

6 November 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

**Adam Fennessy PSM** - Secretary| Department of Agriculture, Fisheries and Forestry

**Dr Chris Locke** - Deputy Secretary| Biosecurity and Compliance, Department of Agriculture, Fisheries and Forestry

**Tess Bishop** - Deputy Secretary| Transformation Taskforce, Biosecurity and Compliance, Department of Agriculture, Fisheries and Forestry

**Tina Hutchison**- First Assistant Secretary| Biosecurity Operations Division

Dear Minister,

Thank you for meeting representatives from Freight & Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA) on 18 October and for your letter dated 31 October 2023.

FTA and APSA are committed to working with the Federal Government and the Department of Agriculture, Fisheries and Forestry (DAFF) in achieving a world class system with the dual aims of minimising the risk of biosecurity incursions whilst facilitating legitimate international trade.

## INDUSTRY ERRORS

Your correspondence indicated that the high level of lodgement errors is a significant impact on DAFF workforce capacity. Over many years, FTA and APSA have put the position to DAFF to use available data and work with industry to identify common areas of error and recalcitrant organisations for targeted remedial action.

To that end, FTA continues its offer to DAFF the opportunity to participate in its import compliance training events (Sydney, Melbourne, Perth and Brisbane) and online training modules.

While acknowledging the need for ongoing industry education, data sourced from the DAFF weekly snapshot (Appendix A - week ending 19 September 2022 to 28 August 2023) suggests the department can adequately service industry needs when adequately resourced. As an aside, disappointingly, our requests that DAFF resume the supply of the weekly snapshot reporting mechanism to date has not been answered.

## REFORMS

As well as a collaborative approach to industry education, we look forward to supporting DAFF on the expansion of the Automatic Entry Processing for Commodities (AEPCOM), development of the Simplified Targeting and Enhanced Processing System (STEPS) and other necessary system and process reforms to meet current and future demands of projected import volume growth.

## INTERIM COMMUNICATION

Ongoing document assessment and inspection processing delays continue to result in increased storage, shipping line container detention fees (for the late return of empty container) and jeopardise importers' contractual arrangements with customers.

We are working with DAFF on appropriate communications to outline the above initiatives, tempered by the reality that importers should continue to factor in delays and additional costs for an extended period until reforms are progressively implemented.

## COST RECOVERY

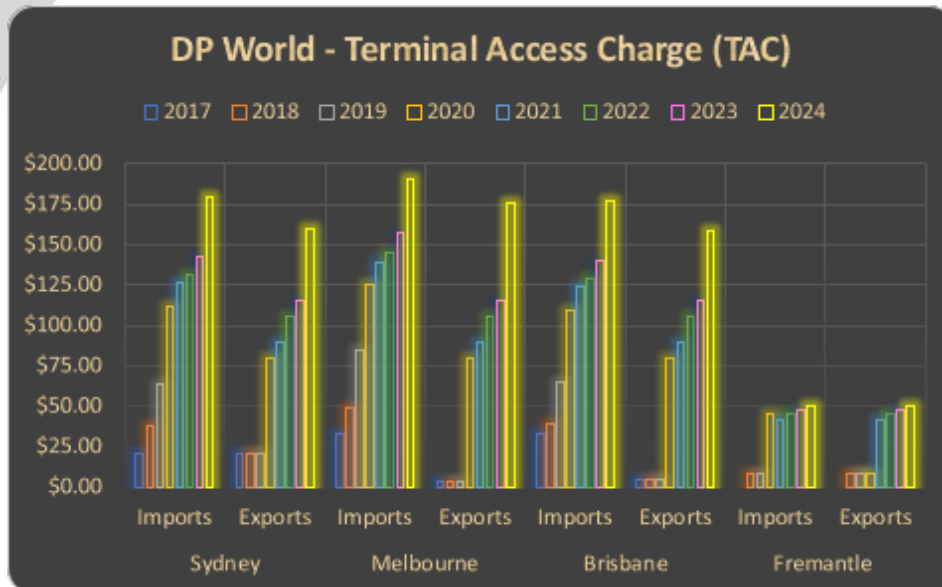
While the rationale for increased biosecurity cost recovery imposed on importers is understood (to fund the above initiatives, additional staff and training), the cost increase comes at a time when landside international trade supply chain costs are also rapidly increasing.

As discussed during our meeting, the Federal Government must offset this financial impost on importers (and offer relief to exporters) by regulating incontestable commercial charges that are currently costing our trade sector more than \$1 billion per annum.

## BROADER SUPPLY CHAIN COSTS

The Productivity Commission released their final report in December 2022 reviewing *Australia's Maritime Logistics System* with a key recommendation to introduce a Mandatory Code administered by the Australian Competition and Consumer Commission (ACCC) to oversee and approve any adjustments to landside fees.

Last week, DP World, one of a handful of container stevedore operators nationally, were the latest to increase their landside charges (effective 1 January 2024). Most notably are their Terminal Access Charge adjustments for exports (52.52% increase in Melbourne; 38.80% increase in Sydney; 37.50% in Brisbane) and imports (26.18% increase in Brisbane; 25.49% in Sydney; 21.22% in Melbourne).



## OPPORTUNITY FOR A “GOOD NEWS” STORY

The DP World surcharges have been highlighted in last week’s media including the **Weekly Times** *Port fee spike to have “alarming” impact on agriculture labelled ‘exorbitant’* (Appendix B) and the **Australian Financial Review** *DP World’s 52pc fee rise at Port of Melbourne* (Appendix C).

Both articles refer to the inaction of the Federal Government to respond to the Productivity Commission’s recommendations to restrict increasing supply chain costs, not only adversely impacting importers, but also having a significant financial impact on exporters, the agricultural sector and rural communities.

We respectfully request you to liaise with your Ministerial colleagues to support our advocacy for a Federal Government response to the Productivity Commission’s findings, in particular their recommendation for a Mandatory Code.

An opportunity exists to change the narrative with a good news story demonstrating a whole of government approach by curbing inflationary pressures for goods, facilitation of international trade and importantly, underpinned by world class biosecurity systems.

We look forward to ongoing 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)