



**SENATOR THE HON MURRAY WATT
MINISTER FOR AGRICULTURE, FISHERIES AND FORESTRY
MINISTER FOR EMERGENCY MANAGEMENT**

MC23-009448

Mr Paul Zalai
Director and Co-Founder
Freight Trade Alliance (FTA)
68 Brooker Avenue
BEACON HILL NSW 2100

pzalai@ftalliance.com.au

Dear Mr Zalai

Thank you for meeting with me on 18 October 2023 and for your earlier correspondence of 30 August 2023 about biosecurity cost recovery charges.

I am aware of the issues faced by the import industries which as you know is partly due to fluctuations in trade volumes and broader labour market challenges that have caused periodic congestion at the border. The Australian Government has responded by creating a sustainable biosecurity funding model for Australia's world class and critical biosecurity system.

On 1 July, the Government adjusted cost recovery fees and charges to address rising system costs and ensure that risk creators are paying their fair share. This was a result of the first comprehensive review of biosecurity cost recovery and has corrected a long-standing misalignment between the actual cost of delivering regulatory functions and the costs recovered for these functions. For your information and that of your members the increase in cost recovery was \$13.2 million (from \$98.1 million last year to \$111.3 million this year) between 1 July and 22 October 2023.

The Department of Agriculture, Fisheries and Forestry continues to undertake all our regulatory activities as efficiently as possible. This includes actively using overtime arrangements to facilitate clearances, but only where it is industry requested and the overtime fees and charges are accepted and can be appropriately cost recovered. Documents may be assessed outside business hours subject to officer availability and acceptance of the cost.

Statistics from the department indicate that for the for the 2022-23 financial year over 13 per cent of import documentation was lodged in an incomplete manner and over five per cent were lodged with errors. This represents over 50,000 occasions where frontline staff are required to divert their efforts from processing correctly lodged documentation. These lodgement errors have a significant impact on workforce capacity and contribute to increasing the number of lodgements waiting assessment.

The department will continue to diligently work to address issues within its responsibility such as:

- the implementation and expansion of arrangements to free up biosecurity officers to focus on higher risk functions such as Automatic Entry Processing for Commodities
- utilisation of the \$145.2 million provided to develop a Simplified Targeting and Enhanced Processing System
- growing the capacity and skills of the department's biosecurity workforce through training and recruitment
- establishing new ways of doing business including the use of innovative technologies for inspection and assessment activities.

Greater uptake of these new and expanded arrangements and the resultant increased capacity, would see a significant reduction in the number lodgements awaiting assessment at any point in time.

Achieving the maximum benefit from the system will take some time to come to fruition and relies on cooperative effort between government and industry. Industry can play their part by utilising existing and future mechanisms which reduce congestion at the border while maintaining a strong and effective biosecurity system.

I am grateful for the Freight Trade Association and its member's continued collaboration with the department.

Thank you again for our recent meeting and for bringing your concerns to my attention.

Yours sincerely



MURRAY WATT

31 / 10 / 2023