



Australian Government

**Department of Agriculture
and Water Resources**

Review of Import Conditions for Used machinery

Have your say on proposed changes to Australia's import conditions for used machinery.

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1. Background

Australia's biosecurity system aims to protect Australia against pests and diseases likely to harm our country's natural environment, agricultural systems, and economy. A strong biosecurity system is critical to safeguard our international reputation for high-quality produce which helps in maintaining and expanding overseas markets, and our response to emerging threats.

The Department of Agriculture and Water Resources (the department) works closely with a wide range of stakeholders, including industry representatives and importers, to manage the national biosecurity system and maintain an Appropriate Level of Protection (ALOP) that meets community expectations and the requirements of in section 5 of the *Biosecurity Act 2015*.

As it is not feasible to eliminate all biosecurity risk without impeding trade, Australia's ALOP seeks to reduce biosecurity risk to a very low status. The department achieves this by setting import conditions based on a scientific assessment of biosecurity risks, and ensuring that these conditions are met. If the risks associated with goods being imported into Australia are found to exceed the ALOP, measures are proposed to reduce the risks to an acceptable level. This may include treating the goods prior to import which keeps the risk offshore. It also enables the department to intervene at the Australian border on arrival, and focus on verifying that the goods are compliant.

A review of import conditions for a range of imported goods is underway to deliver conditions that reflect the latest science and risk management approaches, make it easier for stakeholders to understand their obligations, and minimise regulatory impact.

With the introduction of the *Biosecurity Act 2015* on 16 June 2016, the department revised some import conditions for specific goods. This reduced regulatory burden and costs for industry as import permits for these goods were no longer required.

The department is keen to explore other initiatives to encourage voluntary compliance with biosecurity requirements by rewarding those that comply with reduced intervention levels and further savings to their businesses. This approach also reflects the responsibility government shares with industry and the broader community to reduce the likelihood of new pests and diseases entering Australia.

2. Purpose of this paper

This paper invites submissions from interested parties on proposed changes to the import conditions for used machinery, in particular high risk machinery.

Information on how to make a submission is in section 7 of this document. If required, a number of face to face discussion sessions will also be held at major ports to discuss the proposals during the consultation period.

In this document, the term **used machinery** covers both used machinery and used equipment that have come into contact with soil, plant or animal material. It also includes machinery that has been trialled or field-tested prior to import into Australia. These goods are currently subject to mandatory on-arrival inspection.

3. Why are import conditions for used machinery being reviewed

Used machinery can pose a high biosecurity risk due to a number of factors, including:

- the location and use of the goods offshore and likelihood of contamination with soil or plant and animal material (biosecurity risk material)
- the complex construction of certain types of machinery, which can create habitats for pests and make inspection and cleaning more difficult
- the location of and conditions where machinery is stored prior to export
- the end use and location of the machinery in Australia which may increase the likelihood of pests establishing if they arrive on the imported machines.

The *Biosecurity Act 2015* and its various Determinations specify classes of goods must not be brought or imported into Australian territory unless certain conditions are met. Section 43 of the *Biosecurity (Prohibited and Conditionally Non-prohibited Goods) Determination 2016* relates to the import conditions for used machinery and equipment (other than used beekeeping equipment or used veterinary equipment). This section applies to:

- used earth-moving, agricultural, construction or timber felling machinery or equipment (including assembled parts)
- used mining machinery, including oil-field drilling machinery that has come into contact with soil or material of animal or plant origin
- used grain-milling machinery
- field-tested agricultural machinery that has come into contact with soil or material of animal or plant origin
- food processing equipment.

The section states that these goods must not to be brought in or imported unless they are cleaned before export and accompanied by documentation stating they are free of biosecurity contamination and the method of cleaning. Contamination includes, but is not limited to, live insects, seeds, soil, mud, clay, animal faeces, animal material and plant material such as straw, twigs, leaves, roots, bark.

Despite this, a number of entities have sought to gain benefit or advantage through non-compliance, which has increased the risk posed by these goods and at times resulted in heavily contaminated machinery arriving at Australian ports. at the same time, as all used machinery is inspected on-arrival, there is currently little recognition or reward for past compliance or the approach used to achieve compliance.

The changes proposed in this paper seek to address both these matters.

4. What is not being reviewed

The following goods are out of scope as they are managed through other risk management strategies or import conditions, as listed under BICON:

- used vehicles
- used tyres, including oversize tyres, on or off rims
- commercially reconditioned engines, aircraft parts and vehicle parts.

Importers will continue to be responsible for ensuring the used machinery they import is clean and free of contamination, internally and externally, before it arrives in Australia.

5. What is being proposed

Proposed changes include:

- Classification of used machinery prior to import
- Mandatory offshore cleaning of high risk used machinery
- Reduced onshore intervention for importers with a demonstrated history of compliance
- Removing the requirement for lower risk used machinery inspections to be performed by specially accredited biosecurity officers
- An option for used machinery that arrives heavily contaminated, to be cleaned onshore *in extenuating circumstances*, at the importer's expense.

A summary of the differences between the current and proposed arrangements is at [Appendix 1](#).

The proposals mark the next step in reform; the first being the removal of the permit requirement for used machinery on implementation of the *Biosecurity Act 2015* on 16 June 2016.

5.1 Classification of used machinery prior to import

Under the proposed arrangements, the department's Biosecurity Import Conditions System (BICON) would be updated to identify used machinery as either high or low risk, with applicable import conditions clearly outlined for each classification. Importers will be responsible for assessing which classification applies to the machinery they seek to import and meeting the associated import conditions.

High risk used machinery includes complex machinery used in the following environments:

- agricultural
- construction
- domestic food processing machinery
- earth moving
- grain milling or harvesting
- mining or oil field
- timber felling or processing.

Low risk used machinery includes non-complex machinery that does not require dismantling or has been completely dismantled. All other used machinery and associated parts would be considered complex and therefore high risk.

If the used machinery has been wrongly classified by importers, this will be identified at the time of verification/inspection.

5.2 Mandatory offshore cleaning of high risk used machinery

Under the proposed reforms, all machinery identified and classified as high risk will require offshore treatment prior to import. Evidence of offshore treatment and risk mitigation will need to be provided to the department **prior to import**.

Evidence can be provided as part of standard pre-arrival reporting and must show that the cleaning has been undertaken to an acceptable standard and the potential biosecurity risk effectively managed.

Examples of the type of information to be provided include:

- details of the machinery, including make and model, and whether it has been dismantled
- age of the machinery and hours of usage
- port of origin (if not the shipping port)
- manifest of inner cargo

- the use of the machinery, including the kind of environment it has been used in (this includes field-tested machinery)
- the level of cleanliness of the machinery, e.g. photographs that illustrate the level of cleanliness or an offshore treatment certificate
- the offshore biosecurity risk management controls and treatments that have been applied to the machinery
- where and how the machinery is or will be stored prior to import.

Providing this information should not be an issue for most importers or brokers as it can be provided via existing pre-arrival reporting mechanisms (e.g. the Department of Immigration and Border Protection managed Integrated Cargo System or ICS). Customs brokers acting on behalf of large volume importers of used machinery have also advised that this information is readily available and is used externally.

On receipt of this information, the importer or agent would be advised if the machine is suitable for import or further cleaning/treatment is required prior to import.

High risk goods will continue to be subject to inspection on arrival. However, the level of intervention may be reduced where offshore treatment providers or supply chain arrangements for the cleaning and pre-shipment inspection of used machinery are approved and audited by the department. This is similar to the system currently approved for used vehicles.

Cleaning guides and checklists will also be revised to assist offshore cleaning providers to ensure that biosecurity risk material is completely removed from used machinery.

For low risk used machinery, evidence of cleaning/treatment offshore would still be required but may not be as extensive. This can be provided either prior to import or on arrival as part of standard documentary requirements for clearance.

5.3 Introduction of compliance scale to allow for reduced onshore intervention

The department proposes to introduce a compliance scale for importers of used machinery, similar to those in place for vehicles. Under this arrangement, onshore intervention may be reduced for importers with a demonstrated history of compliance. This would also allow for some low risk goods to be released on documentary assessment only following a period of consecutive compliance. High risk goods will continue to be subject to further verification and/or inspection on arrival to ensure they are free of biosecurity risks.

Importers with a record of continued non-compliance will have their consignments directed for export and may be subject to further pecuniary action and/or potentially criminal/civil prosecution.

5.4 Removal of requirement for all inspections to be performed by machinery-accredited biosecurity officers

Under the proposed arrangements, only high risk used machinery will be required to be inspected by a machinery-accredited biosecurity officer. All other used machinery inspections would be conducted by other biosecurity officers. This should reduce clearance times for onshore inspections, as importers of low risk used machinery will not have to wait until an accredited biosecurity officer is available.

5.5 Option to treat onshore in extenuating circumstances

The department will consider requests for heavily contaminated machinery to be cleaned/treated onshore in extenuating circumstances. For example, where a client has received the incorrect machine or the machine arrives contaminated despite considerable efforts by the importer to ensure it arrives clean. Importers should note that this could incur significant cost, depending on the availability of treatment providers/cleaning facilities and wharf space, and would be at the importer's expense.

Where there is deliberate or ongoing non-compliance, the goods will be directed for export.

6. Benefits

The department anticipates that the proposed changes will provide the following benefits:

- assurance that biosecurity risks associated with used machinery are kept offshore
- reduced costs and onshore biosecurity clearances for importers, as some goods will be able to be released on presentation and document assessment
- reduced onshore intervention for importers with a demonstrated history of compliance
- a reduction in the import of heavily contaminated used machinery. .

7. Making a Submission

Submissions may be lodged by email (preferred) or by mail and must be accompanied by a completed cover sheet, available on the [department's website](#).

Submissions can be emailed to airandseacargo@agriculture.gov.au or send a hard copy to:

Cargo and Mail Section

Compliance Division
Department of Agriculture and Water Resources
PO Box 858
Canberra ACT 2601

Closing date for submissions is 31 January 2017.

Should you require further information on the proposals outlined in this document, email airandseacargo@agriculture.gov.au or call 07 4683 3140.

8. Publication of submissions

Submissions will be published on the department's website unless you request otherwise. Please indicate clearly on the front of your submission if you wish for it to be treated as confidential, either in full or part.

The Australian Government reserves the right to refuse to publish submissions, or parts of submissions, which contain offensive language, potentially defamatory material or copyright infringing material. A request may be made under the *Freedom of Information Act 1982* for a submission marked confidential to be made available. Such requests will be determined in accordance with provisions under that Act.

Personal information provided by you in your submission will be used by the department for the purposes of the review. Contact information, other than your name and organisation (if applicable) will not be published. Your name and organisation will be included on the department's website to identify your submission. See the department's privacy policy web page to learn more about how the department collects, uses and stores personal information (<http://www.agriculture.gov.au/about/privacy>).

Where you provide personal information about an individual other than yourself, you must ensure that you notify the individual that you have provided their personal information to the department, make that person aware of this privacy notice and draw their attention to the department's privacy policy.

Appendix 1: Comparison of existing and proposed procedures

	Current	Proposed
Classification of machinery	Used machinery not classified, all treated equally	Detailed information to be provided to department pre-arrival to identify and classify used machinery as high or low risk. Import requirements and intervention will vary depending on the risk classification.
Offshore treatment of high risk, complex used machinery	All used machinery to be imported free of biosecurity risk material, no specific requirements for offshore treatment	Mandatory offshore treatment for classified high risk used machinery.
Import permits	Import permits no longer required after the introduction of the <i>Biosecurity Act 2015</i> . Import conditions set out in BICON.	No change.
Introduction of compliance scale	All consignments require inspection on arrival and further treatment and reinspection, irrespective of importer compliance history.	Compliance scale to be introduced to allow reduced onshore intervention for importers with a demonstrated history of good compliance
Inspection requirements	All used machinery requires inspection by a machinery-accredited biosecurity officer.	Only identified high risk used machinery will be required to be inspected by a machinery-accredited biosecurity officer
Option to treat onshore	Used machinery that is found to be heavily contaminated on arrival may be directed for export, at the importer/owner's expense.	Option for heavily contaminated used machinery to be cleaned onshore but only in extenuating circumstances. Where no effort has been made to clean the machinery offshore, or the importer has a history of non-compliance, the goods will be directed for export.