



## DCCC Meeting 95

# Minutes

6 July 2023

9:30am – 1:00pm, Department of Agriculture, Fisheries and Forestry,  
Agriculture House, 70 Northbourne Avenue, Canberra City

### Departmental

**Apology Chair**, Tina Hutchison, First Assistant Secretary

**A/g Chair**, Andrew Patterson, Assistant Secretary

Peta Lane, First Assistant Secretary

Peter Timson, First Assistant Secretary

Matthew Campbell, Assistant Secretary

Colin Hunter, First Assistant Secretary (guest, item 3.1)

Therese Hemmingsen, Assistant Secretary (item 3.1)

Jo Laduzko, Assistant Secretary

Holly Buckle, Assistant Secretary

Brett Liebich, Assistant Secretary

Bryan Downie, Assistant Secretary (Proxy)

Rose Cracknell, Assistant Secretary (guest item 5)

Duane Roberts, Director (guest, item 3.2)

Paul Douglas, Director (guest, item 3.2)

Sophie Beeton, Director (guest item 5)

Lauren Grimes, Director (guest item 5)

Biosecurity Operations Division (BOD)

Cargo Operations (NSW, QLD, NT, ACT) Reg. Assurance/BOD

Biosecurity Strategy and Reform Division (BSRD)

Compliance and Enforcement Division (CED)

Audit and Assurance/CED

Biosecurity Funding Sustainability

Biosecurity Funding Sustainability

Cargo and Conveyance Policy and Detection Capability Branch/BOD

Cargo Operations (VIC, SA, WA, TAS)/BOD

Operational Intelligence and Coordination/CED

Investigations/CED

Risk, Intelligence and Strategy/BSRD

Cost Recovery/BOD

Cost Recovery Biosecurity/Funding and Revenue/ESG

Compliance Control and Strategy/CED

Innovation Legislation and Engagement/BSRD

### Industry

Dianne Tipping

Carolyn Macgill

Bradley Leonard

Michael Gallacher

Paul Bagnall

Greg Carroll

Tony McDonald

Scott Carson

Sal Milici

Peter Van Duyn

Craig Birchall

Export Council of Australia

Food and Beverage Importers Association

International Forwarders and Custom Brokers Assoc. of AU

Ports Australia

Conference of Asia Pacific Express Carriers

Australia Post

Federal Chambers of Automotive Industries

International Forwarders and Custom Brokers Assoc. of AU

Freight and Trade Alliance

International Cargo Handling Coordination Association

Qantas Airlines Ltd

### Apologies

Anna Brezzo

Melwyn Noronha

Investigations/CED

Shipping Australia Limited

### Secretariat

Angela Cressy

Industry Partnerships and Engagement/BOD



### **Agenda item 1 – Welcome and introductions**

The DCCC Chair Tina Hutchison was an apology, Andrew Patterson, Assistant Secretary, Cargo Operations (NSW, QLD, NT, ACT) and Regulatory Assurance chaired DCCC Meeting 95 in her absence.

The Chair welcomed all members, acknowledged country and introduced two new Department of Agriculture, Fisheries and Forestry (DAFF) members: Jo Laduzko, Assistant Secretary, Cargo and Conveyance Policy and Detection Capability Branch and Holly Buckle, Assistant Secretary, Cargo Operations (VIC, SA, WA, TAS). Both Ms Laduzko and Ms Buckle are well known to DCCC members having engaged on numerous interagency trade and departmental biosecurity consultations. Former DCCC representative Rose Cracknell will move to the Biosecurity Strategy and Reform Division while Lee Cale leaves the department.

A formal introduction to all new DCCC industry representative members will take place at Meeting 96 on 15 November including Craig Birchall for Qantas Airlines Ltd and Scott Carson for IFCBAA who attended Meeting 95.

The Chair confirmed there were no declarations of conflicts of interest. No other items of business were raised.

### **Agenda Item 2 – Minutes and Actions – DCCC Mtg 94, 6 April 2023**

Members acknowledged DAFF website publication of the final 6 April DCCC Mtg 94 minutes and accepted the actions as read.

**Action 2.1:** Secretariat to liaise with the Chair to address *Mtg 94 Action 1: Arrange a key project listing for industry feedback on priorities to the Department either before or at the next meeting in November.*

### **Agenda item 3 – Items for discussion**

#### **3.1 Sustainable biosecurity funding actions – Colin Hunter**

The Chair introduced Colin Hunter to lead the item. Mr Hunter acknowledged the 2023 Budget outcomes and successful work of Jo Laduzko and her team to gain the Australian Government's support to sustainably fund Australia's biosecurity system, including more equitably sharing the cost of biosecurity across beneficiaries and risk creators.

Mr Hunter stated that Bronwyn Jagers First Assistant Secretary Biosecurity Strategy and Reform Division will progress the sustainable funding program and recapped the 9 May Budget biosecurity highlights:

- over \$1 billion in new investment to be allocated over four years to directly strengthen the biosecurity system
- to improve biosecurity clearance in cargo pathways, \$145.2m allocated over three years to FY 2026 for the digital Simplified Targeting and Enhanced Processing System (STEPS – Mtg 95 Agenda Item 3.3)
- authority to increase current biosecurity cost recovery fees and charges from 1 July 2023 with annual review and indexation effective from FY 2024-25
- the government requirement for the department to review and propose structural reform options for transparent and accountable import and export fees and charging at the border.

#### **Immediate sustainable funding work progressing:**

- **cost recovery for risk creators** in the following pathways:
  - self-assessed clearance (SAC) low value goods < \$1000.00
  - international mail
  - military equipment and personnel
- **biosecurity protection levy for beneficiaries**
  - domestic agricultural, fisheries and forestry producers to contribute through a biosecurity protection levy from 1 July 2024
- **for comeback to government:**
  - review and consider additional alternative approaches to fund biosecurity protection including a potential import levy for biosecurity risk created by imports consistent with Australia's international trade law obligations.

#### **In this context members raised:**

- the transparency of cost recovered fees and charges collection and distribution
- maintaining clear connections between biosecurity import cost recovery and the benefits for exports
- DCCC working as a collective on efficiency gains for government and industry particularly around sharing data
  - For example, Greg Carroll raised the department and industry's work on the 'on hold' paperless SAC Application Programming Interface (API) that would have eliminated 26,000 email transactions with the department
- assessment of the workforce base going forward in view of delays at the border and anticipated STEPS efficiency gains.

The department reiterated that over the next 12-24 months as the sustainable funding journey rolls out, the maturing outputs of the STEPS program, cost recovery arrangements (review, indexation) and broader reform investigations will land efficiencies.



Further that engagement with the DCCC and industry will be critical at each step to make sure all developments/initiatives, and any proposed charging model collection arrangements, are fit for purpose.

### 3.2 Biosecurity Cost Recovery Arrangements: status and next steps – Paul Douglas

The Chair introduced Paul Douglas to update members on the status of the cost recovery arrangements and next steps. Mr Douglas recapped the cost recovery arrangements review:

- intended to stabilise funding as part of the broader sustainable biosecurity funding agenda
- cost recovery funds around 40% of the department's costs
- governed by the Australian Government charging framework and authorised by the Public Governance, Performance, Accountability Act and biosecurity legislation
- consultation to review fees and charges conducted via DCCC, industry meetings and public fora over 5 months showed support for fee increases
- the cost to perform regulatory biosecurity activities 2023-24 is forecast at \$347.7m.

#### Outcomes:

- Key price adjustments from 1 July 2023:
  - 28% average increase: sea FID-\$63; and Air FID-\$43
  - out-of-office fees for activities delivered outside of departmental premises
  - Approved Arrangements: legislated tiered approach
  - importation charge split 20/80 for PEQ
- Maturing the cost recovery arrangements to ensure fees align with effort, costs and inflation through annual review and indexation (from 2024-25 onwards)
  - indexation based on December annual movement to inform industry on advanced rulings and provide adequate lead time to consult on the proposed CRIS for effect from 1 July.

Members raised what cost recovery might look like for the **Green Lane arrangement**. The department stated that for highly compliant importers the immediate effect of Greenlane eligibility is reduced intervention and corresponding fees for service. Members commented that participants' significant investments in assurance could potentially be rewarded by reduced fees e.g. Air FID. This raised the question of the implications for cost recovery revenue. The department reiterated that it is still evolving Greenlane implementation options. This includes what cost recovery might look like, not only for Greenlane, but also for similar types of programs to tie into the government's broader requirement for the department to review and propose structural reform options for charging and cost recovery at the border.

Paul Douglas stated he is happy for members to contact him directly with questions or concerns. Further that due to the timing of DCCC Meeting 95, the standard end of FY 2022-23 report would be provided to members once finalised.

**Action 3.2.1:** Secretariat to circulate the 2022-23 Biosecurity Cost Recovery report once finalised.

### 3.3 Simplified Targeting and Enhanced Processing System (STEPS) – Nin Hyne, Assistant Secretary, Digital Reform Branch

The Chair introduced Nin Hyne to lead discussion on 'STEPS' – a 2023 sustainable funding Budget measure to improve cargo pathway risk management and efficiency.

Members noted:

- the 2023 STEPS budget measure resulted from a 2nd Pass Business Case process governed by the Digital Transformation Agency's, Digital and ICT Investment Oversight Framework and costings agreed by the Department of Finance
- under the scrutiny of both agencies, the department's first tranche of STEPS work will establish governance, management, monitoring, evaluation and reporting protocols for transparency and accountability
- STEPS aims to efficiently assess risk in the cargo pathway via automated continuous biosecurity risk assessment of goods before they reach the border
- in the coming weeks, the department's Biosecurity and Compliance Board (BCB) will consider the STEPS road map and plan for roll-out
- the Biosecurity Analytics Centre will continue to bring together and connect existing import data sources and systems
- STEPS will mature the department's capability to make evidence and risk-based policy decisions on managing risk and workforce in the cargo pathway.



As the STEPS work rolls out, the constructive industry relationships built during the 2<sup>nd</sup> Pass Business Case will be maintained to progress development. The DCCC will be informed on STEPS progress.

**Action 3.3:** Secretariat to arrange an update on STEPS at the next meeting.

#### **Agenda item 4 – Industry information exchange**

NIL issues were raised for discussion.

#### **Agenda item 5 – Updates for noting (discussion by exception)**

Members noted the information papers circulated for consideration on 29 June 2023. Discussion was raised on the following items:

##### **Item 5.1a National Biosecurity Strategy (NBS) – 2023 Action Plan & progress**

Responsible for NBS implementation planning, Director Sophie Beeton summarised progress since the NBS' release in late 2022. There are four implementation deliverables: the communication and engagement strategy; the national implementation plan spanning 10 years to 2032; a monitoring and evaluation framework; and national action plan to deliver on the 6 NBS priority areas. The Working Group, made up of Commonwealth, State and Territory governments and industry representatives, is developing a National Action Plan to deliver outcomes under the NBS's 6 priority areas.

Members raised the NBS and its objectives for international relations. The department confirmed international relationships are a priority area under partnerships. Investigation is underway on what works well, areas for improvement and useful actions to strengthen those relationships.

Ms Beeton confirmed the department is happy to update the DCCC on NBS developments and invited members to contact her or the DCCC Secretariat with any questions.

##### **Item 5.1d: AA 14.4 Rural Tailgate Inspections (RTGs)**

Members noted AA 14.4 allows Biosecurity Industry Participants (BIPs) to undertake RTGs of containers destined for rural locations. The department acknowledged recent engagement with IFCBAA, FCAI and FTA on barriers to uptake and potential solutions noting the participation rate of eligible AAs is at 20% up from 14% in early 2023.

##### **IFCBAA and FTA reiterated some of the barriers to uptake:**

- commercial relationships, their drivers and factors determining where the RTG occurs e.g.: a parent company agreement with a specific provider; the importer; the receiving warehouse; the transport company; freight forwarders and customs brokers
- logistical cost considerations (travel route, distance and time)
- AIMS clearance and release – AA 14.4s are not compelled to provide the release which may increase broker's time to seek and secure releases. Potentially could go through AA 1.1.

##### **Based on recent industry advice, the department will pursue increasing uptake by:**

- collaborating with industry to develop targeted AA 14.4 training, communications and information to address industry sector concerns (e.g. directions, managing outcomes through the Portal, owners of and responsibility for risk) and more broadly, increasing awareness of AA 14.4 and its benefits
- further investigating commercial relationships; potential expansion to all AA 14.4 RTGs without a post border biosecurity requirement (99% of RTGs); implications for manned depot status and prioritisation of RTG inspections
- considering middle ground levers to increase uptake.

For any similar schemes proposed in the future, the department will take lessons from the AA 14.4 experience to assess the department's return on investment.

##### **Item 5.2a Amendments to the Biosecurity Act 2015**

Members discussed the 6 June 2023 *Biosecurity Amendment (Strengthening Biosecurity) Act 2022* (Strengthening Biosecurity Act) and the *Biosecurity Amendment (Advanced Compliance Measures) Bill 2023* (Advanced Compliance Measures Bill).



**Key points raised:**

**Advanced Compliance Measures Bill (before the Parliament at the time of meeting)**

- comprises four measures intended to strengthen the department’s regulatory tools and non-compliance actions against deliberate contraventions of Australia’s biosecurity laws
- concern about the Explanatory Memorandum’s complex language and the need for plain English educational materials to help stakeholders understand how the measures apply in their day-to-day operations. The department explained the parliamentary requirements for an Explanatory Memorandum and undertook to consider additional communication materials
- inadvertent non-compliance - the department reiterated that all referrals to Compliance and Enforcement Division are assessed and triaged for action and response commensurate to the level of inadvertent or deliberate criminal intent
- Strict liability was described as an outcome following a process of deliberation about the feasibility of all options e.g. treatment, destruction
- Members required explanations of how the provisions would apply for Section 140 contravening a direction under paragraph 135(2)(b) or 138(1)(a) and specifically paragraph 135(2)(b) Instruction to Export. The department undertook to provide explanations with contextual examples.

**Action 5.2a.1:** Biosecurity Legislation section to develop a summary table for members to communicate clear examples of the new strict liability provisions and their application.

**Action 5.2a.2:** The department to prepare a response for members regarding Section 140 contravening a direction under paragraph 135(2)(b) or 138(1)(a) and specifically paragraph 135(2)(b) Instruction to Export.

**Strengthening Biosecurity Act**

Members noted that changes to the use and disclosure of information under the Biosecurity Act means BIPs are authorised to disclose information required to perform their duties. Any information received by a BIP in the performance of their role under the Biosecurity Act is classified as relevant information with a subset of protected information including commercial-in-confidence. The department’s website will be updated with information and FAQs.

**Item 5.3a BMSB**

Members noted that based on a review of the season and current intelligence, the department will not change current approaches for the upcoming BMSB season commencing August.

**Item 5.4 Enforcement**

Peter Timson FAS CED provided an overview of national operations noting 107 current investigations; 5 led by the Commonwealth Director of Public Prosecutions; 37 in the public arena e.g. Operation Avoca, further noting that investigations are largely focused on companies or entities rather than individuals. In the cargo audit space Matthew Campbell AS Audit and Assurance stated that the high-level snapshot provided in paper 5.4.2 showed the success of largely unannounced audits.

**Agenda item 6 – Other business**

In closing, the Chair thanked members for engaging in person and online and confirmed the location for the next meeting on 15 November would be confirmed.

**Meeting close: 13:10pm**

Item	Summary - Meeting 95 Actions	Owner/s
2.1	Secretariat to liaise with the Chair to address Mtg 94 Action 1: Arrange a key project listing for DCCC industry rep feedback on priorities before or at the next meeting in November.	Secretariat/Chair
3.1	Secretariat to circulate the 2022-23 Biosecurity Cost Recovery report once finalised.	Secretariate/Paul Douglas
3.3	Secretariat to arrange an update on the STEPS Program at the next meeting in November.	Secretariat/Chair/Nin Hyne
5.2a.1	Biosecurity Legislation section to develop a summary table for members to communicate clear examples of the new strict liability provisions and their application.	Lauren Grimes
5.2a.2	The department to prepare a response for members regarding Section 140 contravening a direction under paragraph 135(2)(b) or 138(1)(a) and specifically paragraph 135(2)(b) Instruction to Export.	Rose Cracknell/Lauren Grimes