# Biosecurity Import Supply Chain Roundtable – Importers

26 February 2021

**1:00-3:00pm**

## Meeting summary

### Attendees

### Department

Andrew Tongue, Deputy Secretary, Biosecurity and Compliance Group

Lisa Borella, Executive Officer to Andrew Tongue

Colin Hunter, First Assistant Secretary, Biosecurity Operations Division

Lee Cale, Assistant Secretary, Assessment and Client Contact Group

Rick Hawe, Assistant Secretary, Inspections Group

Leanne Herrick, Principal Director, Industry Partnerships

Aleksandar Vranesevic, Partner, Strategic Analysis and Design

Tim Killesteyn, A/g Director Sea Cargo, Border Controls Branch

Victoria Dennis and Jess Lewis (secretariat)

Peta Lane, First Assistant Secretary, Compliance Division

Carl Ng, Director Compliance Strategy and Policy

Pierre Skorich, Acting Principal Director, Compliance Testing and Intervention

Jo Laduzko, Assistant Secretary, Biosecurity Strategy and Reform Office

Sarah Hilton, Adviser, Office of the Hon. David Littleproud MP

Nick Woodruff, Head of Digital Trade Strategy and Initiatives, Agricultural Trade Group

Apologies:

Barb Cooper, Assistant Secretary, Border Controls Branch

### Import representatives

Baby Bunting - Gavin Jackman, Representative

Bunnings - Robert Chin, Compliance Coordinator Biosecurity and Nursery Standards

Caterpillar - Ashley Goodfellow, Asia Pacific Transportation Manager; Nilesh Bhandari, Trade Compliance Manager

Electrolux - Derek Haley, Director of Operations; Barry Broom, Manager Operations

IKEA - Wendy Stanton, Group Customs Manager

Kmart - Laura Szygalski, ISC Customs Manager; Joanne Elliot

Apologies:

Woolworths

Nestle

Coles

Amart Furniture

Fantastic Furniture

## Setting the scene – Opening remarks from Deputy Secretary Tongue

Deputy Secretary Andrew Tongue thanked all for attending at such short notice and opened proceedings with comments about:

* The importance of an effective and efficient biosecurity system to Australia’s economic future, protection of the environment and our way of life.
* The increasing risk of exotic pests and diseases entering the country due to the changing climate, greater complexity in supply chains, and goods/containers being sourced from different regions
* The global impact and disruption from COVID-19 has added to this risk, with the acceleration of change over such a short period placing considerable pressure on biosecurity services.
* Biosecurity is a key focus of the government’s simplified trade system agenda, and a vital element for the import and logistics sector. However, the current biosecurity management approach is not sustainable.
* The use of innovative technologies and different ways of operating across supply chains will be critical to meet these challenges.
* The need to more effectively partner with industry and co-design a better biosecurity system - one that not only generates confidence biosecurity risks are being managed, but reduces regulatory burden while enabling goods to be moved across the border quickly and efficiently.

Deputy Secretary Tongue signalled that today was about starting this engagement with an initial focus on simplifying the system before reforming it. Delivering some quick wins will show commitment to reform and provide benefits to business.

In closing, Deputy Secretary Tongue reiterated the government’s view that any changes to improve service delivery outcomes cannot be at the expense of biosecurity integrity. Maintaining confidence in the biosecurity system is essential given the potential consequences of getting it wrong.

## Delivery of border regulatory services and a partnering approach moving forward

First Assistant Secretary Biosecurity Operations, Colin Hunter, discussed:

* The work the department undertakes pre-border, at the border and post-border.
* Work underway to reduce delays with document lodgements and reduce reliance on manual intervention. While this is providing some relief for the import sector and ensuring speed to market, these are temporary fixes and are not sustainable.
* New challenges brought about by COVID including changes in trade patterns, container pathways and consumer shopping habits. The downstream effects include a 58% increase in Self-Assessment Clearance lodgements, a 20% increase in imported food and dual (biosecurity/food) lodgements and 62% increase in late lodgements.
* The demand on the department’s resources where detections occur at the border, with hitchhiking pests posing a particular challenge as the goods and/or containers may not themselves be a risk (e.g. the department has spent more than 20,000 hours to date to manage recent detections of khapra beetle found post border in goods that do not usually hit a departmental profile).
* The need for a business case to change the system, to be more effective and more efficient using technology, data and innovation. Successful initiatives include trials of 3D x-ray technology and development of world first biosecurity algorithms for faster, more accurate screening of passenger baggage and international mail; and the development of an online access portal for inspection bookings.
* The importance of strengthened industry partnerships and a stronger supply chain management approach. Access to data and industry systems will help.
* The need to build capacity and flexibility in our workforce to respond to emerging biosecurity risks. This does not mean more biosecurity officers, rather doing things differently and prioritising as not everything can be done at once.

## Key themes raised by importers

### Industry to be authorised to undertake certain biosecurity activities

Industry should be authorised to assess and clear low-risk goods and/or conduct tailgate inspections, where they can demonstrate the same or better biosecurity outcomes and with appropriate departmental oversight.

The department’s support for this was welcomed, noting that in some cases it may require legislative change and/or assurances to the agriculture sector and other stakeholders that biosecurity would not be compromised.

The department is expected to produce scientific and technical evidence that biosecurity is being appropriately managed. This would continue if importers took on various biosecurity activities, emphasising the need to be able to access data and use analytics to track containers and goods in real time.

Several attendees argued that it is in their interest to ensure imported goods were free from biosecurity risk as the consequences of further, more radical action to manage detections would not be good for business.

### Approved arrangements to be more agile and sector specific where appropriate

There is a need to look beyond the current classifications to approved arrangements that better suit the specific requirements of importers and focus on end-to-end supply chain management. This could include sector specific arrangements. Attendees were keen to co-design and pilot such arrangements.

The export authorised officer model should be explored to enable industry to act on behalf of the department where the biosecurity risk is deemed to be low.

### Need for a multi-layered approach to intervention

There are opportunities to use technology, science and verification processes to work with industry in determining the best approach to biosecurity intervention.

In many cases, industry provides advice to the department on risks before the goods are shipped. This information, as well as metadata from photographs taken of containers before they depart for Australia, could be used to better assist in the assessment of biosecurity risk. Additionally, a differentiated intervention model could be adopted for low risk goods and made scalable based on factors such as length and type of storage pre-shipment.

This same approach could be used for onshore inspections.

### Increased two way sharing of information to avoid duplication and help ensure government and industry initiatives are complementary

There is a need for greater transparency and alignment across all related initiatives, including those proposed by the Department of Home Affairs/Australian Border Force.

There may be opportunities to leverage the information provided by industry under the ABF Trusted Trader model. Attendees noted that the department has been working with the Australian Border Force on greater alignment but progress has been slow.

Better biosecurity outcomes could also be achieved through leveraging industry systems, technology and other regulatory processes (e.g. exports, other regulators).

### Ability to track container movements

Attendees raised current difficulties in sourcing quality containers and ensuring they are free from hitchhiker pests.

Recent khapra detections also highlighted that not all businesses can quickly track container movements across their supply chains.

### Greater recognition of compliance with other regulatory schemes

Recognising industry compliance and accreditation in other regulatory schemes would assist to reduce overlap and lessen industry regulatory costs. It would also allow biosecurity officers to focus on areas of higher biosecurity concern. For example, ABF Trusted traders are required to report deviations for under or over supply of goods. The department’s CCV inspections are for physical verification of goods in the container, which is already undertaken at a declaration level with the ABF.

### More sustainable biosecurity funding

Attendees supported the case for change and further investment in import systems and reform.

They agreed to assist by providing advice on the costs of service delays and regulatory measures targeting specific pests and diseases. Also, tangible examples of the economic consequences should these measures not be successful in preventing harmful pests and diseases entering the country and establishing.

## Next steps

The department to:

* Circulate a draft meeting communique for comment, which will be published on the department’s website within a week of the roundtable. More comprehensive meeting notes would follow with the final version also published on the website.
* Contact attendees to establish smaller, targeted groups over the coming weeks to identify 3-5 key quick wins that can be achieved over the next three months. Potential quick wins discussed during the forum included:
* Co-design and piloting of trials to determine how importer management and commercial assurance systems across supply chains could be used to reduce or change departmental intervention.
* Co-design and piloting of sector specific approved arrangements.
* Draft a broader narrative on the role of all the players in the system (government, states/territories, and industry) and how the system is managed end to end.
* Investigate the potential use of importer photographs of containers taken attesting to their cleanliness before the container departs for Australia; areas of overlap/duplication with the Australian Border Force; removal of outdated documents from systems; and issues around congested empty container parks.
* With industry, develop a roadmap for improved management of imported cargo, outlining short, medium to long term reform initiatives, and greater alignment with the Australian Border Force where possible.
* Arrange a potential face to face meeting before 30 June 2021.

Importers to:

* Provide feedback on the draft communique and meeting summary.
* Provide advice as soon as possible on cost impacts of current service delivery delays and regulatory burden (high level estimates would be welcomed in the immediate term).
* Agree to reconvene in the coming weeks to work in small groups to progress agreed quick wins.
* Identify other quick wins and future reforms.
* Work with the department on the roadmap for change and provide input to advice to the Institute of Company Directors on the need to factor biosecurity management into their business model.