



Senator the Honourable Concetta Fierravanti-Wells

Liberal Senator for New South Wales

03 June 2022

Mr Grant Hehir
Auditor-General
Australian National Audit Office
GPO Box 707
Canberra ACT 2601



Dear Auditor-General,

Re: Request by Kollaras & Co Pty Ltd (Kollaras) to have Australian Border Force (ABF) referred to the Australian National Audit Office (ANAO)

I write in relation to Mr John Kollaras (Managing Director) of Kollaras, requesting the Australian Border Force (ABF) being referred to the Australian National Audit Office (ANAO), for performance issues pertaining to the duty drawback scheme in the 2019 period.

As detailed to my office, Kollaras is a third-generation family owned business based in the Illawarra region, which operates across many business areas including export trade. Kollaras purchases products being imported into Australia, identifies a foreign market for such goods and re-exports them for sale. Kollaras then obtains a refund called a 'drawback' of the import duty that was required to be paid upon the original import of the goods into Australia.

I am advised the ABF administers the 'duty drawback scheme'. In late 2019 Kollaras experienced significant financial hardship after the ABF made major changes to requirements for refunding import duty and applied them retrospectively to Kollaras' outstanding drawback claims totalling almost \$24 million.

Kollaras maintains such changes were made without notice or consultation with industry and have had significant implications for the viability of Australia's alcoholic beverage export trade. Documents received by Kollaras under Freedom of Information provisions, show the ABF acknowledged that documentation they demand from drawback claimants cannot be obtained.

In addition, I am advised the premises of Kollaras were raided by a joint ABF and Australian Federal Police taskforce. Alcohol products were inspected and electronic records seized and interrogated. At the end of this operation Kollaras was allegedly not involved in any wrongdoing.

To date, the ABF refuses to process and pay Kollaras' remaining drawback claims totalling almost \$24 million. Throughout 2020-2021 no resolution had been achieved with the ABF.

I ask you to consider the request made by Kollaras to examine the performance of the ABF pertaining to the 'duty drawback scheme' in the 2019-2020 period.

Yours sincerely,

Senator the Honourable Concetta Fierravanti-Wells