



DCCC Meeting 92 - 13 July 2022

MINUTES

9:30am – 12:30pm

Shipping Australia, 80 Williams Street
 Woolloomooloo NSW

Attendees

Colin Hunter (Chair)	First Assistant Secretary, Biosecurity Operations
Peta Lane	First Assistant Secretary, Biosecurity Strategy and Reform
Dr Gabrielle Vivian-Smith	Chief Plant Protection Officer, Australian Chief Plant Protection Office (guest, item 4.1)
Dr Chris Parker	National Animal Disease Preparedness Coordinator, Office of the Biosecurity and Compliance Deputy Secretary (guest, item 4.2)
Barbara Cooper	Assistant Secretary, Pathway Policy Cargo and Conveyances, Biosecurity Operations
Lee Cale	Assistant Secretary, Cargo Operations (VIC, SA, WA, TAS) & PEQ, Biosecurity Operations
Andrew Patterson	Assistant Secretary, Cargo Operations (NSW, QLD, NT, ACT) & Regulatory Assurance, Biosecurity Operations
Leanne Herrick	Principal Director, Industry Partnerships and Engagement, Biosecurity Operations
Tim Killesteyn	Director, Sea Cargo Policy, Pathway Policy Cargo and Conveyances, Biosecurity Operations (guest, item 4.3)
Holly Buckle	Assistant Secretary, Compliance Controls and Strategy, Compliance and Enforcement
Rachel Short	Assistant Secretary, Funding and Revenue, Enabling Services
Paul Douglas	Director, Cost Recovery Biosecurity, Funding and Revenue (guest)
Jo Laduzko	Assistant Secretary, Biosecurity Response and Reform, Biosecurity Strategy and Reform (guest, item 3.1)
Greg Carroll	Australia Post
Craig Birchall	Board of Airline Representatives
Dianne Tipping	Export Council of Australia
Tony McDonald	Federal Chambers of Automotive Industries
Carolyn Macgill	Food and Beverage Importers Association
Sal Milici	Freight and Trade Alliance
Paul Zalai (Observer)	Freight and Trade Alliance
Peter Van Duyn	International Cargo Handling Coordination Association
Zoran Kostadinovski	International Forwarders & Customs Brokers Association of Australia
Melwyn Noronha	Shipping Australia Limited

Secretariat

Amy Mason	Acting Assistant Director, Industry Partnerships and Engagement, Biosecurity Operations
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Apologies

Peter Timson	First Assistant Secretary, Compliance and Enforcement
Anna Brezzo	Assistant Secretary, Investigations, Compliance and Enforcement
Paul Bagnall	Conference of Asia Pacific Express Carriers
Michael Gallacher	Ports Australia



Agenda item 1 - Chair's introduction and welcome

Col Hunter welcomed all members, observers and guests to the Committee's 92nd meeting and confirmed there were no declarations of conflicts of interest.

Members were advised that prior to the meeting Mr Milici had requested an update on changes to support AEPCOMM; to be discussed under other business. No other business items were raised by members.

Members noted the agenda paper on reviews by the Australian National Audit Office (ANAO) and Inspector General of Biosecurity (IGB) would be circulated following the meeting.

In his opening remarks, Mr Hunter informed members of several government and organisational changes, including:

- environment and water portfolio elements of the department transferring to the newly formed Department of Climate Change, Energy, the Environment and Water
- the restructuring of DAWE as the Department of Agriculture, Fisheries and Forestry (DAFF) led by new Minister, the Hon Senator the Hon Murray Watt
- while Secretary Andrew Metcalfe would continue as agency head, the Biosecurity and Compliance Group is now led by Dr Chris Locke following Andrew Tongue's retirement
- establishment of a new Digital Reform Division to lead the digital transformation of the Biosecurity and Compliance Group's import management systems, to harness data to better manage biosecurity risks and make it easier for industry to interact with the department.

Mr Hunter advised Minister Watt has been briefed about the current challenges facing industry due to global supply chain and shipping disruptions, COVID-19 and more recent international events, and accompanying rising costs and workforce impacts. He is keen for the department to work with industry on ways to reduce regulatory burden (and associated costs) and minimise delays in border processing, but not if this is at the expense of biosecurity.

Mr Hunter indicated arrangements would be made for Dr Locke and Mr Heeney to attend a future DCCC meeting, together with the newly appointed Inspector General of Biosecurity, Lloyd Klumpp.

Mr Hunter acknowledged the current delays in assessment and inspections, due to increasing cargo volumes biosecurity risk with multiple significant biosecurity threats coming closer to our shores. He advised the department was redeploying resources where possible to manage the increased workload and reduce delays where it could. At the same time, it was working with industry on short and longer-term reforms, including with selected importers on the green lane trial and with the Port of Melbourne, the Federal Chamber of Automotive Industries and other entities on trialling a simplified inspection process for arriving new vehicles and agricultural machinery.

Mr Hunter asked members to help reduce inspection delays by encouraging uptake of virtual food label surveillance inspections, the Biosecurity Portal for online booking inspections, and the offer of inspections outside of standard business hours and on weekends where available.

Action: Secretariat to circulate the agenda paper for ANAO/IGB update to members following the meeting.

Action: Secretariat to arrange for the new Deputy Secretary to attend a future DCCC meeting.

Action: Secretariat to arrange for the new Inspector General of Biosecurity to attend a future DCCC meeting.

Action: Secretariat to arrange for Mr Heeney to attend a future DCCC meeting.



Agenda item 2 - Minutes and actions

Members acknowledged the minutes from the 91st meeting are now on the department's website, having been accepted out of session. Members also noted most action items from previous meetings have been completed or closed.

Agenda item 3 – Item for discussion/decision

3.1 Sustainable biosecurity funding

Members noted sustainable funding, across all biosecurity programs, was a priority action under the Commonwealth Biosecurity 2030 agenda and a clear issue for stakeholders during engagement for the national biosecurity strategy.

Ms Laduzko noted the funding agenda includes a surge element, capability uplift and alignment of investment to ensure the system could meet current and future challenges, and how this would be achieved. The focus would be on stronger partnerships and opportunities to increase investment certainty. Current cost recovery arrangements are being reviewed as a separate exercise, noting the new government may wish to explore areas where the department had not fully or partially recovered costs for activities. The department is also considering co-investment opportunities with third parties and other border agencies.

The ensuing sustainable funding model would be for the longer term, likely to be introduced incrementally. Minister Watt is keen for industry to be engaged and to be given the opportunity to voice concerns/ideas.

Mr Milici noted the importance of having industry involved in consultation, asking if the sustainable funding model could be used to incentivise industry behaviour (i.e., differentiating prices to encourage uptake), and capture e-commerce providers. Mr Birchall agreed and commented on the need to include representation from importers and exporters as part of the engagement, not just service providers.

Ms Magill noted the need to also think longer term when the cost recovery dynamic changes with digitisation, and industry's need to adapt, asking where funding and investment will come from to support the department's skills and capability as activities transfer to the importers. Mr Kostadinovski queried whether the significant biosecurity funding commitment by the previous government would be honoured by the new government.

In response, Ms Laduzko and Mr Hunter advised:

- the department is considering ways to incentivise behaviour, looking at the difference between a discount within a cost recovery framework and participation through a third-party arrangement, also exploring the current exclusion of clearance of low value goods from cost recovery arrangements.
- e-commerce would be considered in the longer-term agenda for sustainable funding.
- the department has discussed the need for more sectorial consultation across all cargo operations, including those outside of the DCCC.
- a future sustainable funding model may have reduced dependency on fee for service activity with increased dependency on levies, and the department can digitise through levy contribution.
- a summary on the MYEFO outcomes will be circulated again for member visibility, with an outline of investment across the export stream which is cost recovered.

Members agreed that a levy needs to be fair and equitable across the entire import sector. Support was given for a rise in the FID levy in the short term to implement biosecurity reform initiatives across the cargo system, provided industry saw a return by way of service improvement and reduced delays.

Members were invited to contact Ms Laduzko directly with any further questions

Action: Ms Laduzko to provide a summary of biosecurity funding under the former government, with an outline of current export cost recovery arrangements.



3.2 Cargo report for industry

Ms Cale walked members through a draft Cargo Operations Snapshot report, which is designed for industry situational awareness on cargo volumes, status of assessment and inspection services.

The intent is for the report to be published weekly highlighting activity over the preceding seven-day period. It will include a numerical snapshot of:

- cargo declarations (FID and SAC) referred to the department compared those acquitted in the ISC
- assessments via COLS, including those awaiting assessment, further information from the broker, or for document inaccuracies to be resolved
- inspections (including through manned depots and permanent arrangements), including those pending completion, awaiting processing or scheduling; and whether the request was made via the Biosecurity Portal
- visual food label inspections

The report will be expanded to include further information as it progresses, analysed to identify monthly/quarterly trends, and updated to provide pest and disease detections (at border and post border) for the past calendar month and calendar year. Information would eventually be separated by sector (e.g., imported cars, imported food).

Ms Cale noted for the week commencing 4 July:

- 75,162 FIDS declarations were lodged, with only 12.5 percent referred
- Over 1.25 million SACs lodged, with only 0.4 percent referred, equating to approximately 5,000 SACs
- 7,535 lodgements were made via COLS. 1,943 of these awaiting assessment and 871 waiting further information from the broker.

Members also noted from 1 January 2022, 1,285 detections of pests and diseases were identified at the border. For June 2022, 110 cases of pest detections were identified past the intervention point (post border), with 41 of those requiring management action from a biosecurity officer.

Mr Hunter added the department has approximately 4,500 profiles running over the ICS to refer lodgements, updated on a regular basis, including intelligence from plant and animal biosecurity. Cost recovery has provided an inefficacy issue with documents assessed in a day, not addressing biosecurity risk.

Biosecurity Operations continues to look for efficiency through automation with the new document automation process assessing documents instantly, allowing the officer to perform the real assessment for biosecurity risk; and similarly for inspection appointments now lodged via the Biosecurity Portal in one minute as opposed to up to 25 minutes for an officer to lodge into a national appointment system.

The department is looking at the issue of brokers not always providing all information back to the importer. The Biosecurity Portal will assist with this issue, with the department investing in a more robust system across biosecurity and driving automation.

The department wants to hear from industry where they can better manage biosecurity risk to allow for systems to be put in place for working together with available supply chain data and machine learning.

Ms Macgill noted the breakdown of pests and diseases could allow specific areas to be targeted and alerts provided to different sectors. The importer needs to be part of the solution with pests and diseases at the border impacting both the goods and the importer.

Mr Kostadinovski advised the need to understand where inaccuracies are occurring with Min Docs non-compliance for educating brokers, becoming part of continued biosecurity competency (CBC) training. Ms Cale reminded previous continuing professional development (CPD) events have included common errors



across document assessment and inspection bookings to educate industry. As the data improves, the department will have a much richer picture, noting automation will only be beneficial where documents are submitted in line with the Min Docs policy and BICON.

Agenda item 4 - Presentations

4.1 Australia's biosecurity outlook: a plant health perspective

Dr Vivian-Smith delivered a presentation on biosecurity risks to Australia's plant health, including the different risk pathways for hitchhiker pests.

Members were reminded of external sea container risks, including soil contamination and Giant African Snail; beehives, plant material, seed contamination and soil on the underside of the container; and also nests and germinating seeds. Internal sea container risks include dirty container floors; seeds and debris between the wall and floor; and presence of khapra beetle underfloor area.

In the mail pathway, the department intercepts imported rose cuttings that can carry the disease *Xylella fastidiosa*. Imported seeds can also introduce weeds, insect pests and diseases. In 2020 over 56,000 overseas seed parcels failed to meet import conditions, equating to 73 percent of non-compliant detections at Australia's mail gateways. Since November 2021, any unidentified or non-labelled seeds imported through mail that are not compliant with import conditions, have been destroyed.

The department has been successful in eradicating many plant pests and diseases including Citrus Canker in Northern Territory in April 2021, and Varroa mite in Townsville in August 2021. This is separate to the current incursion of Varroa mite in Newcastle.

Mr Hunter noted the potential significant increase to biosecurity risk from advanced criminality, including the importation of seeds being deliberately concealed. Deliberate non-compliance for commercial profit or to hide illegal activity exists in the mail, travellers and cargo pathways. Mr Timson, First Assistant Secretary, Compliance and Enforcement Division, agreed to arrange a presentation at a future DCCC meeting on organised crime elements, including joint work with Australian Border Force (ABF) under Operation Jardine.

Action: Secretariat to include a presentation on the next meeting agenda on organised crime elements including joint work with the ABF under Operation Jardine.

4.2 Biosecurity threats: Foot and Mouth and Lumpy Skin diseases

Dr Parker is leading a departmental taskforce to address the risk of lumpy skin disease (LSD) and foot and mouth disease (FMD) and is the spokesperson to industry on these matters.

Members noted outbreaks of LSD and FMD were reported in Indonesia in March and May 2022 respectively, with devastating effects to Australia's trade production of cattle and water buffalo, including meat and dairy products, if established, with significant impacts also on agricultural imports and tourism.

Members were informed of the likely entry points of FMD into Australia, including through illegal entry of meat and dairy products (brought in by passengers on aircraft or ships or sent through the post), and contaminated clothing, vehicles and equipment. The same was noted for LSD with likely entry points through windborne insects; returning livestock vessels and planes; and contaminated products, noting dairy products, cattle reproductive products and other animal products can harbour the virus.

The Centre of Excellence for Biosecurity Risk Analysis (CEBRA) facilitated two exercises earlier this year that found a 28 percent probability of an LSD outbreak, and 11.6 percent probability of an FMD outbreak occurring within the next 5 years.



The department is increasing screening at the border via Indonesia, including having officers board flights where risk is present in other countries. The Indonesian Government has declared the outbreak to the World Organisation for Animal Health (OIE), and the department is working with Indonesia to provide vaccines and technical advice, expecting to hear more from Minister Watt following his travel to Indonesia.

There is potential for significant loss of trade over a long period of time should an outbreak occur in Australia, with the need to build the confidence with our trading partners.

Ms Magill noted Food and Beverage Importers Association regularly views records from OIE for any outbreaks to notify its members as quickly as possible. The LSD incident in Singapore impacted Australian importers where conditions could not be met, with the potential for significant impact to global importers.

Dr Parker encouraged members to contact him should they have any questions.

Action: Secretariat to circulate Dr Parker's contact information to members for any questions from industry

4.3 Rural tailgate inspection trial – AA system enhancements

Mr Killesteyn delivered an update on the trial and new Class 14.4 approved arrangement, which is expected to be in place by August 2022.

Approved industry participants will be able to perform external and internal inspections on impediment free containers for rural delivery; release the container immediately where nil biosecurity risk is identified; self-manage contamination detected on the external container surfaces; and perform post cleaning verification inspection, and container release.

They are **not** authorised to inspect containers where any commodity concerns are reported; inspect containers with non-commodity concerns other than those destined for rural delivery; inspect and manage containers requiring RTG inspection prior to mandatory treatment or unpack and inspection; self-direct containers for fumigation or treatments other than cleaning; self-manage contamination or any concerns found inside of the container.

Any detection of biosecurity risk must be contained immediately, and the container secured at the AA site for departmental intervention.

Industry will be able to use the AEP NCCC (19.1) to select new concern codes for industry lead activities or continue to manually submit documentation through COLS. The department will assess directions to ensure the correct inspection outcomes occur and are recorded.

Mr Patterson added the trial participants in Melbourne (2), across Sydney (2), and in Brisbane (1) represented the bulk of RTG inspections on the east coast. With AA take-up by other industry participants, it expected this will impact approximately 41,000 containers on average per annum.

The department will be delivering a series of webinars commencing from next week to take industry through the requirements to ensure successful outcomes.

Members expressed positive views for the implementation and industry's interest in pursuing this option. Mr Hunter noted this is a giant step forward for industry and the department to manage the risk of biosecurity and would like to see industry utilising this option where possible.

Ms Buckle advised Compliance and Enforcement Division is prioritising this work to ensure the trial is a success from an audit perspective, also looking at some dramatic reforms of the AA systems to get the best biosecurity outcomes, and how the department can further reduce costs for industry.



Mr Kostadinovski noted with training and guidance provided to industry there will be a commercial interest. Major industry participants currently undertaking RTG inspections will act quickly, while others will consider their investment.

Mr Milici advised the biggest operators involved are manned depots, however they may not remain the biggest operators as this is rolled out more broadly.

Action – Andrew Patterson to provide further information to members out of session on Class 14.4 AA requirements.

4.4 Green lane trial – update and arrangement design

Ms Herrick presented on the progress of the trial, which involves seven pilots with importers across different supply chains, business models and cargo flows. While there had been some scheduling slippage due to COVID and priorities of participating businesses, four of the seven pilots are now complete, with two in the final stages. The last pilot has been temporarily paused to accommodate competing business needs of the importer.

Work is progressing to convert the trial results into a trust-based biosecurity management program ('green lane' style arrangements). The arrangements will be for the supply chain assessed and subject to a level of ongoing assurance and verification activity. At this stage, commodities subject to compulsory onshore inspection will be excluded.

To apply importers will have to go through an assessment process, run on top of normal arrangements, which can take up to six to eight weeks depending on how quickly the importer can respond. Participating importers will still be required to meet all import conditions and hold appropriate import documentation for consignments (including permits, treatment certifications and mandatory declarations) but will not have to lodge these documents with the department unless requested for assurance purposes.

Members noted that while the program would be open to importers irrespective of size, it would not suit all businesses as it requires the entity to have sufficient visibility and control over their supply chain, and a level of import volume to make it a value proposition for the business.

There are still design elements to be settled, Ms Herrick indicated that successful pilot participants are expected to transition to the new arrangement by August/September 2022, with the program opening to a broader import cohort from September/October 2022. Information on the application and assessment process will be released in the coming weeks.

Mr Milici commented that this was a great initiative, asking whether importers would need to be ATT (Australian Trusted Trader program managed by the ABF) for eligibility, and whether importers can be partially 'green lane' where they have different trade lanes. Ms Herrick advised importers would have a green lane for the supply chain they were assessed against and that previous accreditations including ATT status would be assessed as part of the application process; being an ATT would not be mandatory.

Members noted the department is considering what would/should be cost recovered, and the pros and cons of a differentiated model.

Once the program was embedded, DAFF would look to expand the trusted importer concept over 2023 and align where practicable with similar government trust-based accreditation schemes such as the ATT Program.

Action – Secretariat to circulate presentation to members.



Agenda item 5 – Industry information exchange

Members agreed at the last meeting to include an item for real time observation of trade issues including volume changes, supply chain activities, shipping capacity and emerging trends that might impede trade flows.

Members raised the following:

- Mr Kostadinovski - feedback from industry on the cost of delays, and if profiles can be lowered for compliant importers, noting trade volumes are down.
- Mr McDonald - the Port of Melbourne trial is looking at changing the way biosecurity interacts with new motor vehicle imports, providing industry with more understanding of the department's regulatory compliance restrictions; and how this can be merged for the industry to manage the activity. If successful, this will have a significant impact on departmental resource allocation, with Federal Chambers of Automotive Industries also looking at managing the risk offshore for better outcomes.
- Ms Macgill – involvement in the program for Simplified Trade and Enhanced Processing (STEPS) providing additional opportunity to connect with importers and develop technical solutions to support system reform.
- Ms Tipping - need to continue pushing for alignment to other programs with ABF and Simplified Trade System (STS), where possible.
- Mr Noronha - Department of Infrastructure, Transport, Regional Development and Communications (DITRDC) and Shipping Australia Limited (SAL) convention progressing the maritime single window. Shipping lines and associations are moving towards data standards, noting Australia will need to comply under the SAL convention.
- Mr Birchall - interest in alignment with ABF, and more innovation, as part of the design and development of the Western Sydney Airport.

Departmental response:

- Noting the changing operating environment, the department's profiling approach is being re-visited through exploration of new technology and machine learning tools. The work will help the department to better understand compliance patterns and streamline profiles for a smoother border clearance. The department has already been advancing algorithm automation development and digitisation of passenger incoming cards to profile biosecurity risk before passengers arrive.
- While trade volumes are down, the department's volumes have gone up in terms of biosecurity activity. Global supply chain disruption and trade from non-typical sources or countries with different pests and diseases has increased biosecurity risk. The department is undertaking further analysis of the impacts to determine where other system adjustments are needed using measures for the upcoming Brown Marmorated Stink Bug (BMSB) as a test case.
- On STS, it was noted that this was an initiative of the former government and the new government's position on the agenda and initiatives is yet to be determined. The department acknowledges the need to be better joined up across government and industry and will continue to partner with others on ways to simplify trade requirements and minimise regulatory costs for business, including:
 - with the ABF on greater alignment in the design of the new Western Sydney Airport, and future cargo intervention models
 - with DITRDC on WSA and on maritime data standards
 - across government on digital transformation

Action: Secretariat to include an update at the next meeting on the work to streamline profiles/adoption of machine learning, including in the cargo pathway.



Action: Nathan Heeney to present at the next meeting on digital reform of DAFF import management systems.

Agenda item 6 - Updates for noting (discussion by exception)

Members noted the information papers circulated ahead of the DCCC meeting. Mr Hunter is happy to address any questions from members through bilateral meetings.

Agenda item 6 - Other business

Mr Hunter welcomed members' views on the timing and frequency of DCCC meetings and whether engagement should be increased leading up to the budget.

There is potential for roundtable meetings for transparency where not all industry sectors are represented at the DCCC, noting cost recovery and digitisation initiatives would be good discussion points, inviting members to suggest other discussion items.

Mr Noronha asked what other government departments were seeing in terms of impediment in the data space, particularly with duplication of data, noting a 'tell us once' model is needed. Mr Hunter acknowledged the red tape issues, advising the difficulty to exchange information between the department and ABF and the need to consider privacy laws.

Mr Hunter thanked Mr Noronha for hosting the meeting. A communique will be circulated following one week of the meeting, and the draft minutes to follow for comment.

Meeting closed 12:45pm

Summary of action items

Item no	Action	Responsible Owner
1.1	Circulate ANAO/IGB update to members following the meeting	Secretariat
1.2	Arrange for the new Deputy Secretary to attend a future DCCC meeting	Secretariat
1.3	Arrange for the new Inspector General of Biosecurity to attend a future DCCC meeting	Secretariat
3.1	Provide a summary of biosecurity funding under the former government, with an outline of current export cost recovery arrangements	Ms Laduzko
4.1	Arrange for a presentation at the next meeting on effects of organised crime including joint work with ABF under Operation Jardine	Peter Timson
4.2	Circulate Dr Parker's contact information to members for any questions on FMD or LSD from industry	Secretariat
4.3	Provide further information to members out of session on Class 14.4 AA requirements	Andrew Patterson
4.4	Circulate green lane presentation to members	Secretariat
5.1	Arrange for an update at the next meeting on work to streamline profiles/adopt machine learning in the cargo pathway	Secretariat
5.2	Arrange for a presentation at the next meeting on digital reform of import systems	Secretariat