

30 August 2023

Senator the Hon Murray Watt
 Minister for Agriculture, Fisheries and Forestry
 PO Box 6100, Senate - Parliament House, Canberra ACT 2600 (via email)

CC: Dr Lloyd Klumpp - Inspector-General of Biosecurity

Import Cost Recovery

Dear Minister,

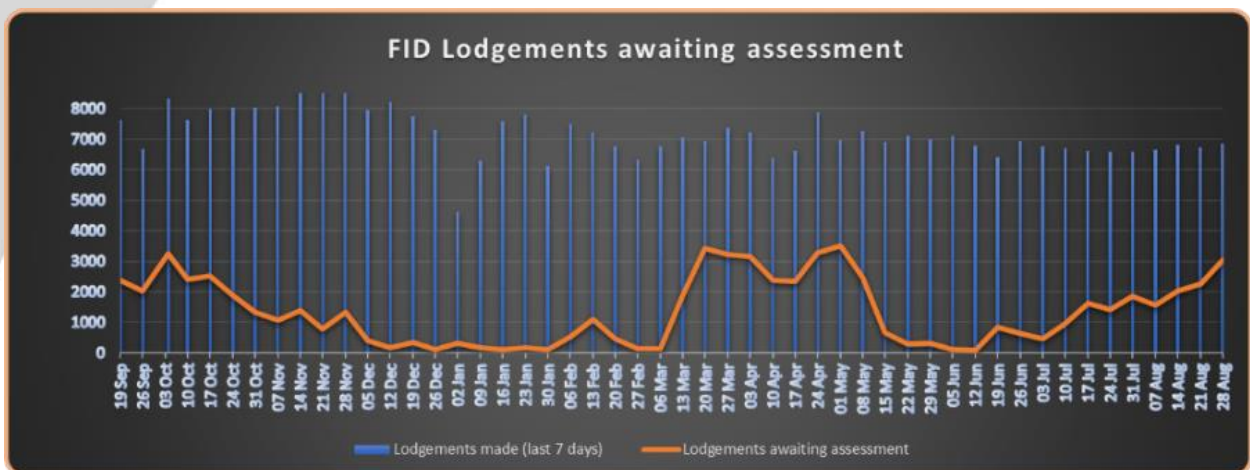
Freight & Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA) collectively represent:

- over 500 export, import, customs broker, freight forwarder and logistics businesses (member directory available at www.FTAlliance.com.au); and
- leading associations including the *Australian Cotton Shippers' Association*, the *Australian International Movers Association*, the *Australian Council of Wool Exporters & Processors*, the *Australian Meat Industry Council*, the *Australian Dairy Products Federation*, the *Australian Horticulture Exporters and Importers Association* and the *Tyre Stewardship Association*.

Your reference today on Linked-In has been brought to our attention from our membership:

Farmers told us importers should contribute more to Australia’s biosecurity operations. Now they are - \$51 million more in just 6 weeks - since we moved to full cost recovery for biosecurity services for importers. That’s \$51 million more than the Coalition collected under their failed container levy. The Albanese Government is delivering stronger biosecurity for our ag sector.

As you have stated, importers are paying more, yet without any explanation and despite this significant injection of funds collected over the last six weeks, the Department of Agriculture, Fisheries and Forestry (DAFF) has delivered a deteriorating service in document assessments.



SOURCE: compiled by FTA using weekly data provided by DAFF showing the quantum of Full Import Declaration (FID) lodgements awaiting assessment.

DAFF have historically addressed peaks in backlogs in import document processing by deploying officers on an over-time basis.

During the year, advice has been received that due to budgetary constraints, this remedy will not again be used. This leaves importers with a remaining option to individually request overtime which will come at yet another additional cost, above and beyond already high cost recovery fees.

There is no argument about the importance of effectively managing import biosecurity risks.

To that end FTA / APSA acknowledge the need for risk creators to contribute towards DAFF activities, with the caveat that those importers that are trusted and can demonstrate appropriate safeguarding measures, to receive a differential cost recovery benefit.

The underlying serious concern is that cost recovery fees are increasing without a commensurate improvement in services to facilitate legitimate trade, resulting in importers failing to meet commercial commitments to retailers and adding to supply chain costs (including storage and shipping line container detention fees) fuelling inflationary pressures across the Australian economy.

Whilst we anticipate that additional funding will eventually result in DAFF deploying more frontline staff, FTA/APSA has serious concerns whether existing labour intensive processes with DAFF officers physically assessing import documentation and selecting consignments on a set criterion for inspection will be able to keep pace with future projected growth of import volumes.

This not only threatens trade facilitation but also protection of our agriculture sector.

We note the Federal Government's commitment to the Simplified Trade System (STS) agenda and recommend that a review of import biosecurity processes be a high priority to deliver timely and sustainable reforms.

FTA / APSA look forward to an opportunity for direct engagement with you on these important matters.



Paul Zalai

Director and Co-Founder | Freight & Trade Alliance (FTA)
Secretariat | Australian Peak Shippers Association (APSA)
Director | Global Shippers Forum (GSF)