



DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT CARGO CONSULTATIVE COMMITTEE

FINAL MINUTES

88th DCCC Meeting

31 March 2021

DAWE – Melbourne /Microsoft Teams 10am-2pm

Attendees

Present

Peta Lane	Department of Agriculture, Water and the Environment
Col Hunter (Chair)	Department of Agriculture, Water and the Environment
Rick Hawe	Department of Agriculture, Water and the Environment
Richard Chadwick	Department of Agriculture, Water and the Environment
Annelise Fuller	Department of Agriculture, Water and the Environment
Nin Hyne	Department of Agriculture, Water and the Environment
Pierre Skorich	Department of Agriculture, Water and the Environment
Lee Cale	Department of Agriculture, Water and the Environment
John Gibbs	Department of Agriculture, Water and the Environment
Leanne Herrick	Department of Agriculture, Water and the Environment (in part)
Joel Willis	Department of Agriculture, Water and the Environment (in part)
Nin Hyne	Department of Agriculture, Water and the Environment (in part)
Geoff Grossell	Department of Agriculture, Water and the Environment (in part)
Alex Petrovski	Department of Agriculture, Water and the Environment (in part)
Kathy Belka	Department of Agriculture, Water and the Environment (in part)
Paul Douglas	Department of Agriculture, Water and the Environment
Pranay Sagar	Department of Agriculture, Water and the Environment
Paul Damkjaer	International Forwarders and Customs Brokers Association of Australia
Sal Milici	Freight and Trade Alliance
Dianne Tipping	Export Council of Australia
Tony McDonald	Federal Chamber of Automotive Industries
Craig Birchall	Board of Airline Representatives Australia
Carolyn Macgill	Food and Beverage Importers Association
Melwyn Noronha	Shipping Australia Limited
Peter Van Duyn	International Cargo Handling Coordination Association
Paul Bagnall	Conference of Asia Pacific Express Carriers

Observers

Andrew Crawford	Freight and Trade Alliance
Zoran Kostadinovski	International Forwarders and Customs Brokers Association of Australia
Aleksander Vranesevic	Reason Group

Secretariat

Dale Jeffery	Department of Agriculture, Water and the Environment
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Apologies

Barb Cooper	Department of Agriculture, Water and the Environment
Cath Geiger	Department of Agriculture, Water and the Environment
Rachel Short	Department of Agriculture, Water and the Environment
Chris Dulgerov	Department of Agriculture, Water and the Environment



Absent

Ineke Redmond

Australian Border Force, Department of Home Affairs

Agenda item 1. Chair's introduction and welcome

Col Hunter, First Assistant Secretary, Biosecurity Operations Division opened the meeting on behalf of Peta Lane, and welcomed members to the 88th meeting of the DCCC.

Agenda Item 2. Minutes and actions

Mr Hunter acknowledged the delay in providing the previous meeting minutes and advised they will be distributed for review.

Mr Hunter called for items to be considered under other business. Mr Milici requested an update on the Inspector-General of Biosecurity reviews.

Agenda item 3. Biosecurity Cost Recovery Update

3.1 Biosecurity Cost Recovery Review

Mr Paul Douglas provided an update on behalf of Ms Rachel Short. Mr Douglas advised members of the implementation date of 1 July 2021 for the cost recovery review. For the Biosecurity modelling component this has included consideration of the expense base required to deliver the regulation function, and input from the export review.

Noting the time lapsed since the Biosecurity CRIS was last reviewed, a review is planned to commence in May, with industry consultation anticipated for September 2021. The new CRIS is due for implementation on 1 July 2022.

Mr Douglas expressed the department's focus on industry's input into the process – and requested members provide feedback to costrecovery@agriculture.gov.au

Mr Milici noted the department's 2020-21 budget assumptions of expected reduced trade, where strong trade remained, and asked of the department's agility in adjusting its assumptions. Additionally, he queried the increase to the reserve of \$250k per month being collected, suggesting this could be used by industry and front-line staff in supporting reforms.

Mr Douglas indicated there is the ability to be agile in budget adjustments, as was done in February. The YTD revenue at December versus the forecast relates to changes to the accounting standards. Additional funding provided for budget pressures has reduced the reserve by \$17.9m since the finance report was provided.

Mr Hunter provided the operational context for the impacts on the reserve, indicating the time lag to recruit staff, train and commence working. Mr Hunter advised he is happy to discuss with industry on how the reserve surplus could be used, within the parameters the cost recovery guidelines.

Ms Cale also raised the redeployment of staff, such as airport staff to assessments, client contacts and bookings, however noted that it can take up 6 months for staff to get up to speed. She has arranged to meet monthly with the Chief Finance Officer and Finance Division to maintain real time knowledge of issues arising, for operations and industry to inform a more agile budgetary response.

Mr Noronha suggested this is a timely opportunity to compare the 2015 and 2019 CRIS reviews to look at what could be done better for the 2021 review. He indicated that since February 2020 consumer behaviours



have changed resulting in the increased volumes. However there continues to be delays on wharves (2 weeks), not related to Khapra and BMSB, impacted by a lack of resources for inspections.

Mr Damkjaer queried what will happen when the redeployed airport staff return to the airports, noting they would be funded from a separate budget. Mr Hunter will address the question under Agenda item 5.

Mr Kostadinovski noted that industry is willing to pay however there needs to be a sustainable cost recovery model which identifies what is the cost to deliver the service; what are the risks; what does industry need to do to improve times.

Mr Hunter agreed that the cost recovery arrangements need to be proportionate with the services the department provides. He referred to the significant effort in cargo containers, where industry is sourcing containers that may have been exposed to hitchhiker pests, such as khapra beetle which can live in the floorboards for 5 years.

3.2 Biosecurity - Financial Performance 2020-21 December YTD

The financial report was taken as read, presenting an overview of the 2020–21 December year-to-date (YTD) financial performance of the Department of Agriculture, Water and the Environment (the department) Biosecurity Cost Recovery Arrangement (the arrangement). Members noted the results reported in the financial Report as presented by Mr Douglas.

On page 3 of the report, and presented in Table 1 page 5, is an outline on the changes to accounting standards explaining how remissions are now recorded, i.e., as an offset against revenue instead of a remission expense.

Mr Douglas asked members to consider if the report meets their needs – any comments/feedback can be provided to the secretariat to pass on.

3.3 Biosecurity – Debt Report - February 2020 to February 2021

The debt report was taken as read. Members noted the results reported in the Debt Report presented by Mr Sagar.

Mr Sagar referred to the table summarising the debt position, with an overall debt of \$8.46m at end of February 2021, with \$3.2m overdue debt and \$1.7m being 90+ days overdue.

The debt showing for November reflects the annual billing to a major client, which was fully paid in December and recovered in January. The department issued its annual levy in February totalling \$4.48m. Year to year comparisons has shown only a 2% increase to the debt position, and the 90 days+ has also reduced by 7% when compared to February 2020.

Mr Hunter noted that the \$3.2m, while a significant amounts, is a small percentage when compared against overall revenue.

Agenda Item 4. Innovation Showcase

Item 4.1 3D X-ray

Presentation by Mr Joel Willis, Biosecurity Operations Division

Mr Willis provided an update on the 3D x-ray, taking the agenda paper as read. Mr Willis noted the high detection rates of goods using the algorithms developed for the 3D x-ray compared to other inspection methods. Further algorithms are being considered for wildlife detections given the activity around illegal trade. Future 3D development may include air cargo screening.



Mr Hunter noted that these new technologies are essential given the range of new threats emerging, such as African Swine Fever, where there have been findings of viral fragments in pork products.

Mr Kostadinovski queried the timeframe for the air cargo trial, and if the same x-ray machines will be used. Mr Hunter took the question on notice. He noted that there is a trial site, and a co-design partner, which will look at outbound cargo. It's anticipated that detections will become quicker as more algorithms are developed, however these take some time to develop.

Action: Mr Willis to advise members of the timeframe for the 3D x-ray cargo trial and the type of x-ray machine to be used.

Item 4.2 eDNA

Presentation by Geoff Grossell and Nin Hyne

Mr Grossell advised that the eDNA has involved 10 years of research and is now at the commercial stage in being able to look for traces of DNA left in the environment, i.e., COVID in sewage. The project is looking at priority areas across the department.

Mr Hunter indicated his hopes that these types of projects allow our industry partners to understand the need for innovation investment. By way of example, two Khapra beetle incursions in the last 6 months involved well over 15 000 hours (and counting) effort, and an industry cost of \$1.1m for work on commodities that are of no agricultural concern, but from having hitchhiker pests detected in the floorboards of containers.

Mr Milici noted that the technology looks good, however, is it intended that it be rolled out to industry to use so it doesn't cause delays by only having departmental staff using the system. Mr Hunter advised that it is intended that the technology be provided to industry.

Mr Carroll also noted the benefits of the technology, however that the approach is more reactive rather than proactive. He suggested that investment in technology for pre-arrival of goods into ports is missing. He queried if there is any investment in data, as data driven decisions should be based on actual data in capturing high risk goods.

Mr Hunter agreed that the aim is to keep the risk offshore. Ms Hyne advised that this is a multi-staged approach, with some early canvassing of what is available. There will be more detailed discussions, while also looking at what other information can be obtained and put together to inform data-based decision making.

Mr Noronha commended the department on its approach to innovation and requested if the presentation can be shared with members.

Mr Kostadinovski asked if this project can be utilised for break bulk, given delays in inspection. Mr Grossell advised that they can work closely with the line areas on the ground on where this technology could be utilised.

Action: Secretariat to provide the eDNA presentation to members.

Item 4.3 Smart glasses

Presentation by Mr Rick Hawe and Alex Petrovski

Mr Hawe advised that the smart glasses technology has been explored since end 2019-2020 and noted that due to COVID work on the smart glasses technology was expedited, and a proof of concept developed.



Mr Hawe advised that the smart glasses have onshore applicability and opportunity for offshore adaptability. There is an appetite to continue to explore its use with industry for offshore supply chain assurance – through providing visibility of goods as they are packed and treated offshore, giving confidence as regulators on data etc.

Mr Hawe noted that the system provides efficiencies for the department, such as inspection scheduling, where an officer can be in a single location performing a number of inspections. There is interest from Defence in applying this overseas for inspecting their military assets.

Mr Crawford asked for an update on using this technology for imported food inspections. Mr Hawe advised that there is a pilot project in progress with industry participants using different technology to livestream images to a biosecurity inspector. Further information will be provided once the post pilot review is completed, and findings determined.

Mr Hunter noted that if this can be applied to food inspections alone, potentially around 70 staff could be otherwise deployed. The imported food legislation currently requires the visual inspection of labels - the department is looking to modernise the legislation to reflect reforms. Ms Lane advised that they are initiating a comprehensive review of the legislation and will be happy to provide an update to DCCC members.

Action: Ms Lane to provide imported food legislation review findings to DCCC members.

Mr Kostadinovski requested the department consider legislative changes for Approved Arrangements for the rollout of future AAs.

Mr Kostadinovski welcomes the smart glasses technology, particularly for its use in rural locations.

Mr McDonald queried the time taken to inspect a vehicle, i.e., if 15 minutes per vehicle is the standard. Mr Hawe advised that the time taken depends on the complexity of the vehicle, however, it currently takes around 15 minutes. It's expected that the more the smart glasses are used the quicker the inspections will become.

Item 4.4 Biosecurity Portal

Presentation by John Gibbs and Kathy Belka, Biosecurity Operations Division

Mr Gibbs referred to the presentation paper provided to members, on the scope, benefits, and next steps for the Biosecurity Portal project. Mr Gibbs thanked members who have been participating in codesign groups for their respective contributions.

Mr Gibbs advised that the project is aimed at providing clients the ability to self-book inspection appointments and check the status of their appointments. User testing has included industry representatives, and those representatives would be called upon to test communications materials. At this stage a progressive rollout is anticipated for early July 2021.

Ms Tipping asked if the Portal will include export inspections i.e., will this be the same time as imports? Mr Hunter advised that he is unsure of the timing, and will take this question on notice.

Mr Kostadinovski advised that the project is a very good initiative, especially for brokers and AAs. It has good, simple functions, which will lead to avoiding using the 1800 number. Ms Cale agreed, noting the plan to also expand the project for assessments this year.



Mr Milici noted that the project is still in 'pilot' stage and indicated that there will be a need for ongoing workshops after rollout to work through any ongoing issues.

Action: Mr Hunter to seek advice from the Exports Reform area on the timing of deployment of export inspections via the portal.

Item 4.5 ionIQ Biosecurity Threat Detection

Presentation by Ross Farrell, IUGOTEC

Mr Farrell presented on the biosecurity threat detection project, noting the technology is similar to the function performed by detector dogs but is more advanced form of odour detection. The project outputs include improved detection algorithms. Future work will include extending its current work on BMSB and expand to detect other pests such as Khapra beetle.

Mr Hunter thanked Mr Farrell for his presentation, noting this is another important project for biosecurity risk mitigation and detection measures.

Item 4.6 Mobile Identification of identification of biosecurity risks

Presentation by Alexander Schmidt-Lebuhn, CSIRO

Mr Schmidt-Lebuhn advised of the project aim of using a mobile app to detect Brown Marmorated Stink Bug. A key advantage for users is that the app is easy to use, collects data, useful when seeking a second opinion of a particular pest species, and to better understand pathways. Testing has provided excellent results, with 99+% accuracy.

Mr Schmidt-Lebuhn, advised that next steps of the project are to provide the app to people at the coalface, and for business analysts to integrate the system into business processes.

Action: Secretariat to provide members with the presentation.

Agenda item 5. Biosecurity Operations Update

Mr Hunter highlighted the importance of the recent import roundtables in forming stronger ties with industry to co-design a more effective and efficient biosecurity system. Several common themes emerged from these meetings including for reform to be staged. Mr Hunter stressed the need for a well-versed way to do this.

Mr Birchall suggested that the work from the roundtables be used to inform the cost recovery review, i.e., invest in a co-design approach for guiding principles.

Ms Herrick notified the group that advice to government was being prepared to secure further funding for biosecurity. She thanked members who had provided information on the cost impact of recent delays in biosecurity services at the border, which had informed this work, and their acknowledgement that some matters were outside of the department's control.

Ms Herrick added that following on from the roundtables, smaller group sessions were planned to discuss short to medium term reforms to ease immediate pressure at the border. This includes a potential trial to test the use of importer supply chain assurance processes to manage biosecurity across their supply chains. If successful, this could lead to minimal intervention ('green lanes') for these importers, facilitating speed to market for their goods. Other initiatives being considered include a new biosecurity website to provide greater visibility of reforms, further automation of document assessments, virtual inspections in certain scenarios, and ways to address the perceived overlap/duplication between DAWE and ABF functions.



Item 5.1 Operations Update

Assessment and Client Contact Group update provided by Lee Cale:

Service Standards continue to be met through the ongoing use of overtime, but may slip in and out of service where external factors continue to impact (i.e., volume increases, IT outages, industry lodgement behaviours such as unwarranted late lodgements or submission of incorrect/incomplete documents, etc.

Assessment

Volumes increased significantly from December, which placed pressure on resourcing and turnaround times. A 20% increase of food imports was realised, but not expected by the department, not industry. The department also saw a 50% increase in self assessed clearance workloads, which reduced the ability to use that workforce to process FIDs during the outside core hours shift. Along with other strategies, overtime has been used since January to keep up with increased workloads. Late lodgements by brokers/importers (62% increase), most expecting processing in less than 1 day is not manageable for the Assessment Group.

Phone calls

There was a significant increase to calls – this is expected when the department is unable to meet services standards. These currently remain within service standards.

Bookings

There have been a number of factors impacting on bookings, such as the decision by Japan to reduce pre inspection cleaning resulting in an increase of 110% (around 300 additional bookings) for end Jan/Feb. IT outages also had a significant impact.

In terms of exports, the unprecedented volumes of grain exported (2.5m metric tonnes) also impacted on service standards, noting a 27% increase in permits compared to last year.

Ms Cale advised she would like to work directly with select importers on incomplete/inaccurate documentation being submitted, as this is an ongoing cause for delays. Such work has been undertaken in Export Assessments which has resulted in an improvement of documentation lodged to the department, and therefore better processing times for the broader industry. Ms Cale advised that complex data reporting was underway to enable identification of industry members that are currently not meeting documentation standards.

Inspections – Rick Hawe

Mr Hawe noted similar situations for inspections. All locations, except for Melbourne and Sydney, remain within service standards.

Sydney – standards dropped from 85% to 64% in Dec/Jan

Melbourne – standards dropped to 76%.

Mr Hawe noted that these were lower last year than compared to this year.

In February 2021 there was a 20% increase of hours worked, and service standards weren't achieved, however given the context the overall result is reasonable.

Mr Hunter noted that there has been an increase in non-compliance:

FIDs – 11%

Inspections – 13%

Low value cargo – 38%



He advised of the importance of working through these issues and emphasised the impact of working in a COVID-stretched environment.

Mr Noronha thanked Mr Hawe for acknowledging the status of the service standards. Feedback from his members indicated that the department is reactive, and slow to offer solutions when issues arise. He would like the department to be more offshore focussed. Mr Noronha also expressed that there needs to be greater engagement and collaboration with international colleagues.

Mr Hunter assured members that the department has a strong presence internationally, via the Chief Veterinary Officer's senior position on the OIE, the Chief Plant Officer being a member of the IPPC, and 25 agriculture counsellors posted internationally.

Action: Ms Herrick to ensure Mr Noronha is invited to future Working Group roundtables.

Action: Secretariat to provide a summary of work being undertaken by DAWE internationally at future DCCC meetings.

Mr Milici noted that service standards being met by overtime isn't sustainable and queried how this will be managed. Mr Hunter advised that there are number of actions underway, such as scaling up innovation and technology and providing advice to government on biosecurity resourcing requirements. However, while he will be held to account where service standards aren't met, industry also needs be held to account where there is non-compliance, noting these issues are linked.

Ms McGill asked if there is any indication of which goods are non-compliant. Mr Hunter took the question on notice, and will provide details of the goods

Action: Mr Hunter to provide members with details of non-compliant goods.

Mr McDonald asked how long the current delays were expected to continue for a second-hand vehicle from Japan to be inspected. Mr Hunter took the question on notice.

Action: Mr Hunter to provide advice on the process and timing of inspecting second-hand vehicles from Japan.

Agenda item 5.2 BMSB

The BMSB agenda paper was taken as read.

Agenda item 5.3 Khapra

The Khapra agenda paper to be provided to members.

Sea Containers placemat:

Ms Hyne spoke to the Sea Containers placemat provided to members, noting the challenges faced from hitchhiker pests, and noting there is work in progress mapping a more comprehensive response to these pests. The placemat sets out current control measures and a desired future state. It is intended that data, analytics and new technologies will be used to improve overall hitchhiker pest management, ideally offshore.

Mr Hunter advised Deputy Secretary Tongue had arranged for the department's chiefs (i.e., Chief Veterinary Officer, Chief Plant Officer) to meet with the minister and key stakeholders on the consequences of plant and animal biosecurity incursions. This will take the biosecurity message and need for accelerated reform to meet these challenges beyond this committee and inform discussions on appropriate resourcing.



Mr Kostadinovski commented on the Inspector-General of Biosecurity report recommendations, noting the need to deliver on projects, and is excited for members to experience a quicker and smarter system.

Mr Birchall asked if there is a link between technology projects and green lanes. Mr Hunter advised that the intention of green lanes is to reward industry for compliant behaviour. The pilot work will include working with industry, noting that changes will need to demonstrate better biosecurity outcomes.

Agenda Item 6. Compliance Update

Item 6.1 Enforcement (Penalties)

Dr Chadwick provided an update on penalties, advising of the new legislation in parliament. He undertook to share when the legislation is passed. The changes to legislation include increases to the scale for penalties, e.g., increase from \$400k to \$1m in the commercial space. The purpose of the Bill is to send out the message from government that it takes these matters seriously.

The use of civil penalties at airports will be reviewed and broadened.

Mr Hunter reiterated the sharpening focus on penalties, particularly given the impact of exotic pests and diseases, and the need to match penalties to the consequences for those trying to circumvent the laws.

Mr Kostadinovski referred to the non-compliance suggesting that a report be produced detailing the sectors with non-compliance. This type of report would be a useful training tool to help educate those involved around the non-compliance, or it may show where there is an existing education issue.

Mr Birchall supported that it would be useful to know the department's approach to compliance. Mr Hunter advised that the department's Regulatory Practice Statement outlines how we expect non-compliance to be treated but agreed to explore further advice on non-compliance trends.

Action: DAWE to consider the development of a non-compliance report.

Action: Secretariat to ensure that legislative changes and penalties remain standing items on the DCCC agenda and circulate Regulatory Practice Statement to members.

Agenda Item 7. Next meeting and other business

Other business: IGB report recommendations: Mr Hunter advised that the reports and the department's response to the recommendations are located on the IGB website. He is happy to discuss with members out of session.

Next meeting: the next meeting will be scheduled for June – dates to be advised.

The meeting concluded at 2.10pm



Summary of action items

Item no	Action	Responsible Owner
4.1	Advise members of the timeframe for the 3D x-ray cargo trial and the type of x-ray machine to be used	Joel Willis
4.2	Provide the eDNA presentation to members	Secretariat
4.3	Provide imported food legislation review findings to DCCC members	Peta Lane/Secretariat
4.4	Seek advice from the Exports Reform area on the timing of deployment of export inspections via the portal	Col Hunter
4.6	Provide the mobile identification presentation to members	Secretariat
5.1a	Ensure Mr Noronha is invited to future Working Group roundtables	Leanne Herrick
5.1b	Include an agenda item for a summary of work being undertaken by DAWE internationally at future DCCC meetings	Secretariat
5.1c	Provide members with details of non-compliant goods	Col Hunter
5.1d	Provide advice on the process and timing of inspecting second-hand vehicles from Japan	Col Hunter/Barbara Cooper
6.1a	DAWE to consider the development of a non-compliance report	Richard Chadwick
6.1b	Ensure that legislative changes and penalties remain standing items on the DCCC agenda, and circulate Regulatory Practice Statement to members	Secretariat