# Biosecurity Import Supply Chain Roundtable – Industry Associations

26 February 2021

**10:00am-12:00pm**

## 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

Brigid Ross Taylor, Senior Policy Officer, Biosecurity System Reform

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

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

Andrew McDonald, Assistant Secretary, Business Reform, Agricultural Trade Group

Apologies:

Barb Cooper, Assistant Secretary, Border Controls Branch

### Industry Associations

## Australian Pork Limited - Margo Andrae, Chief Executive Officer

## Cement Industry Federation - Margie Thomson, Chief Executive Officer

## Cruise Lines International Association Australasia - Dimity McCredie, Joel Katz

## Export Council of Australia - Dianne Tipping, Chair

## Federal Chamber of Automotive Industries - Tony McDonald, Director of Industry Operations

## Fertilizer Australia - Stephen Annells, Executive Manager

## Food and Beverage Importers Association - Carolyn Macgill, Executive Officer

## Freight & Trade Alliance – Paul Zalai, Director; Sal Milici, Head of Border and Biosecurity; John Park, Head of Business Operations

## International Forwarders & Customs Brokers Association of Australia Ltd - Paul Damkjaer, Chief Executive Officer; Zoran Kostadinoski, Head of Border and Biosecurity

## Maersk - Julia Armstrong, Oceania Execution Manager

## Minerals Council of Australia - Matthew Steen, General Manager Economic Policy

## National Farmers Federation - Mike Darby, General Manager Rural Affairs; Erin Lukey, Policy Officer Rural Affairs

## Ports Australia - Mike Gallacher, Chief Executive Officer; Marika Calfas, Deputy Chair

## Apologies:

## Conference of Asia Pacific Express Carriers

## International Cargo Handling Coordination Association

## Qantas

## Shipping Australia Limited

## Tourism and Transport Forum

## 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. He also emphasised the importance of a united industry voice where possible to support the case for change.

## 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 industry participants

**More collaborative and meaningful engagement with industry**

### Working with industry to develop and pilot initiatives will be critical to ensuring the effectiveness and take-up of reforms. The Minister’s recent media release summarised the benefits – more productive collaboration will not only allow short-term improvements to progress quickly, but also for global benchmarks to be set in biosecurity best practice through co-design.

### Engagement needs to be genuine, with industry brought in at the start, not at the end of the process. Some attendees have been through the reform process before and despite assurances at the time, full consultation has not occurred or come too late. How will it be different this time?

### Engagement should also include agricultural stakeholders to make sure they remain confident that biosecurity outcomes will be the same or better as we reform the system.

### Frustrations were raised on having to deal with multiple areas of the department and on the same or similar issues; the often short turnaround times for feedback on proposals; and the lack of progress of key reforms. A list of key departmental contacts was recommended.

**More sustainable biosecurity funding**

### Change is unlikely to be achieved without additional investment and resourcing to allow business as usual operations to continue while reforms are trialled and implemented. The benefits of change also need to be better articulated, not just for the agricultural sector but across import supply chains, businesses seeking to recover from COVID and rural and regional communities.

### It was recognised that the department’s current charging model may not be appropriate and that there may be an appetite within industry to pay more for premium or differentiated services.

### Importers would likely support paying extra if import processes were streamlined and systems made more efficient. However, this would require greater transparency on the level of biosecurity funding required and how it will be used. A different engagement approach to last year’s biosecurity levy proposal was suggested.

### There needs to be a persuasive case for change and further investment and participants can 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.

**Interim arrangements are short term and not sustainable**

### Attendees appreciated the department’s actions to provide relief in the delays in assessment and inspection outcomes, but agreed this is not sustainable.

### Use of airport based biosecurity officers to undertake assessments and inspections in other pathways was possible only because of low volumes of international travel due to COVID. This will not be sustainable once passenger numbers increase.

### Longer term solutions are needed as the challenges facing the biosecurity system will continue to evolve and grow.

### To respond he department will need to shift its border operating model from document management to broader biosecurity system management. Current departmental focus is more transactional than outcome-based, and better results could be achieved through leveraging industry systems, technology and other regulatory processes (e.g. exports, other regulators). The statement was made that the Biosecurity Act had been modernised but import processes hadn’t.

### Attendees were keen to work with the department on longer term solutions and sought assurances that interim arrangements would be retained where possible until more permanent solutions were in place.

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

### Industry should be authorised to assess and clear low-risk goods, 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 industry 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.

### Attendees agreed to work with the department to prioritise key areas of focus to get some runs on the board quickly and secure industry confidence.

**Better balance between import and export streams**

### There needs to be a better balance between import and export arrangements, with the potential for reforms and capability being explored in the exports workstream to be extended to imports.

### As importers are often exporters, concerns were expressed on the lack of interface between the two streams. Greater alignment with the Australian Border Force would also ease the regulatory burden on industry.

**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.

### There is also a need for monitoring and early notification of any changes that may impact the delivery of biosecurity assessment and inspection services.

### The role of the Biosecurity Futures Group in the reform and co-design work between industry and the department was also raised.

**Better understanding and alignment with states and territories**

## Attendees indicated they would welcome advice on state and federal responsibilities on the ground.

## For example, the Biosecurity Act allows the department to manage risk in a different way to the states and territories but it is not clear who takes control in an incident.

## 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. This included:
* Low risk activity that could be better managed by leveraging new or existing technology/capability.
* Use of the export authorised officer model to allow industry to perform certain biosecurity activities.
* Actions to lower industry compliance costs and government administrative costs where these are reasonably straightforward to implement.
* Building a shared narrative and business case for reform and greater investment in biosecurity.
* 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.
* With industry, develop a roadmap for change, outlining short, medium to long term reform initiatives; investments in technology and smarter ways of doing things; and forward looking analysis of forces at play over the next 5 years. The department will ensure governance arrangements are implemented to drive this work and ensure that is holistic, purpose driven, systematic and realistic.
* Arrange a potential face to face meeting before 30 June 2021.

Industry attendees 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.