



## **Assessment of the effectiveness of biosecurity measures to manage the risks of brown marmorated stink bug (BMSB) entering Australia**

The Food & Beverage Importers Association (FBIA) welcomes the opportunity to comment on the Proposals for change to the inspection and analysis of imported foods.

### **About Us**

The FBIA is an industry association that represents Australian importers of food and beverages in retail ready packs and product as an ingredient for further processing. We also have members from freight and logistics, expanding our coverage of the supply chain.

Members range from large multi-national companies to small specialist importers. Member imports include a wide range of commodities such as vegetables; fruits; nuts; dairy; seafood; confectionery; and oils. Products are imported in a range of states including frozen; fresh; roasted; prepared; processed; and canned. The value of our importer members is approximately \$1.2B; making them a significant contributor to the Australian economy.

FBIA importer members are in a growing sector with the growth of imported food predicted to initially remain steady with increases year on year. Imported food accounts for a large share of the gourmet grocery items and international foods, catering to Australia's large number of ethnic communities. IBISWorld

The FBIA sit on a range of committees to ensure our members are fully aware of legislation, regulations and compliance that affects their businesses. Our representation ensures governments and other bodies can access credible industry feedback which supports the ongoing development of instruments which govern the importation of food.

Further information on activities and management of the FBIA go to the Association's website:

[www.fbiam.org.au](http://www.fbiam.org.au).

## Summary

The *Biosecurity Act 2015 (the Act)* explains how Australia manages biosecurity threats to plant, animal and human health in Australia and its external territories.

The Department of Agriculture and Water Resources manages biosecurity with the view to creating balance between protecting Australia from pest and diseases and maintaining the ability to trade internationally.

The Biosecurity Act has been designed to be flexible and responsive to changes in technology and biosecurity challenges. Being able to adapt quickly is important as international passenger travel and trade continue to grow. The Act emphasises shared responsibility.

The statement that the Biosecurity Act 2015 maintains Australia's ability to trade internationally through flexibility, responsiveness and the ability to adapt quickly is in question given the ongoing issues across Assessment and Inspection Services which have been evident for some time.

## Response

Members fully support Australia's biosecurity position to protect our environment, ensuring pests are not introduced through trade, mail or passenger arrivals.

Most of the issues incorporated in the scope of review affect others within the logistics supply chain including customs brokers, freight forwarders, and shipping agents for a range of importers. Although food and beverages are not directly impacted by the increased BMSB biosecurity measures, our members are affected by the reduction in assessment and inspection services, and are experiencing significant delays that are damaging their ability to trade effectively and efficiently.

Members are observing their trusted relationships with customers are being tainted or worse, have deteriorate due to their inability to deliver products within agreed time frames.

An actual example demonstrates the issues being experienced by most members.

A study was completed on a consignment of a dried food products in a 20' Reefer, 10MT of product.

The member completed an entry request on October 22 for an inspection appointment on October 24. DAWR confirmed to the member on October 24 that the appointment was allocated for October 31.

General costs:

1. Shipment costs of importing & financing stock i.e. financing of stock, ocean freight, destination fees, interest, insurance, import clearance (agency, customs & quarantine fees) approx. AUD0.80/kg.
2. Inbound Handling costs i.e. Wharf Cartage, container unpack, wrapping, handling approx. AUD0.10/kg.
3. DC costs i.e. pallet hire, labour hire, cartage to customer approx. AUD0.09/kg

*Costs incurred due to inspection delays:*

1. Additional pallet hire, holding additional pallets to handle backlog of shipments x additional holding weeks at the DC (10 pallets x \$3.50/pallet/week x weeks)
2. Additional labour hire - day before to move out quarantine stock on hold, unpacking containers (if there's space) (\$30/hr/per person)
3. Container detention costs – with docks and Quarantine areas full the member cannot bring in just landed containers, detention days are closely monitored (sliding scale depending on what day it is returned at least \$80/per day)
4. Additional transport costs relating to storing FCLs at the transport company's yard and should power be required for a 20'RF = \$33/day
5. Delayed production/manufacturing because imported material is not available, the member either needs to source local product, or delay production which directly impacts the customer's launch date on products
6. The delays directly impact on the member's margin **and** the member receives fines from the retailers
7. The member has more than 20 containers stored at the transport company's yard. The member's quarantine bay is full, and they have no space to put product awaiting inspection

All these additional costs are measurable, are borne by the importer and cannot be recovered. The member could not provide a cost for lost efficiency. All the above is directly linked to the delay in inspections.

Members understand the issues the department are facing across assessments and inspection. However, they continue to be burdened with the financial consequences and reputational injury due to the ongoing long delays and their inability to trade effectively internationally.

The DAWR website states 'the Biosecurity Act has been designed to be flexible and responsive to changes in technology and biosecurity challenges. Being able to adapt quickly is important as international passenger travel and trade continue to grow. The Act emphasises shared responsibility.'

Through our participation on the DCCC we have provided suggestions to support DAWR inspection activities because industry understands the need to innovate – approach circumstances differently to achieve the outcomes the Act states.

Industry are committed to a shared responsibility, where services are paid by the importer through cost recovery. Industry will lose faith and trust unless the department can be flexible, responsive and adaptable. After all, expertise is collective.

If you would like further information, please contact me.

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