of-office fee outside ordinary hours – weekend or departmental holiday after the first 30 minutes	Per 15 minutes	85	19,210	1,632,850
	At cost	Treatment – fumigation of commodity or import	Per treatment	90	452	40,680
	At cost	Treatment – Re-export or return to sender of item	Per item	120	2	240
Fee for service – husbandry	0	Husbandry fee – horses that overstay the initial 14-day period	Per animal per day over 14 days	44	Nil forecast	0
	0	Husbandry fee – ruminants	Per animal per day	101	Nil forecast	0
	2,847,253	Husbandry fee – cat or dog or animal not covered by another item of this table	Per animal per day	50	56,950	2,847,500
	54,032	Husbandry fee – avian (bird eggs for hatching)	Per egg consignment per day	76	783	59,508
	518	Husbandry fee – avian (consignment of birds)	Per live bird consignment per day	57	9	513
	309	Husbandry fee – bees	Per bee consignment	469	Nil forecast	0

Type of charge	Estimated total cost (\$)	Charge point	Unit	Price (\$)	Estimated volume (units)	Estimated total revenue (\$)
	364,701	Husbandry fee – plants	Monthly or part thereof Per m ² or part thereof Monthly or part thereof	60	6,475	388,500
Totals	345,138,673					345,602,927

Treatments, bee and avian costs are not fully cost recovered due to low volumes or represent only a contribution to the department’s costs for these activities. Expenses not met by cost recovery are funded through other departmental sources. The importation charge for animals imported into the PEQ facility is comprised of a 20% reservation charge and an 80% confirmation of reservation charge. The 20% reservation charge is non-refundable, unless exceptional circumstances apply. The remaining 80% of the importation charge is payable, along with the applicable husbandry fee, when the animal is confirmed for entry at the PEQ.

Permit applications are derived from the quarter hour rate and included in the in-office fee-for-service line in the table. Prices are rounded up to the nearest whole dollar. Recovery of costs is only a forecast and under- or over-recovery is dependent on actual volumes and costs.

Table 4 Fee - cost and estimated volumes and revenue for biosecurity arrangement, 2023–24

Type of charge	Estimated total cost (\$)	Charge point	Unit	Price (\$)
Fee for service activities – apply when required	n/a	Out-of-hours fee – weekday (permit assessment only)	Per 15 minutes	18
	n/a	Out-of-hours fee – weekend (permit assessment only)	Per 15 minutes	23
Fee for service – temporary storage in relation to international travellers and their baggage	n/a	Temporary storage at premises owned or managed by the Commonwealth for baggage brought into Australian territory	Per 30 days per item of baggage	45
Fee for service – special processing areas, agreed fee for international travellers and their baggage	Any period up to 3 hours during which one or more fee bearing activities are carried out	First 3 hours for each person carrying out those activities	Per first 3 hours	At least 516, but not more than 1,032
		Immediately following the first 3 hours during which those activities are carried out	Per 15 minutes immediately following first 3 hours for each person carrying out those activities	Per each 15 minutes after the first 3 hours

These fee-for-service activities will only apply when the activity is requested by industry.

4.7 Projected cost base for 2023–24

The cost base for the biosecurity regulatory charging arrangement in 2023–24 is projected to be \$347.7 million. This is made up of:

- \$ 267.9 million in charge-related activities
- \$ 79.8 million in fee-related activities.

Table 5 provides a breakdown of the modelled cost base of the biosecurity regulatory charging type by activity. For a detailed description of cost activities, see [Appendix B](#). The methodology for attributing costs to these activities is provided in [section 4](#).

Table 5 Cost type breakdown

Charge type	Activity group	Activity	Expense (\$)
Charges	Program management and administration	Workforce and business administration	132,196,347
		Business system administration	19,324,443
		Stakeholder engagement	19,820,309
		Policy and instructional material	29,593,596
		Business improvement	14,362,677
		Subtotal	215,997,372
	Assurance	Risk management	17,149,857
		Verification	13,911,045
		Surveillance	13,498,759
		Subtotal	44,559,661
	Incident management	Incident management	3,192,125
		Investigative support	1,341,370
		Corrective action	3,485,101
		Subtotal	8,018,596
			Total charges
Fees	Intervention	Assessment	27,310,256
		Issue approvals/certification	2,918,776
		Inspection	39,299,204
		Diagnostics	2,691,331
		Audit	3,580,219
		Husbandry	4,043,884
		Subtotal	79,843,670
Sub total	-	-	347,719,299
Less Government appropriation for anti-smuggling measures	-	-	(1,618,084)
Less diagnostic consumables recovered at cost	-	-	(162,542)
Less costs paid on behalf of and recovered from companion animal importers	-	-	(800,000)
Net costs to be recovered	-	-	345,138,673

5 Risk assessment

A charging risk assessment (CRA) is required for any regulatory charging policy proposal. It helps to identify and analyse regulatory charging risks. The Minister for Finance must agree to a CRIS if the CRA indicates it is high risk. The most recent risk assessment rating for this charging activity is MEDIUM.

The CRA for this CRIS identified 2 implementation categories considered high risk:

- the expected change in total annual revenue after the proposed changes
- the percentage increase in price a payer may experience

The remaining implementation categories are considered low to medium risk:

- the expected percentage change in total annual cost recovery revenue (medium)
- the type of regulatory charges that are changing (medium)
- the complexity of the change to regulatory charging (medium)
- the change in legislative requirements for imposition of the cost recovery charge (low)
- the impact on payers (medium)
- the required level of involvement with other Australian, state, territory or local government entities (medium)
- consultation with stakeholder has occurred, however, significant issues raised can be addressed (medium).

In addition to the CRA, we have considered a number of risks associated with cost recovering biosecurity activities and how we will manage these risks, presented in Table 6 Risks for biosecurity arrangement

Table 6 Risks for biosecurity arrangement

Risk	Management
Biosecurity cost recovery affecting industry competitiveness.	We will continue to monitor our performance in the delivery of biosecurity activities.
The fee and charge structure does not support future regulatory reforms.	The CRIS will be reviewed annually and updated accordingly.
Changes to government policy and activities.	Regular assessments of the arrangement will inform whether a regulatory charging review is required.
Biosecurity risk level changes—the cost of undertaking biosecurity activities no longer reflects forecast effort.	Regular assessment of the arrangement will inform whether a regulatory charging review is required.
Under-recovery occurs (for example, because of a reduction in the level of import activity).	We will engage with industry to discuss options and develop strategies to manage expenses.
Over-recovery occurs (for example, because of a greater than anticipated level of import activity).	Subject to approval, over-recoveries may be managed through remittance, or investment initiatives directly benefiting activities within the arrangement. An alternative approach may be agreed with industry within policy guidelines.

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Risk	Management
Changing events impact actual revenue verses forecast revenue.	We will update the CRIS annually to reflect changes in activity and effort and describe any consequential changes in the cost and price.

6 Stakeholder engagement

Stakeholder engagement plays an important role in the development and management of regulatory charging arrangements. Our stakeholders have unique insights into how our regulatory activities affect their businesses and can help us design efficient regulatory charging frameworks for these activities.

6.1 Consultation on proposed changes

The department undertook consultation with stakeholders between 27 March and 1 May 2023. A number of methods were utilised to provide stakeholders with the opportunity to discuss how the changes would impact their business and flow on effects to industry as a whole.

The department's *'Have Your Say'* survey platform allowed stakeholders to respond to a consultation paper that provided information on the proposed changes to biosecurity fees and charges, why the changes are necessary and the challenges the department as well as industry are facing in an ever-changing environment of cargo import and risk management. Responses received included a survey with pre-set questions, written feedback in a formal submission and submissions provided in email format.

In addition to written feedback, the department conducted 7 meetings through existing industry consultative committees and a public forum allowing interested parties without an industry committee to have the opportunity for discussion with departmental representatives. Some of these meetings led to further engagement via email or meetings to answer subsequent questions on the proposed changes.

The department provided a summary of all feedback to the Minister for Agriculture, Fisheries and Forestry, for his consideration on next steps for the proposed changes. The summary feedback and the department's responses can be found in [Appendix C](#).

6.2 Industry engagement

We have established [industry consultative committees](#) to represent industry views in relation to biosecurity and imported food. We consult with these committees on a number of different activities. The consultative committees include:

- Cargo Consultative Committee
- Biological Consultative Group
- Imported Food Consultative Committee
- Horse Industry Consultative Committee
- Post Entry Plant Consultative Committee.

We also engage with representatives for avian, cat and dog importers, and with other peak bodies, industry or individuals, as necessary.

6.3 Ongoing engagement strategy

Following feedback from industry and recommendations of the Australian National Audit Office's [Application of cost recovery principles](#) (report no. 38 2018–19) we reviewed our engagement

approach with industry, to better communicate efficiency and effectiveness of our regulatory activity to industry.

We currently undertake a number of activities to engage with our stakeholders, including:

- engaging with industry consultative committees through agreed terms of reference
- reporting quarterly on regulatory charging performance, including explanations for material variances between budgeted and actual positions
- at the commencement of every budget cycle, reviewing and updating the CRIS to report on significant changes to revenue or expenditure or to relevant legislation, including any material variances highlighted throughout the year
- communicating with industry consultative committees on changes to regulatory charging before any revisions or updates are made to the CRIS
- opening the CRIS for public consultation if any key changes result in price adjustments.

During the life of this CRIS, we will review these arrangements and where appropriate adjust them to ensure we are efficiently and effectively engaging with affected stakeholders. This will include greater use of the CRIS or other consultation tools for ongoing engagement through updates to the forecasts and reporting of actual annual results.

7 Financial estimates

7.1 Annual estimates

A summary of the forecast annual operating position for the biosecurity regulatory charging arrangement is provided at Table 7.

Table 7 Financial estimates for biosecurity arrangement, 2023–24 to 2026–27

Finance element	2023–24(\$)	2024–25(\$)	2025–26(\$)	2026–27(\$)
Revenue = X	348,183,553	356,505,474	364,125,733	370,679,996
Expenses = Y	347,719,299	356,505,474	364,125,733	370,679,996
Balance = X – Y	464,254	0	0	0
Estimated opening cost recovery reserve balance	-20,930,301	-20,466,047	-20,466,047	-20,466,047
Estimated closing cost recovery reserve balance	-20,466,047	-20,466,047	-20,466,047	-20,466,047

Note: Recovery of costs is only a forecast and under- or over-recovery is dependent on actual volumes and costs. For the forecast closing balance for 2022-23 – refer to Table 8

These forecasts are based on a combination of existing budgets, surveys of effort allocated to activities and streams, and inclusion of work that previous fees and charges did not allow for. Through a robust internal verification process, the department considers these estimates to be the minimal cost to complete our regulatory activities to manage the risks arising through the movement of goods, vessels and passengers.

7.1.1 Expenses to be cost recovered

There are a number of inputs into our costs that make up the total value of the arrangement and the amounts to be recovered for each activity. Similar to most businesses, the department incurs costs for typical expenses such as:

- Wages for APS staff
- Contractors engaged to provide specialised or short-term expertise
- Supplier costs including compulsory use of whole-of-government arrangements for certain suppliers – e.g. travel, stationary, IT equipment
- Rent on office and domestic properties
- Depreciation on IT systems, property, plant and equipment.

As described in [section 4.3.1](#), these expenses are allocated to the activity and cost recovered stream that best reflects the activity undertaken. This forms a cost pool for that activity. Each cost pool is divided by the forecast volume for that activity to determine the fee or charge to be charged to industry. The combined sum of all cost pools equals the cost to the department for undertaking biosecurity activities under the arrangement. Prices are set in conjunction with the forecast volumes to recover these costs.

The cost recovery reserve balance is held in the Biosecurity, Imported Food and Export Certification Special Account. As noted in [section 4.4](#), the cost recovery reserve balance is used to lessen the impact of varying demand on the ongoing delivery of regulatory activities.

The special account was established to manage the costs and cost-recovered revenue for the department's provision of:

- biosecurity, inspection and certification services for passengers, cargo, mail, animals, plants, and animal or plant products arriving in Australia
- agricultural products and food exported from Australia.

7.2 Volume forecasts

There is a high correlation between forecast costs and the effort required to manage the volume of regulatory activity the department conducts, such as for inspections, vessel arrivals or companion animal imports.

Our volumes are derived from a combination of historical trends, current work programs for audit and compliance activities, information that might impact future activity such economic impacts on consumer spending, and confirmation with industry where appropriate, such as imports of horses.

Volumes in 2023–24 are quite conservative in comparison to the growth rates for some activities, as experienced in 2020–21 and 2021–22. We have considered the current Australian and global economy, interest rate trends and predictions, and inflationary impacts on consumers, to forecast volumes with little growth in the near future. Some activities are nearing or are at capacity, such as hatching eggs and horse imports, and are not expected to change under the current settings for the arrangement.

We welcome industry input into forecast volumes, especially those driven by other activities, such as food and goods imports that have a corresponding impact on Full Import Declarations and subsequent cargo inspection fees.

8 Financial and non-financial performance

This section presents information on the financial and non-financial performance of the biosecurity regulatory charging arrangements. This is intended to provide stakeholders with an overview of our performance in recovering forecast costs and meeting regulatory objectives.

8.1 Financial performance

We continue to consult with key industry stakeholders on financial performance indicators to assist in evaluating the performance of our regulatory charging arrangements. Table 8 includes financial performance of the biosecurity arrangement since the 2019–20 financial year.

Table 8 Financial performance for biosecurity arrangement, 2019–20 to 2022–23

Finance element	2019–20 (\$)	2020–21 (\$)	2021–22 (\$)	2022–23 (\$)
Revenue = X	253,441,682	285,801,849	288,729,586	296,082,291
Expenses = Y	264,268,224	276,214,706	308,868,350	331,953,361
Balance = X – Y	-10,826,542	9,587,143	-20,138,764	-35,871,070
Cost recovery reserve balance	25,492,390	35,079,533	14,940,769	-20,930,301

The results for 2019–20 reflect the initial impacts of COVID-19 with closed borders and global uncertainty. At the same time, costs increased against static revenue prices leading to a reduction in the balance of the cost recovery reserve. This improved in 2020–21 as imports increased in lieu of consumers taking overseas and domestic holidays.

The result for 2022–23 is a forecast; the final result will be available when the annual report is published by the department in October 2023.

8.2 Non-financial performance

Performance criteria and measures will be updated over the life of the CRIS.

Table 9 provides non-financial performance indicators for the biosecurity regulatory charging arrangement, consistent with the [Commonwealth Performance Framework](#). Additional non-performance measures are included in the Annual Report and Corporate Plan.

Table 9 Non-financial performance measures for biosecurity arrangement, 2021–22

Performance criterion	Performance measure	2021–22 performance
Reduced likelihood of exotic pests and diseases entering and becoming established or spreading in Australia	Reduction in risk from targeted priority pests due to biosecurity measures implemented by the department. (Effectiveness)	Partially achieved (BI-01-01)
		Achieved (BI-01-02)
		Achieved (BI-01-03)
Greater shared responsibility across the Australian community and business sectors through improved awareness and understanding	Increased public engagement with biosecurity information. (Output)	Partially met (BI-02)
Regulation, incident management and service delivery management of biosecurity outcomes	Reduced levels of non-compliance with regulations administered by the department. (Effectiveness)	Achieved (BI-03-01)
		Partially achieved (BI-03-02)
	Increased responsiveness to post border-detections. (Effectiveness)	Achieved (BI-03-03)
		Partially achieved (BI-04)
The national biosecurity system is strong, future-oriented and efficient through advancement of partnerships, technology and innovation	Biosecurity service standards are delivered. (Effectiveness)	Partially achieved (BI-05)
	Number of formal arrangements in place with near neighbours in the Indo-Pacific region. (Output)	Baseline set at 8 (BI-06)
	Number and extent of biosecurity preparedness exercises completed. (Output)	Baseline set at 1 (BI-07)

Note: For performance measures, see the [DAWE Annual Report 2021–22](#) (measures are referenced in brackets) and the [DAWE Corporate Plan 2021–22](#), pages 34–36.

In 2018–19 we commenced work on a regulatory practice framework to strengthen our regulatory capability and culture. In 2019–20 we made progress on initiatives aimed at maturing departmental regulatory practice. This included developing a regulatory practice statement (RPS), which was implemented from June 2021. Biosecurity service standards are used to measure performance and ensure we are meeting client expectations and delivering our services within agreed time frames. These standards relate to client contact services, import-specific services and export-specific services. Table 10 provides information on the department’s performance against service standards for the previous 3 financial years.

Table 10 Biosecurity service standards – 2019-20 to 2021–22

Service standard description	2019-20	2020-21	2021-22
Client contact services	3 of 3 met	2 of 3 met	1 of 3 met
Import services	3 of 7 met and 2 partially met	2 of 7 met and 1 partially met	3 of 7 met
Export services (new for 2021–22)	n/a	n/a	3 of 4 met

In 2021–22, we did not meet service standards across a range of services, as we changed our operations to meet pandemic requirements and ensure the health and safety of our people. COVID-19 caused economic, trade and workforce disruption within global supply chains. There was an imbalance in global container trade, and Australia’s ports and shipping were at capacity. Extreme price increases for logistics were compounded by limited space on vessels for goods. Changes in consumer spending habits increased pressure on supply chains, including border clearances.

Additionally, there was increased threat from the global spread of pests and diseases such as Japanese encephalitis, foot and mouth disease, lumpy skin disease, BMSB, khapra beetle and varroa mite. In combination, these factors affected the demand for regulatory services.

Detailed information on the department's biosecurity performance measures and results can be found in the [DAWE Annual Report 2021–22](#) Performance results: Biosecurity, tables 11, 12 and 13. Prior year biosecurity performance measures can be found in the [DAWE Annual Report 2020–21](#) and the [DAWE Annual Report 2019–20](#).

9 Key dates and events

We undertake regular reviews of our financial performance and conduct regular stakeholder engagement activities throughout the CRIS cycle. Key forward dates for the biosecurity regulatory charging arrangement are documented in Table 11.

The dates in Table 11 are indicative and may change as the broader work to deliver Agriculture 2030 is progressed.

Table 11 Key forward dates and events

Key forward events schedule	Next scheduled update
Updated fees and charges implemented	1 July 2023
Review of arrangement and indexation	1 st quarter 2024
Updated fees and charges implemented	1 July 2024
Portfolio charging review to be undertaken	2025
Portfolio charging review outcomes to be brought forward in Budget 2026–27	2026

10 CRIS approval and change register

The intent of the department is to update this CRIS when necessary or prudent to do so, and in conjunction with the key dates and events in [section 9](#). At a minimum, the CRIS will be reviewed annually as recommended by the Australian Government Charging Framework. The change register in Table 12 provides a record of updates to this CRIS.

Table 12 Change register

Date of CRIS change	CRIS change	Approver	Basis for change
December 2015	Certification of the CRIS	Secretary, DAWR	Changes in costs of resources and assumptions
December 2015	Agreement to the CRIS	Minister for Agriculture and Water Resources	High risk rating for the regulatory charging activities
December 2015 <i>CRIS: Biosecurity 2015-16</i>	Approval for the CRIS release	Minister for Finance	Changes in costs of resources and assumptions
December 2019	Certification of the CRIS	Secretary, DAWR	New regulatory charging activity
December 2019	Agreement to the CRIS	Minister for Agriculture, Drought and Emergency Management	High risk rating for the regulatory charging activities
December 2019 <i>CRIS: Biosecurity 2019-20</i>	Approval for the CRIS release	Minister for Finance	New regulatory charging activity
February 2022	Certification of the CRIS	Secretary, DAWE	Update for financial and non-financial reporting
March 2022 <i>CRIS: Biosecurity 2021-22</i>	Approval for the CRIS release	Minister for Agriculture and Northern Australia	Medium risk rating for the regulatory charging activities
September 2022	Certification of the CRIS	Secretary, DAFF	Increase to regulatory charge for Hitchhiker program risks
October 2022 <i>CRIS: Biosecurity (HH) 2022-23</i>	Approval for the CRIS release	Minister for Agriculture, Fisheries and Forestry	Medium risk rating for the regulatory charging activities
May 2023	Certification of the CRIS	Secretary, DAFF	Increase to regulatory charges following a comprehensive review of the cost recovery arrangement, aligning actual costs, effort, risk and prices.
June 2023 <i>CRIS: Biosecurity 2023-24</i>	Approval for the CRIS release	Minister for Agriculture, Fisheries and Forestry	Medium risk rating for regulatory charging activities requiring portfolio Minister approval only

Appendix A: Summary tables of volumes and regulatory activities

During 2021–22, almost 89 million cargo declarations were made, of which 4.4 million were full import declarations and 85.5 million were for low value cargo under \$1,000 in value. Over 45,000 international voyages and flights arrived at international airports and seaports around the country. Around 17,500 import permit applications were submitted and nearly 6,500 animals were processed at Post-Entry Quarantine (PEQ) facilities. A more detailed breakdown of our essential activities is provided in this appendix. International mail is included to provide a broader view of the work the department undertakes.

Table A1 Vessels and aircraft

Year	Total number of international voyages	Number of voyage inspections	Total number of international aircraft arrivals
2018–19	19,077	18,933	100,078
2019–20	18,859	18,553	75,830
2020–21	17,844	15,108	16,206
2021-22	18,256	15,166	27,464

Table A2 Travellers

Year	Total international traveller arrivals	Number of travellers profiled/self- declared	Number of Travellers inspected
2018–19	22,500,873	7,550,255	1,499,115
2019–20	16,658,574	5,686,919	1,167,735
2020–21	746,547	315,227	76,048
2021-22	3,663,011	1,319,691	341,934

Table A3 International mail

Year	Total international mail articles	Number of mail articles screened	Number of mail articles inspected
2018–19	118,492,616	21,852,210	150,751
2019–20	95,831,751	20,848,677	159,462
2020–21	72,119,602	31,751,786	182,178
2021-22	48,636,278	18,115,553	139,989

Table A4 Cargo

Year	Total international cargo import declarations	Number of cargo imports assessed	Number of cargo import inspections	Total high value cargo import declarations	Total low value cargo import declarations
2018–19	53,740,949	863,910	269,328	4,279,208	49,461,741
2019–20	58,856,338	663,402	242,061	4,243,067	54,613,271
2020–21	77,199,249	790,857	329,709	4,508,546	72,690,703
2021-22	88,955,196	782,208	335,195	4,385,366	84,569,830

Note: All cargo import declarations are profiled for biosecurity concerns. Declarations that match a profile are referred to the department for action.

Table A5 Import permit applications and animals processed in PEQ

Year	Total volume of permit applications submitted and paid to DAFF	Number of animals (Cats, dogs & horses) processed at the PEQ
2018–19	16,825	6762
2019–20	17,476	5,647
2020–21	15,140	4,936
2021-22	17,515	6,484

Appendix B: Description of cost model activities

This section provides details of the cost model activities undertaken in our regulatory charging arrangements.

Program management and administration activities (charge)

Workforce and business management

This activity comprises 4 categories:

- Workforce management activities include staff supervision, allocating workforce resources, managing employee performance, leave, training and other conditions, managing Work, Health and Safety requirements, recruitment, and termination.
- Business management activities include business planning and continuity, requesting legal advice, procurement and contracts, program and project administration, assurance, design and management, management of fixtures, facilities, equipment, supplies and logistics.
- Financial management activities include billing and accounting, budgeting, charges and payments, collections and receivables, debt management, financial accounts, reporting and policy development.
- Information management activities include data management, information and records management, and information sharing and collaboration.

Business systems administration

Includes developing, acquiring, testing, implementing, and supporting applications and business systems. It encompasses technical support and maintenance of all business systems including information and communication technology.

Stakeholder engagement

Involves proactive engagement with any person, business, or organisation including any associated travel. It includes, engaging with peak industry bodies, secretariat support and attendance at industry consultative committee meetings, consultation on new standards and requirements, publishing website content and other information.

Policy and instructional material

Includes developing, maintaining, and communicating our policy and instructional material, such as operational and corporate policies, scientific advice, guidelines and work instructions, and associated training development and delivery. Examples include developing or revising policy, processes and developing new instructional material.

Business improvement

Includes assessment, monitoring and development of initiatives to improve performance. Examples include adjustments to improve program and service delivery, business performance reports against key performance indicators and similar activities.

Assurance activities (charge)

Risk management

Involves assessing and managing the risks posed to Australia’s biosecurity and imported food systems. This includes communicating results of risk analysis, modelling and forecasting to operational areas and the collection, receipt and use of data, information and intelligence to meet our compliance objectives. This work also includes any associated travel and client assistance work, such as assessment of risks associated with cargo, vessels, plants, animals, food, biological and genetic material.

Verification

Includes activities that provide our executive and stakeholders with confidence that our systems and processes are operating in accordance with their intended design and associated documentation and managing the identified risk. For example, internal quality assurance systems and verification activities to ensure officers are following procedures, processes or instructional material and are making appropriate decisions.

Surveillance

Includes formal and informal monitoring to detect changes in Australia’s pest or disease status, or the presence of food safety concerns which may affect imports and onshore production. Surveillance differs from an inspection as it is not conducted for a specific client.

It includes all pre and post work, travel and client assistance in relation to surveillance. Examples include deploying detector dogs, wharf surveillance, vector monitoring at proclaimed ports, new car surveillance, break bulk surveillance, monitoring the entry of exotic pests, weeds and disease across passenger and cargo pathways, monitoring of animal welfare issues and monitoring for microbiological or chemical hazards in food.

Incident management activities (charge)

Incident management

Includes the coordination and management of any incident including post-border detections and biosecurity and imported food incidents. This includes all associated pre and post work, travel and client assistance in relation to an incident. It excludes cost-sharing for emergency responses under the formal national disease and pest response arrangements.

Investigation support

Involves providing support for enforcement activities relating to an alleged breach of portfolio legislation, including any related client assistance and travel. It does not include the work of the enforcement officers. Examples of investigation support include data extraction and analysis to support an investigation.

Corrective action

Includes actions taken in response to non-compliance with or contravention of legislation or procedures that are managed without a formal investigation by an Enforcement officer. Corrective action activities include advice and support to operational staff and clients on the management of non-compliance and the development of options to effectively manage the risk.

Intervention activities (fee)

Assessment

Involves assessing information to determine if it meets the department's requirements. This includes the assessment of import-related documentation for cargo, vessels, plants, animals, food, biological and genetic material, including administration of applications.

Issue approvals and certification

Includes issuing of a decision in relation to an assessment for cargo, vessels, plants, animals, food, biological and genetic material. This includes the work from the end of the assessment period to the completion of the decision-notification process.

Inspection

Includes the physical examination and supervision of a physical examination, of cargo, vessels, plants, animals, food, biological and genetic material, to determine compliance with biosecurity and food safety requirements. Inspections also include activities related to post-quarantine detections of biosecurity-risk goods.

Treatments

Includes the physical treatment of cargo, vessels, plants, animals, food, biological and genetic material, other conveyances or premises, to prevent an adverse biosecurity outcome from occurring.

Husbandry

Includes activities relating to the care of plants and animals that we are responsible for, including transport of plants and animals, housing, daily monitoring, feeding, cleaning of facilities, administering of medication, bookings and client assistance.

Audit

Includes the systematic and functionally independent examination of industry systems and processes to determine whether activities and related results comply with legislative or documented requirements. This includes desktop audits, remote audits, site audits (including travel), reviews of standard operating procedures for new and existing approved arrangement sites, overseas manufacturing facilities and pre-export quarantine facilities and their procedures.

Appendix C: Summary of stakeholder feedback

The key themes are covered in Table C1.

Table C1 Stakeholder feedback summary

Theme	Stakeholder feedback	Response
Timing/implementation	<p>Stakeholders had varied views on when implementation should occur- some prefer changes to prices to align with the calendar year or sought to delay commencement to a time that enables businesses to incorporate increased costs into forward contracts or otherwise pass costs on to clients.</p> <p>Some stakeholders suggested a staged approach where price increases are phased in through several incremental increases rather than all at once, lessening the impact of increased costs, particularly where a high percentage increase has been proposed.</p>	<p>The department commenced a comprehensive review of the biosecurity cost recovery arrangement in 2020-21. Industry engagement began at this time, with the department advising the review was underway, and providing progress updates, through industry consultative committees, industry advice notices and through information published in cost recovery implementation statements on the department’s website.</p> <p>Stakeholders were informed the outcome of the review were expected to result in changes to fees and charges, with an expected implementation date of 1 July 2023. Proposed price changes were socialised through a public consultation process from March 2023 to early May 2023.</p> <p>The proposed price changes are critical to stabilising the biosecurity arrangement and represent a one-off increase for inflation and additional effort.</p>
	<p>The length of time since the last review of existing fees and charges was seen as a driver for such a significant change, and unmanageable for some industry sectors, with the magnitude of the proposed increase considered unacceptable within a short timeframe.</p>	<p>The biosecurity cost recovery arrangement was originally due for review in in 2019 -20. However, resources were directed to more pressing needs at the time, and in March 2020 COVID-19 was officially announced in Australia.</p> <p>The department recognises that a significant time has elapsed since the last comprehensive review and as a consequent, the magnitude of some price changes has been significant.</p> <p>To minimise the impact of future changes the department is intending to introduce an annual review cycle that will see charging arrangements reviewed at regular intervals and minimise the impact of price changes in future years. This allows for regular consideration of effort and cost to deliver regulatory activities and allows for decrease in price where effort reduces.</p>
Price increase	<p>Most stakeholders recognised the need for increases to prices. However, some strongly opposed either the size of the increase or any increase at all. Some challenged the justification for the current prices and hold views that prices are already too high.</p>	<p>The proposed new prices have been calculated following a comprehensive review that surveyed current regulatory effort for biosecurity activities, validated data costs and effort with operational areas, and forecast future year volumes to determine prices across all charge points. The comprehensive review identified the actual cost, and effort needed to deliver current regulatory activities.</p> <p>The method used is consistent with past pricing calculations. The Department of Finance has been</p>

		engaged on the modelling methodology and compliance with the whole of government charging framework, which ensures the department is only charging for the minimum efficient and reasonable costs for a particular activity.
Impact of prices increase	Stakeholders were concerned that large price increases proposed for the post entry quarantine (plant and avian) may increase the risk of unlawful importation as importers will see cost as prohibitive and further drive illegal imports – which is already a known risk, particularly in the avian and egg industry. The potential impact of an exotic disease outbreak from products not meeting our strict quarantine requirements, on both the environment and commercial industries is a key concern to stakeholders.	The department is aware of the risk that illegal importation poses and the potential impact an exotic disease outbreak could have on our pest and disease status. This risk is closely monitored, the department has a range of controls in place to manage, detect, and respond as necessary to prevent goods that have not meet our strict biosecurity requirements from passing though the border undetected.
	Plant importers raised concerns about the potential for reduced competitiveness of plant industries resulting from a reduction in the importation of new plant species or varieties due to cost. Some noted they were intending to explore alternate quarantine options which may be to establish their own facility and have this approved by the department to undertake quarantine activities.	The department recognises price increases for plant stakeholders that use the Mickleham post entry quarantine facility is high. The proposed increases to plant quarantine charges are the result of a combination of previous under-recovery, and high running costs for the PEQ facility, especially electricity, water and gas, and increased staff numbers needed to manage growing volumes, and the risk associated with high-risk plant species. The department has been investing effort into measures to reduce costs at the PEQ facility through updates to the hothouses, such as using solar energy generation. The introduction of indexation and the annual review process will help to minimise the impact of price increases across future years.
	Representatives from the university and research sector advised that current importation costs are impacting the research community, with some research already conducted overseas rather than in Australia. Further increases in costs would potentially make the cost of importing research material untenable.	The department is considering options for a risk-based approach to the application of charging, including for the research sector who import biological material and are holders of approved arrangements
	Small business and infrequent importers noted that increased costs have a direct impact on the viability of a small businesses with low profit margins. Businesses who import large volumes and have many importing transactions noted the overall increase is considered significant, with broader effects as increased costs are passed to clients and consumers.	The department has noted these concerns and recognises that prices increase will affect all businesses. The cost to deliver our regulatory activities is greater than the amount the department is recovering, and this is unsustainable. To minimise the impact of future changes the department is intending to introduce an annual review cycle that will see charging arrangements reviewed at regular intervals and minimise the impact of price changes in future years.
Fee/charging structure	Custom brokers raised concerns about the existing fee structure and perceived inequities in how fees and charges are applied where industry is performing work on behalf of the department.	The department has identified some billing practices that require review to ensure a consistent approach and will implement further training for staff, in line with charging guidelines.
	It was noted that higher fee-for-service rates for assessment, inspection or verification activities are not necessarily being applied when work is	The department has identified some billing practices that require review to ensure a

	<p>completed outside normal hours. Higher rates should apply when cancellation or poorly prepared goods are presented for clearance as an incentive to reward compliant behaviour and reduce clearance times.</p>	<p>consistent approach and will implement further training for staff, in line with charging guidelines.</p>
	<p>Consideration could also be given to implementing price structures commensurate to the risk posed by the user group or commodity. For example, the department’s Green Lanes currently in their infancy could be expanded to more commodities and pathways other than just cargo imported by large companies.</p>	<p>A changed approach to charging will be explored further through ongoing annual reviews. A similar model of ensuring a compliant pathway and commodity could be met with less intervention at the border and periodic audit to ensure continue compliance with the Green Lane requirements.</p> <p>Industry is already and will continue benefiting from the development of risk-based compliance schemes that move away from 100 per cent interventions and rewards industry participants with reduced need for inspection resulting in quicker clearance for compliant participants.</p> <p>The department is continuing to build on existing models to extend partnerships with industry, where complaint behaviour results in less intervention and faster clearance of cargo.</p> <p>The department also notes that while there is a push for greater partnerships with industry, there has been slow take-up of industry in existing co-designed programs, such as some classes of approved arrangement - Automatic Entry Processing and Class 14.4 Rural Tailgate.</p>
<p>Value for money and efficiencies</p>	<p>Several stakeholders commented that their service expectations were not currently met - they did not receive value for money due to the delays in cargo clearance, inspection and clearance processes, issues with the administration of approved arrangements, a perceived lack of expertise, inadequate resourcing, and lack of investment in technology and innovation.</p>	<p>The department has and will continue to invest in biosecurity data and analytics activities which is critical to enable more efficient management of biosecurity risk. The better use of biosecurity data supports more targeted interventions based on risk and greater transparency of services and biosecurity performance. These investments provide a bedrock for other ICT investments to facilitate streamlined border movements.</p> <p>Through digitising services for pre-border cargo import processes on document assessment and inspections, initial efficiencies will be generated for low-risk consignments and containers with good compliance history. This in turn enables the workforce to consider shifting from low value to high value biosecurity interventions and better targeting of risks.</p> <p>Directly importing data aims to reduce the need to exchange import information manually and repeatedly, further improving efficiencies for importing businesses.</p> <p>The development of a skilled and efficient workforce is supported through the establishment of the Biosecurity Training Centre which will increase the department’s frontline capability. Industry will see the benefit from increased capability that focuses on high-risk consignments and quickly clears commodities that are low risk.</p> <p>The biosecurity sustainable funding model, announced in the May 2023 budget, supports the department by providing the resource base required to manage our biosecurity system. Impacts will not be immediate as it will take 6-12</p>

		<p>months to recruit and train new staff and build capacity.</p>
	<p>Stakeholders want greater transparency in costings that inform price calculations, so price modelling is better understood by industry. Calls for productivity reviews and benchmarking exercises were made to enhance and streamline activities and look for efficiencies.</p>	<p>The department will continue to educate stakeholders through industry consultative committees and to receive their feedback on how the structure of the charging arrangement could be reviewed or where there may be different pricing options to recover the department’s costs. Annual review processes will ensure regular opportunities to engage. Regulatory charging will continue to remain a critical part of a sustainable national biosecurity system to ensure that all users and risk-creators pay their share. Further information on how the department applies cost recovery is described in our cost recovery implementation statement.</p> <p>The department will continue to review the arrangement to keep pace with changes to biosecurity risk profiles, emerging risks, industry and trading partner challenges, and changes in cost to perform regulatory activities.</p>
	<p>Stakeholders presented concerns of delays and perceived poor or inefficient services. There is a strong view that if industry is expected to pay more, they should receive a more efficient service. The expectation is that delays in cargo clearances will be reduced, and the department’s service level will improve if industry pay more.</p>	<p>Without stabilisation of the biosecurity arrangement, and rebalancing resources with workload the risk of biosecurity failure in cargo pathways will increase.</p> <p>Improvements to services, in particular the clearance of cargo at the border, will not be immediate as recruitment, onboarding and training will take time.</p>

Appendix D: Government approval to cost recover

Table D1 describes the key Government approval for continued and expanded regulatory charging for biosecurity activities since 2017.

Table D1 Government approval for continued and expanded regulatory charging for biosecurity activities

Date of decision	Government decision
<p>May 2021</p>	<p>Better manage the risk of hitchhiker pests and diseases Importers</p> <p>Government committed \$96.9 million over 4 years to better manage the risk of hitchhiker pests and diseases that can cause considerable cost and disruption to agricultural production, the environment, and the way of life of all Australians.</p> <p>The program addresses the risk of major hitchhiker pests, for example khapra beetle and brown marmorated stink bug, which can be carried in and on containers and their contents (around 2.5 million containers arrive each year).</p> <p>Commencing 16 January 2023, the Sea FID increased from \$49 to \$58.</p>
<p>November 2019</p>	<p>Expansion of cost recovered regulatory activities</p> <p>Government decided to expand cost recovered regulatory activities to include \$23.0 million per year of biosecurity activities. These directly relate to our regulatory framework.</p> <p>From 1 January 2020 regulatory activities included in regulatory charges were expanded to include:</p> <ol style="list-style-type: none"> 1) Assurance and verification activities to provide confidence in compliance controls and support enforcement of regulation, contributing to the efficiency and effectiveness of the biosecurity system that facilitates importers to bring goods safely into Australia. This activity included: <ul style="list-style-type: none"> • applying best practice regulatory procedures and monitoring their implementation to verify ongoing effectiveness of regulatory activity • implementing and maintaining a decision-making tool that allows us to calculate benefits and risks of change in regulatory activity • investigations of importer compliance with biosecurity regulation to maintain the integrity of the system, including provision and monitoring of corrective actions. 2) Increased analytics and intelligence activities, including the use of data to identify trends to inform intervention and compliance activities. This was intended to minimise the risk of incursions and prevent harm to Australia’s agricultural production and environment. These activities included: <ul style="list-style-type: none"> • the application, maintenance and refinement of algorithms and work processes that analyse biosecurity data and inform coordination of biosecurity risk management measures and compliance controls. The intelligence helps us identify which imports are most likely to expose Australia to exotic pests and/or diseases. • This allows for more targeted risk management activities that streamline the border experience for importers and reduces intervention with importers with minimal risk. 3) The provision of technical and scientific advice to maintain up to date biosecurity risk management information within our Biosecurity Import Condition (BICON) system. Through BICON, we provide a single source of truth for biosecurity officers and importers to identify goods quickly and easily, relevant import conditions and further biosecurity risk management options for the safe import of goods.

	<p>4) Import pest and disease risk mitigation planning, which ensures that we have the capability to mitigate the impact of pest and disease incursions that result from the import of goods. The activities include the development and maintenance of risk mitigation processes and plans, including the maintenance of the capability required to implement actions in those plans, which facilitates the import of goods. Importers will be able to either choose to rely on publicly available plans or choose to develop their own plans subject to the department granting a permit.</p> <p>The effect of this decision to expand cost recovery for biosecurity activities was an increase in 4 charges:</p> <ul style="list-style-type: none"> • Full Import Declaration charge—air was \$33, to \$38. • Full Import Declaration charge—sea was \$42 to \$49. • Vessels greater than or equal to 25 metres—arrival charge was \$920, to \$1054. • Vessels less than 25 metres—arrival charge was \$100, to \$120.
<p>October 2018</p>	<p>Charging for approved arrangements</p> <p>Government approved a change to regulatory charging for biosecurity-approved arrangements. As part of this change, a new throughput charge was introduced, together with remissions for the annual charges payable by some industry participants.</p> <p>The new throughput charge applies to each entry made under the Automatic Entry Processing (AEP) for Commodities (AEPCOMM). A rate of \$18 is charged for each entry by a person covered by an approved arrangement, for goods to be brought or imported into Australian territory.</p> <p>The annual charge for biosecurity-approved arrangements is set at \$2,900 per year. As part of the introduction of the throughput charge, the annual charges payable for some industry participants have been able to be reduced by remission. Biosecurity approved arrangements operated at a single site – \$2,500 Biosecurity approved arrangements operated as an AEP Broker only – \$500. These operators will also pay a throughput charge of \$18 for each AEP entry they process.</p>
<p>May 2017</p>	<p>Vessel arrival charge</p> <p>As part of the 2017–18 Budget measures the Government directed us to increase the international vessel arrival charge to address the volume forecast and cost recover the expenses of the expanded ballast water biosecurity activities.</p> <p>The international vessel arrival charge for vessels over 25 metres in length increased from \$720 to \$920, with effect from April 2018.</p>

References

DAWE, 2021 [Commonwealth Biosecurity 2030 \(PDF 5.7 Mb\)](#), Department of Agriculture, Water and the Environment, Canberra, May 2021, accessed 14 February 2023.

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