



# IFCBAA

INTERNATIONAL FORWARDERS & CUSTOMS  
BROKERS ASSOCIATION OF AUSTRALIA



## IFCBAA Response

**Sustainable Funding and Investment for  
Biosecurity**  
November 2022



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## **SUSTAINABLE FUNDING AND INVESTMENT FOR BIOSECURITY**

### **International Forwarders and Customs Brokers Association of Australia Response Submission**

#### **Introduction**

##### **International Forwarders & Customs Brokers Association of Australia Ltd. (IFCBAA)**

**IFCBAA** is Australia's leading peak national body, representing members' interests in international trade logistics and supply chain management service provision.

We are committed to being the single voice for international freight forwarders and licensed customs brokers, operators of premises licensed by the Australian Border Force or other government agencies with responsibility for the holding and movement of goods subject to border controls and the control of other groups involved in international trade.

IFCBAA represents its members and industry in a diverse spectrum of domestic and international trade committees, forums and discussion groups. In doing so, IFCBA is a member of advisory groups conducted by all government agencies governing the movement of goods across the Australian border. In representing its members, IFCBAA also represents the interests of the customers of its members being importers and exporters and those providing goods to importers and exporters as well as others in the supply chain.

IFCBAA represents (whether directly or indirectly) all parties in the international and domestic supply chain and has done so for many years.

IFCBAA was recently established through the merger of the Customs Brokers and Forwarders Council of Australia Ltd. (CBFCA) and the Australian Federation of International Forwarders Ltd. (AFIF).

Further details of IFCBAA, its credentials and its involvement in the movement and clearance of goods in and out of Australia are available at [www.ifcbaa.com](http://www.ifcbaa.com)

On behalf of IFCBAA, we would like to thank the Australian Government for this opportunity.

#### **Contact Details**

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## Response to discussion paper questions

**Considering the potential funding options and opportunities above, as well as from your experience, what elements do you think a sustainable biosecurity funding model should include? Are there elements that should not be included; if so, why?**

It has been identified that the importing and international travel sectors are often considered as the primary 'risk creators' through which a pest or disease can reach Australia. The fact that Australia has seen a significant decrease in manufacturing across all sectors means Australia is now heavily reliant on imported parts, materials and inputs for existing manufacturing industries as well as the finished goods required by all Australians. Australia is last amongst all Organisation for Economic Co-operation and Development (OECD) countries for manufacturing self-sufficiency, at 72 per cent,[1] reflecting a thirty-year downward trend of Australian manufacturing output and employment. Australia now produces about two-thirds as much manufactured output as it consumes,[1] creating a sizeable trade deficit in manufactures. Whilst this risk is accepted, importing businesses should not be unduly penalised for this situation. The benefits derived from these sectors contribute greatly to key export industries such as mining and agriculture.

[1] Senate Standing Committees on Economics - The Australian manufacturing industry  
February 2022

- Adequate and proportionate cost recovery or fee for service from all risk creating pathways that use the biosecurity system, subject to international obligations.
- Government funding through budget appropriation for biosecurity infrastructure such as IT systems and capital investments. All Australians are essentially risk creators by consuming imported goods and should therefore share in the cost burden.
- Low value / SAC shipments and e-commerce also contribute as a vector for risk and to be considered for cost recovery.

### **How would your proposed model operate at a practical level and who would it apply to?**

Maintain existing cost recovery collection methods:

- Via Full Import Declarations (FID) transacted in the Integrated Cargo System (ICS)
- Via AIMS invoicing to system users

Budget appropriations. Sustainable funding and investment reform notes that "budget appropriations can lapse or be reprioritized..." leading to negative impacts like lack of upskilling, systems improvements, poor staff retention and overall, a decline in biosecurity services. This needs government commitment to ensure infrastructure remains contemporary and adaptable, with rolling 5 – 10 year horizon planning for key systems like Simplified Trade Window integration.

There needs to be a sustained period of officer recruitment to a level where the department has sufficient resources to perform critical cargo operations activities, primarily import document assessment and cargo inspections, within the established service charter. Once recruited and operational, continuous training and upskilling of officers is important so they can be deployed across different functional units. Any prolonged period where service levels fall outside the service charter causes considerable added cost and delays through the supply chain which ultimately impacts on the consumer.

**How would your proposed model impact you and others? What would be the benefits or disadvantages to you and/or other stakeholders?**

The proposed model provides for equitable and transparent cost recovery for ultimate payers being the importing community. Cost recovery in charging guidelines allows for importers to accurately predict and budget for biosecurity services. Customs brokers and freight forwarders have a streamlined remitting process through the ICS and/or AIMS.

Budget appropriations for capital expenditure allows industry participation/co-design with the department for longer term planning such as system requirements and utilization of emerging technologies.

**Is the proportionality between those who contribute to the funding system and those who benefit the most, right?**

Cost recovery is the most equitable system when it comes to contributing to the funding system in the short to medium term. The last biosecurity cost arrangement review was undertaken in 2015, and since then, only minor changes to certain fees and charges. In the seven years since the last review, Australia has experienced COVID-19 which has drastically changed working practices both in the government and private sector and also a 32-year high inflation rate. Shorter periods for review of the cost base will help the fees and charges better align with existing biosecurity regulatory activities to industry.

A slight anomaly to this concept is the understanding that Approved Arrangement fees should not be increased to a level where it disincentivizes participation. It has been identified in previous forums that an expanded Approved Arrangement program can help assist the department with the delegation of certain activities to trusted and accredited industry participants. This also aligns with the DAFF vision of shared biosecurity culture and stronger partnerships.

**Are there other technologies, current or emerging, that could be employed to increase the efficiency of the biosecurity system, and perhaps reduce operational cost?**

The release of the Biosecurity Portal in 2022 was a step in the right direction as it allows import clients to book and manage their import inspections at any time. This concept needs to be expanded to a lot greater access to more service and activities, thus reducing the need for biosecurity officers to perform numerous administrative tasks but rather focus on risk management.

The virtual visual and label inspection concept has been operational for over twelve months so there should be sufficient data to review its benefits and limitations for consideration for expansion to other suitable inspection types.

Digital transformation is required to be able to cope with future trade growth and increased biosecurity risks.

## **How could the Commonwealth Government improve efficiency in the biosecurity system (consistent with meeting our Approved Level of Protection)?**

Pre-border / at the border – move away from being a transactional documentation manager to biosecurity risk manager and allow accredited persons to undertake low risk assessment functions to free up biosecurity officers to focus on high-risk interventions.

Border / post arrival - incentivize more industry participants to become Approved Arrangements. Allow AA's to undertake other biosecurity tasks. Depending on the class of approved arrangement, this could include simple inspections - visual/label inspections, tailgates or other inspection and sampling services.

AEPCOMM expansion to include more commodity groups to allow accredited persons to perform document assessment. Refining of the AEPCOMM Approved Arrangement in scope to allow certain changes to be made to declarations without the need for DAFF processing.

## **What other investments or actions could the Commonwealth Government make or take to sustainability support the delivery of biosecurity activities?**

The ideal situation is for pests and diseases not to reach Australian shores in the first place. Invest and participate in international initiatives that aim to reduce the spread of invasive pests and diseases by sea. Sea Containers - International Plant Protection Convention is an example.

Look at biosecurity from a whole of system approach with digitization and data analytics driving focus to identify risks more accurately. With limited labour resources coupled with increased trade volumes, utilization of resources will be paramount to ensure they are employed in the right areas – high risk/risk cargoes, auditing and compliance, to achieve desired outcomes consistent with our Approved Level of Protection.

One of the National Biosecurity Strategy 2022-2032 priority areas is Shared Purpose:

A risk-based system underpinned by science that protects Australia's people, our environment, economy and lifestyle from the biosecurity threats of today and tomorrow. Greater industry participation through accreditations like Approved Arrangements to create a true partnership. Underpinned by focused and relevant training to bring about highly skilled and sophisticated biosecurity industry participants.

Continuation of the Biosecurity Innovation Program.