



DCCC Meeting 94 – 6th April 2023

MEETING MINUTES

9:30am – 1:00pm

Department of Agriculture, Fisheries and Forestry,
CQ2 Building, 70 Northbourne Avenue, Canberra City
Room: CQ2 02.037 Scribbly Gum
Microsoft Teams Meeting

Departmental Attendees:

Chair, Tina Hutchison, First Assistant Secretary
Peta Lane, First Assistant Secretary (11.30am – 1pm)
Rose Cracknell, A/g Assistant Secretary

Lee Cale, Assistant Secretary
Andrew Patterson, Assistant Secretary

Matthew Campbell, Assistant Secretary
Caroline Gibson, Assistant Secretary
Anna Brezzo, Assistant Secretary
Rachel Short, Assistant Secretary
Paul Douglas, Director (guest, Item 3.1)
Ben Rowntree, Director

Duane Roberts, Director

Biosecurity Operations Division (BOD)
Biosecurity Strategy and Reform Division (BSRD)
Cargo & Conveyances Policy and Detection
Capability / BOD
Cargo Operations (VIC, SA, WA, TAS) / BOD
Cargo Operations (NSW, QLD, NT, ACT) and
Regulatory Assurance/BOD
Audit and Assurance/CED
Compliance Controls and Strategy/CED
Investigations/CED
Funding and Revenue/Finance and Investment (F&I)
Cost Recovery Biosecurity/Funding and Revenue/F&I
Sea Cargo Policy/ Cargo and Conveyances Policy and
Detection Capability/BOD
Cost recovery/BOD

Industry Attendees:

Greg Carroll
Dianne Tipping
Tony McDonald
Carolyn Macgill
Sal Milici
Melwyn Noronha
Paul Bagnall
Paul Damkjaer
Bradley Leonard

Australia Post
Export Council of Australia
Federal Chambers of Automotive Industries
Food and Beverage Importers Association
Freight and Trade Alliance
Shipping Australia Limited
Conferece of Asia Pacific Express Carriers
International Forwarders & Customs Brokers Assoc. of Australia
International Forwarders & Customs Brokers Assoc. of Australia

Observer:

Craig Birchall

Qantas Airways Ltd

Apologies:

Peter Timson, First Assistant Secretary
Michael Gallacher
Peter Van Duyn

Compliance and Enforcement Division (CED)
Ports Australia
International Cargo Handling Coordination Association

Secretariat

Hayley Goodman
Angela Cressy

Branch Coordinator & Admin Assistant, Cargo & Conveyance Policy and Detection Capability /BOD
Industry Partnerships and Engagement, Sea Cargo Policy/BOD



Item 1 - Welcome and Introductions:

The Chair Ms Tina Hutchison, First Assistant Secretary, Biosecurity Operations Division, opened the 94th DCCC meeting by welcoming all and acknowledging country, and making a special mention of elder Wally Bell, who performed a Welcome to Country at the recent National Biosecurity Forum, and whose connection to the land goes back 35,000 years.

Chairing the meeting for the first time, Ms Hutchison acknowledged the work progressed during the tenure of the former Chair Colin Hunter and briefly summarised her experience across biosecurity system policy, reform and pathways and most recently live animal exports. Tina reiterated the importance of interconnectedness of the biosecurity system and working openly and respectfully with industry stakeholders.

The Chair then asked the committee to introduce themselves and their respective roles at the meeting in an “around the room” fashion.

Opening remarks: The Chair raised the difficult fiscal environment faced by the department. Two major pieces of work that are currently underway to stabilise biosecurity funding is the cost recovery review and consultation and the longer-term development of the sustainable biosecurity funding model currently under consideration by the government.

The first is the consultation paper which is out for consultation and is about price adjustments, but we also have a plan to manage cost recovery arrangements differently in the future. The second piece of work is the longer-term Biosecurity Sustainable Funding which is currently being considered as part of the budget. Irrespective of these two significant pieces of work, the next financial year will continue to be fairly constrained so it's important to be clear on collective priorities of the impressive array of work underway within the department. Being clear on what work will deliver best benefit for importers and effectiveness for the department. Currently there has been a significant impact on other projects such as the digital biosecurity reform work due to the focus on resources for critical programs.

Ms Macgill requested a listing of activities to feedback priorities to the department which the group agreed to provide.

- **Action Item 1** – department will provide key projects listing to DCCC members and a practical engagement process.

Item 2 – Previous Minutes and Actions – DCCC Mtg 93, 22 November 2022:

Members accepted the **93rd meeting minutes** as final. Members also noted the actions of previous meetings are complete, progressing or are considered a key ongoing priority.

Agreement for ongoing commitments/activities NOT to be reflected as action items but retained separately from the action items as a prioritisation.

- Please see [attachment A](#) - DCCC Action Register for updated item status and key prioritisation activities listing.

Item 3 – Items for Discussion:

3.1 Biosecurity Cost Recovery Arrangement Review: (Rachel Short and Paul Douglas)

Consultation paper released two weeks ago around changes to fees and charges to the biosecurity cost recovery arrangement. The online feedback “have your say” forum has been very well utilised. The consultation paper outlines the increased cost to deliver regulatory activities, the department's cost calculation methodologies and the reasons for the proposed changes to fees and charges.

Ms Short presented a slideshow outlining the purpose of the review, the changes to the biosecurity system and how we need to afford to keep pace. It outlined the biosecurity cost recovery arrangement and stabilising the cost recovery base to continue important regulatory activities. We will brief government with the results of the consultation process and any changes to fees and charges will only occur after a decision of government and amendments to our current charging legislation. We do anticipate that prices would come into effect from 1st July subject to government decisions and then legislative process.

Mr Douglas continued the presentation by explaining that the cost recovery work forecast costs for next year and there's no sense in this in which we're trying to recover for previous years or of any loss or deficit that exists. This is purely about forecasting our costs and what does that look like in terms of managing our risks, managing the threats, what kind of capability do we need and how to build into that cost is just what we would naturally be doing anyway in terms of making things better and improving things for ourselves and for industry, but not on the scale that the biosecurity sustainable funding work would seek to do. The gap between costs and revenue in 2023-24 is forecast to be around \$36.4 million.

Discussion ensued regarding two pieces of work regarding charging points and where existing gaps exist and whether we have the charges right. The department needs to identify the funding source for the work we do and the charging points we have available and forecast with industry engagement to keep it modern, useful and structured correctly. The first step is just about a price increase on the prices we currently have. Stakeholder engagement and industry input are really important, and we would be looking for that every year. One of the key things is the assumptions that we make about our projected volume and industry are best placed to tell us



whether we're getting that right or wrong or if we need to adjust anything. Correct assumptions are important to our model and in determining those fees and charges because we really are projecting what the volumes are going to be in a future year. So, we will require genuine and evidenced feedback and transparency on both sides from industry and the department.

Over 60% of Biosecurity Operations Division (BOD) were cost recovered last year, and 40% appropriation funded by government which is largely a sustainable funding conversation. Mr Douglas explained proposed volumes for key activities and the major elements of forecast cost base for 2023-24, including proposed key changes that look at regulatory effort and changes in the biosecurity system.

Key discussion points:

- Mr Carroll questioned whether increased fees and charges would fund better biosecurity services to industry or future projects. The Chair clarified that this is a price increase to match effort with cost and that improving interactions with industry is a focused aspect of the sustainable biosecurity funding model.
 - Members discussed the decisions and timing of government through the budget process and that it is unlikely to be affecting any base cost recovery fees and charges in 23/24.
 - Ms Macgill questioned the frequency of review of the baseline service delivery which includes current time frames with staffing numbers which has been historically every eight years. Response clarified that it is the departments intention to conduct annual reviews including a consultation process and to apply indexation to minimise impact to industry. A more comprehensive review including a consultation process is more likely every two years.
 - Mr Carroll discussed the requirement to understand the cost base built into each component of biosecurity to help industry as a collective. Chair responded that we would expect to have that information and feedback at the CRIS (Cost Recovery Implementation Statement).
 - Mr Milici requested clarification that if commercial vessels come from international waters into Australia, they are only paying one arrival charge. It's not how many times you visit the ports, the charge is per ship? Chair responded that yes that is our understanding but will check and respond shortly.
 - Mr Carroll requested the volume growth on the SAC pathways which Mr Douglas responded that we have historical information on SAC but not projected forecast growth as this work sits outside of biosecurity cost recovery at the moment.
 - Mr Noronha asked if the department has considered the free trade agreements that Australia is signing with countries, do we anticipate any volume growth out of that? Mr Douglas responded that not principally at this time, but the team will look at this more closely to determine whether it should be.
 - Discussion continued with Mr Damkjaer recommending a base formula for the funding model to which the group agreed would improve the departments transparency. Industry would see fee for service increase and therefore expect service levels to go up and we need to be very clear that these increases are just for continuation of ongoing services. It will take time to increase capability such as training new staff and upskilling to balance workload demand with workforce capacity.
 - Mr Carroll asked for clarity over both inbound and outbound FID transactions and also Australia post has released their inside Australian online shopping which will alter volume growth and forecasting. Industry estimating in 2023, 1 in 3 dollars will be spent online which has potential for more biosecurity risk to enter Australia from global providers.
 - Discussion about letting industry know that truth of the costs and that there will not be an immediate increase in service levels, but it is coming with workforce building capacity. Authentic and transparent communication is key.
 - Ms Hutchison advised the 'have your say' forum will be open until the 24th of April and also there will be a "town hall" style meeting on 13th April which Lee Cale and Duane Roberts will be attending to give people an opportunity to engage with the department who may not have contact through representative bodies.
 - **Action item 3.1:** Paul Douglas and Greg Carroll – to converse and align the specifics on the cost recovery base model so that it is useful for all participants, industry and department alike, in terms of terminology and transparency within a useful timeframe.
 - **Action item 3.1:** Paul Douglas asked for DCCC comment as to whether the departments forecast volumes for key activities in the cost recovery model look reasonable based on industry forecasts.
 - **Action item 3.1:** Paul Douglas to confirm port charge is per vessel not per port in the cost recovery document.
 - **Action item 3.1:** Paul Douglas to provide information on the volume growth of the SAC pathway.
 - **Action item 3.1:** Greg Carroll to connect with Duane and Paul Douglas and share the Inside Australia Online Shopping document from Australia Post.
- Please see attachment B - Biosecurity cost recovery arrangement review slideshow as presented in the meeting.

****Break: 11:00am – 11.10am****

3.2 Document Assessment: (Lee Cale and Andrew Patterson)



Ms Cale reported on current assessment times for biosecurity entries which is currently 4 business days which places us 2 days over our published service level standards. Imported food entries are currently 3 business days which places us 1 day over our published service level standards. 37 imported food entries were sitting at that one day over, 400 biosecurity entries sitting at 2 days over.

During the onset of the peak season (including BMSB season), where workloads increase, additional short-term strategies were put in place in an effort to not fall behind with the anticipated increased workloads. This combined with January, which saw an unusual lull in numbers of entries lodged, resulted in an almost immediate turnaround of assessments. The removal of the short-term strategies saw a return to “normal” volumes of entries being lodged by industry. Combined with IT outages and public holidays attributed to dropping outside of the published service standards. The inability to work non cost recovered overtime then exacerbated the ability to catch up/stay within service standards. An IAN was released reminding those industry members of the ability to request cost recovered overtime for document assessment if they wished to do so (noting budget constraints do not support working non cost recovered overtime).

Mr Patterson reported that there has been an improvement in the wait times for inspections as roughly only a third of assessments lead to an inspection. So, where the delay focus used to be on assessments, we look at the whole process and where the choke points are which throughout last year with the implementation of the scheduling system and IT systems issues, we had a different choke point but now this works a lot better, and we are finding that there is not as much of a flow on effect.

Key discussion points:

- Mr Leonard asked what the ratio is of fully trained staff to those with less experience. Ms Cale responded that since January last year we have recruited 70 new staff into assessments and have also lost some of our more experienced staff which are highly sought after in other areas of the department. Existing staff continue to become more competent. Assessments leadership had done an analysis to identify what critical staffing profile is needed compared with what we consider is a sustainable staffing level. This work, balanced with our budget constraints, will play out in a recruitment process. Whilst we may not be able to recruit to our preferred level, we have continued the process in readiness for the next FY budget outcomes.
- Group discussed that overtime is always subject to officer availability. Our advice to industry is if you want assessments or inspections undertaken outside of standard hours, then requests should be made early in order to finalise the workforce required. The group also discussed reasonable notification or notice to people to perform over time.
- Mr Leonard and Ms Cale advised the members the overtime email cut off requests are non-jurisdictional. So cut off is 11:00 AM in the relevant region.
- Mr Carroll asked if there was a knowledge article or website update to remind key industry of minimum documentation requirements so when there is a noncompliance, they go to the back of the queue and don't hold up the compliant clients. Ms Cale advised that the system is not able to operate like this, but these reminders are frequent to industry members. The Chair advised she had been introduced to an information system from the biosecurity analytics centre that allows us to see how certain players are behaving in the imports system. We need to think about how we would use that information and how we can usefully get it back to the people who need it to help inform them about getting things right the first time and to free up the system for compliant parties.

3.3 Open Discussion - DCCC meeting format:

The Chair asked the meeting members if they are happy with the meeting rhythm, the content and that the information is worthwhile and that we're focusing on the right things. General consensus was affirmative. Mr Milici commented that special guests with timely content would be welcome. Ms Macgill commented that progress on action items with clear deliverable timeframes is important which comes down to communication.

Item 4 – Industry Information Exchange

4.1 Update on the latest in shipping: (Sal M)

The Chair introduced Mr Milici, Freight and Trade Alliance to lead the item on the latest in shipping.

- **Action item 4.1:** Secretariat to circulate supporting summary report produced by Mr Milici
- Please see [attachment C](#) - Shipping report summary by Mr Milici.

Craig Birchall – if the attendee's want an IATA update, he will find it and circulate it.

Tony McDonald – From a new motor vehicles perspective we have some immediate challenges and have implemented strategies to clear the terminal of contaminated vehicles in Melbourne. Unfortunately, of course, with Melbourne being bypassed by shipping lines to a large extent now that's pushed a lot of congestion on the Port Kembla, Brisbane and Adelaide terminals. Our main focus now is on longer term offshore mitigation. Mr McDonald thanked Lee Cale and Caroline Gibson for the ongoing support.

Paul Damkjaer – Communication from DAFF and ABF is critical to troubleshoot problems. Ms Cale agreed and commented that industry engagement is an important part of the process but noted this issue was not a result of DAFF resourcing or process undertaken by DAFF, but rather an industry congestion problem. Contaminated vehicles are clogging up the ports/terminals and FCAI is the industry lead on this issue as the peak automotive industry body. Vehicle manufacturers are talking to us about the offshore measures they are putting in place to reduce this and we are now starting to see evidence of this working.



Carolyn Macgill – Industry had a lot of questions around Operation Avoca and the potential implications for importers due to the 30 tonnes of material secured at the facility. Industry wants an outcome that is not just focused on one incident and people seem to have a mistrust of Redline and a fear of being exposed.

Melwyn Noronha – Shipping has learnt lessons from covid and the oversupply and overdemand. Overdemand is now starting to balance out and ships are now putting into place better biofouling management plans, and we are having constructive meetings with the department about that. We are also looking at efficiencies in how bulk inspections are undertaken. With 5600 container ships on the water, we will probably start to see some shipping lines move into scrapping or they will move into other threads.

Item 5 - Updates for noting (discussion by exception)

3 updates were discussed by members:

5.1a National Biosecurity Strategy – comprehensive update (Peta Lane)

One of the pieces of work we are assisting the National Biosecurity Committee with is the strategy which was released in 2022. A National Implementation Committee (NIC) has been established to support the implementation.

The intention is to develop an annual implementation plan and action plan through the NIC and dedicated working groups. There has been a particular focus placed on strong culture and partnerships – one of the six strategy priorities and this may be an early focus of the implementation work. We have some tight timeframes in which to deliver, which is something we have been discussing with the NIC.

5.1e AA 14.4 Rural Tailgate Inspections

Mr Milici raised the Class 14.4 uptake. Members noted that the uptake was at 14% and wanted to discuss how to increase the roll out.

Ms Cracknell responded with mentioning the targeted industry live event sessions that were rolled out last year as part of the taskforce and whilst uptake remains low there has been substantial subscription in terms of approved arrangements that are in place. It's now up to industry to utilise that initiative. Mr Rowntree advised there is increasing uptake on the 14.4 and a video for participants to drive uptake is being developed. 14.4 RTG result lodgement is going into the portal next week so the AA's will be able to submit their results through the portal as well.

Group discussed how to drive the uptake and whether further industry conferences is a good place to have the conversation. It's the transport companies, approved arrangements and freight forwarders that book the tailgates so we need to drive the change with brokers who could recommend the 14.4 inspections and drive the change.

- **Action item 5.1e:** Connectivity group establishment consisting of Sal Milici and Brad Leonard with Andrew Patterson, Lee Cale and Rose Cracknell, to identify the messaging required for industry 14.4 AA uptake and push the message to the end users and decision makers in forums. Update to be provided by the 6th of July DCCC meeting.

5.2 Legislation

Mr Birchall noted an increase in terms of penalties going from 120 units to 1000 units and asked for the background on this. Ms Lane discussed a comprehensive review of penalties 4 years ago, which is still ongoing, where the offense provisions did not match up to the penalties in other legislation. Happy to provide more clarity around this and critique provisions out of session.

- **Action item 5.2:** (Matthew Campbell) to provide a paper on July 6th DCCC meeting with what is happening in audit across cargo with industry and a trend analysis on findings on where we are finding non compliances and how we are tracking with audits. We have developed a prioritisation framework with key drivers being legislative and market access driven in addition to significant noncompliance. Matt to reach out to DCCC members for information that they want to see.

Ms Lane noted for interest that Commissioner Outram and the Secretary met 6th April to discuss collaboration on Western Sydney airport, sustainable funding and STS. There is a strong commitment to working together and cross agency collaboration two or three times a year. Discussion around digital reform and how it fits in with STS was an action item that came out of a previous meeting and how we will manage this. The heads of each of the agencies had similar challenges so strong relationships will be key.

Item 6 – Other business

6.1 Closing remarks; next meeting:

Chair informed the committee that today's meeting is being recorded for the minutes and is not intended to be kept and confirmed there are no declaration of conflicts of interest among today's members. Chair thanked the committee for attending the meeting and for the engagement and participation involved and asked if the committee has a preference to meet in person which was received in the affirmative. Chair to get back to committee on location of the next meeting. Happy Easter and travel safely.

****Meeting closed 13:00hrs****



- Next meeting scheduled for 6th July 2023 location TBA.

DCCC KEY ONGOING PRIORITISATION ACTIVITIES:				
<ul style="list-style-type: none"> ➤ Secretariat - Arrange IGB to attend future DCCC meetings as required to update members on the progress of reviews. ➤ Secretariat - Arrange for an update on Biosecurity Digital Reform as a standing item at future meetings as required. ➤ DCCC members - Ongoing discussions and shared information on how we take learnings from 'COVID related' global supply chain shocks to support future preparedness and what areas could be prone to the next wave of global supply chain disruptions. ➤ Chair - STS opportunity for presentation to DCCC later in the year and to ensure STS agenda is connected to the Agriculture Ministers Forum (AGMIN) agenda. ➤ Secretariat to invite AS Matthew Campbell Audit & Assurance to further DCCC meetings. 				
Item No.	Item Name	Action Arising	Responsible	Status
1	Key Project Listing	Arrange a key project listing to be provided to industry reps to feedback priorities to the Department.	Tina Hutchison	To be distributed prior to next meeting in July 2023.
3.1	Cost recovery base model	To converse and align the specifics on the cost recovery base model so that it is useful for all participants.	Paul Douglas & Greg Carroll	To be conducted prior to next meeting in July 2023.
3.1	Forecast volumes	DCCC to comment to Paul Douglas regarding whether the Departments forecast volumes for key activities in the cost recovery model match industry forecasts.	Paul Douglas & all industry participants.	Comments to be provided prior to the next meeting in July 2023.
3.1	Port charge clarification	Investigate and confirm that the port charge in the cost recovery document refers to per vessel not per port.	Paul Douglas	Clarification to be provided as soon as possible. Complete
3.1	SAC pathway volume growth	Information to be delivered to Greg Carroll on the volume growth of the SAC pathway.	Paul Douglas	To be provided prior to the next meeting in July 2023.
3.1	Inside Australia online shopping report	Report generated from Australia Post titled Inside Australia online shopping to be shared with Duane Roberts and Paul Douglas.	Greg Carroll	To be shared prior to the next meeting in July 2023. Complete
4.1	FTA shipping report summary	FTA shipping report summary produced by Sal Milici to be distributed to DCCC with Meeting 94 minutes.	Secretariat	Complete
5.1e	14.4 Rural Tailgate uptake connectivity group	Establish a 14.4 RTG uptake connectivity group - Sal Milici and Brad Leonard with Andrew Patterson, Lee Cale and Rose Cracknell - to identify required messaging and drive message to end users in forums.	Rose Cracknell	Results to be presented at DCCC 95 meeting in July 2023
5.2	Audit services noncompliance trend analysis report	Report on audit services and noncompliance trend analysis to DCCC at next meeting.	Matthew Campbell	To be presented at DCCC 95 meeting in July 2023