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The Parliament of the Commonwealth of Australia

# **Report 394**

**Review of Australia's Quarantine Function**

**Joint Committee of Public Accounts and Audit**

February 2003  
Canberra

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## Chairman's Foreword

This report presents the Joint Committee of Public Accounts and Audit's review of Australia's quarantine function. The review arose from the Committee's statutory obligation to review reports of the Auditor-General, namely *Audit Report 47 2000–01, Managing for Quarantine Effectiveness* which was tabled in June 2001.

Following the foot and mouth disease outbreak in the United Kingdom in February 2001, the Government provided in the 2001–02 Budget almost \$600m over 4 years to strengthen Australia's defence against the introduction of exotic pests and diseases.

The Committee has sought to reassure the Parliament that the Auditor-General's recommendations have been carried through, and that the additional funds allocated to the quarantine function are being well spent.

In general, the Committee believes Australia's quarantine function is in good shape and the additional funding is being appropriately used. It is not possible for Australia to adopt a zero risk stance as regards quarantine so there will be from time to time incursions of exotic pests and diseases. The Committee believes Australia is well placed to meet those threats.

However, the Committee has found some gaps and areas where enhancement is warranted.

The report is in four parts; firstly a review of the parameters within which Australia must operate as a member of the World Trade Organisation (WTO); secondly a review of border operations; thirdly a review of Australia's quarantine preparedness; and finally a review of efforts to educate stakeholders and the public, and maintain awareness of quarantine issues.

The Committee has reviewed Australia's appropriate level of protection (ALOP) and in particular whether the ALOP needs to be more precisely defined. The Committee does not consider greater definition is warranted. A more quantitative ALOP would invite debate and legal challenge as to whether quarantine measures for particular imports were consistent with the ALOP. Moreover, the WTO considers that Australia's current definition is appropriate and indeed other countries do not have a precisely defined ALOP. With little by way of precedent provided by previous dispute cases before the WTO, to alter Australia's ALOP would needlessly increase uncertainty.

The Auditor-General noted that many stakeholders misunderstood the role of Australia's ALOP in the import risk analysis process. Despite the communication strategy in place to promote stakeholder awareness, the Committee has recommended that when quarantine measures are announced for the importation of a particular product, the link with Australia's ALOP should be specified.

There has been no credible indication that in free trade negotiations, Australia is likely to trade off its current position on quarantine. However, the Committee emphasises that determination of quarantine measures based on scientific assessment and risk analysis should not be compromised to facilitate free trade agreements.

Evidence received by the Committee is that Australia is no longer at the forefront regarding import risk analysis and has in this respect slipped behind New Zealand and the United States of America. The Committee believes, therefore, it is time to revisit the recommendation of the 1996 Nairn Quarantine Review that a centre of excellence be established to undertake risk analysis research.

A problem with the import risk analysis process identified by the Auditor-General and confirmed by the Committee is that there is a significant backlog in dealing with applications to import commodities. A contributing factor is that Australia is vulnerable to a wide range of exotic pests and diseases. Nevertheless, evidence indicated that the backlog was leading to a degree of frustration expressed by some of Australia's trading partners. The Committee believes that it would be reasonable for applicants to have to wait no longer than six months before consideration of their application was commenced, and has recommended that additional resources be provided to allow this to be achieved.

The Committee has conducted extensive inspections of Australia's quarantine border operations and is satisfied with the performance of quarantine personnel. The Committee was impressed with the enthusiasm and professionalism of those officers it met and the strategy in northern Australia of involving indigenous peoples in quarantine activities.

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Evidence to the inquiry has revealed a significant gap in border protection as regards the potential for exotic biofouling organisms to enter Australia on the hulls of foreign vessels. The Committee believes that biofouling organisms on foreign vessels is primarily a quarantine matter and has recommended that in Northern Australia, where the threat is greatest, the activities of the Northern Australia Quarantine Strategy (NAQS) be expanded to meet the threat. The Committee considers that the Quarantine Act should be amended so that biofouling organisms fall within the legislation. As well, the Committee has recommended that relevant agencies identify areas and introduce procedures whereby vessels posing a quarantine risk can be routinely, expeditiously, and safely disposed of.

The Committee has inspected Australian Quarantine and Inspection Service (AQIS) arrangements for handling international cargo containers arriving in Australia. Evidence was received of inconsistencies in container handling, in particular between the ports of Sydney and Melbourne. The Committee has recommended that more container washing facilities be introduced in the port of Melbourne, and that standards and benchmarks be developed for the external and internal inspections of containers which reflect the risk assessment for the container and its cargo.

The Committee has also inspected the new Customs container x-ray facility in Melbourne. This facility is expected to x-ray some 100 containers a day and is able to detect items such as illegal handguns, drugs and plant material, including contraband cigarettes.

The Committee has reviewed the quarantine preparedness measures under the NAQS program and taken evidence on Australia's ability to meet the threat of exotic pests and diseases. The Committee believes that Australia is well prepared to meet existing and future quarantine threats, especially those emanating from the north.

Notwithstanding these comments, the Committee received evidence of a long term decline in the level of scientific expertise available in Australia which might be needed to assist in identifying disease incursions. The Committee is concerned at this decline. The creation of a critical mass of expertise often requires a significant lead time beginning with university undergraduate courses. While the Committee did not take detailed evidence regarding how to build up scientific expertise, it supports any practical moves to address this weakness.

At the time of this report the Committee had not been advised of the results of the recent foot and mouth disease outbreak simulation exercise. However, the Committee is confident that the lessons learned and planned future simulations place Australia in a strong position if such a disease outbreak were to occur.

AQIS has several public awareness campaigns in place, but continuous exposure to the same message can lead to saturation. Consequently, the Committee expects new and innovative ways to be developed to engage the public with the quarantine message.

In the report the Committee has made fourteen recommendations designed to enhance Australia's quarantine function. In addition, throughout the report the Committee has emphasised some minor areas of concern which should be addressed.

**Bob Charles MP**  
**Chairman**



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# Membership of the Committee

## 40<sup>th</sup> Parliament

Chairman Mr Bob Charles MP

Deputy Chair Ms Tanya Plibersek MP

Members	Senator Richard Colbeck	Mr Steven Ciobo MP
	Senator Stephen Conroy (from 5/02/03)	Mr John Cobb MP
	Senator John Hogg (until 5/02/03)	Mr Petro Georgiou MP
	Senator Kate Lundy (from 19/11/02)	Ms Sharon Grierson MP
	Senator Claire Moore (until 19/11/02)	Mr Alan Griffin MP
	Senator Andrew Murray	Ms Catherine King MP
	Senator Nigel Scullion	Mr Peter King MP
	Senator John Watson	The Hon Alex Somlyay MP

## **Membership of the Sectional Committee**

### **40<sup>th</sup> Parliament**

Chairman     Mr Bob Charles MP

Deputy Chair   Ms Tanya Plibersek MP

Members     Senator Richard Colbeck

                  Senator Nigel Scullion

                  Senator John Watson

Mr John Cobb MP

Mr Alan Griffin MP

Ms Catherine King MP

The Hon Alex Somlyay MP

### **Committee Secretariat**

Secretary     Dr Margot Kerley

Inquiry staff   Dr John Carter

                  Ms Mary-Kate Jurcevic

                  Ms Maria Pappas



## Duties of the Committee

The Joint Committee of Public Accounts and Audit is a statutory committee of the Australian Parliament, established by the *Public Accounts and Audit Committee Act 1951*.

Section 8(1) of the Act describes the Committee's duties as being to:

- (a) examine the accounts of the receipts and expenditure of the Commonwealth, including the financial statements given to the Auditor-General under subsections 49(1) and 55(2) of the *Financial Management and Accountability Act 1997*;
- (b) examine the financial affairs of authorities of the Commonwealth to which this Act applies and of intergovernmental bodies to which this Act applies;
- (c) examine all reports of the Auditor-General (including reports of the results of performance audits) that are tabled in each House of the Parliament;
- (d) report to both Houses of the Parliament, with any comment it thinks fit, on any items or matters in those accounts, statements and reports, or any circumstances connected with them, that the Committee thinks should be drawn to the attention of the Parliament;
- (e) report to both Houses of the Parliament any alteration that the Committee thinks desirable in:
  - (i) the form of the public accounts or in the method of keeping them; or
  - (ii) the mode of receipt, control, issue or payment of public moneys;

- (f) inquire into any question connected with the public accounts which is referred to the Committee by either House of the Parliament, and to report to that House on that question;
- (g) consider:
  - (i) the operations of the Audit Office;
  - (ii) the resources of the Audit Office, including funding, staff and information technology;
  - (iii) reports of the Independent Auditor on operations of the Audit Office;
- (h) report to both Houses of the Parliament on any matter arising out of the Committee's consideration of the matters listed in paragraph (g), or on any other matter relating to the Auditor-General's functions and powers, that the Committee considers should be drawn to the attention of the Parliament;
- (i) report to both Houses of the Parliament on the performance of the Audit Office at any time;
- (j) consider draft estimates for the Audit Office submitted under section 53 of the *Auditor-General Act 1997*;
- (k) consider the level of fees determined by the Auditor-General under subsection 14(1) of the *Auditor-General Act 1997*;
- (l) make recommendations to both Houses of Parliament, and to the Minister who administers the *Auditor-General Act 1997*, on draft estimates referred to in paragraph (j);
- (m) determine the audit priorities of the Parliament and to advise the Auditor-General of those priorities;
- (n) determine the audit priorities of the Parliament for audits of the Audit Office and to advise the Independent Auditor of those priorities; and
- (o) undertake any other duties given to the Committee by this Act, by any other law or by Joint Standing Orders approved by both Houses of the Parliament.



## Terms of reference

Following issues raised in *Audit Report 47, 2000–01, Managing for Quarantine Effectiveness—Department of Agriculture, Fisheries and Forestry—Australia*, the Joint Committee of Public Accounts and Audit will review the efficiency and effectiveness of the quarantine function.

In particular the Committee will focus on:

- the coordination of AQIS with other border control agencies;
- the identification of potential risks to Australia and the application of resources to meet those risks;
- the impact of international agreements on quarantine activities, including any proposed free trade negotiations;
- the operations of AQIS that are beyond Australia's borders;
- AQIS border operations;
- monitoring and surveillance within Australia for breaches of the quarantine barrier;
- the development of import risk analyses;
- opportunities to increase public awareness of, and involvement in quarantine issues; and
- any other issues raised by *Audit Report 47, 2000–01, Managing for Quarantine Effectiveness*.







## List of abbreviations

ABGC	Australian Banana Growers' Council
ACMF	Australian Chicken Meat Federation
ADC	Australian Dairy Corporation
ADJR	Administrative Decisions Judicial Review
AFFA	Department of Agriculture, Fisheries and Forestry— Australia
ALOP	Australia's appropriate level of protection
ANAO	Australian National Audit Office
ANZFA	Australia New Zealand Food Authority
AQIS	Australian Quarantine and Inspection Service
AVA	Australian Veterinary Association
CRIMP	Centre for Research on Introduced Marine Pests
CSIRO	Commonwealth Scientific & Industrial Research Organisation
Customs	Australian Customs Service
DIMIA	Department of Immigration & Multicultural & Indigenous Affairs
DPI	Department of Primary Industries
EA	Environment Australia
FIFA	Fertilizer Industry Federation of Australia

FMD	Foot & Mouth Disease
FSANZ	Food Standards Australia New Zealand
HVLV	High Volume Low Volume
IWGQ	Industry Working Group on Quarantine
JCPAA	Joint Committee of Public Accounts and Audit
NAQS	Northern Australia Quarantine Strategy
NFF	National Farmers' Federation
NIMPCG	National Introduced Marine Pests Co-ordination Group
PNG	Papua New Guinea
QEAC	Quarantine & Exports Advisory Council
QRC	Quarantine Review Committee
SLCRC	Senate Legal & Constitutional References Committee
SWF	Screw Worm Flies
WTO	World Trade Organisation

## List of recommendations

### Recommendation 1

The Department of Agriculture, Fisheries and Forestry—Australia should:

- finalise its *Draft Administrative Framework for Import Risk Analysis*; and
- update its website information to reflect the current procedures for import risk analysis. [Paragraph 2.48]

### Recommendation 2

The Department of Agriculture, Fisheries and Forestry—Australia and Environment Australia should report to the Committee on the effectiveness of the memorandum of understanding between them on quarantine matters in its response to this report. [Paragraph 2.53]

### Recommendation 3

A centre of excellence should be established to undertake risk analysis research. The Department of Agriculture, Fisheries and Forestry—Australia should review, and subsequently advise the Government, on options for the establishment of such a research centre. [Paragraph 2.78]

**Recommendation 4**

**The Department of Agriculture, Fisheries and Forestry—Australia’s *Administrative Process for Import Risk Analysis* should contain provisions requiring individuals involved with an IRA to declare any conflict of interest. [Paragraph 2.90]**

**Recommendation 5**

**The Government should provide sufficient resources to Biosecurity Australia to ensure that within five years the backlog in IRAs is such that new applicants can expect to wait no longer than six months on average before their IRA commences. [Paragraph 2.107]**

**Recommendation 6**

**The Department of Agriculture, Fisheries and Forestry—Australia should report to the Committee on progress with the single ballast water regime and provide a timetable for its introduction in Australia. [Paragraph 3.79]**

**Recommendation 7**

**Section 78A of the *Quarantine Act 1908* should be amended so as to make reference to biofouling organisms. [Paragraph 3.101]**

**Recommendation 8**

**The Northern Australia Quarantine Strategy should include activities to address the risks posed by organisms biofouling international recreational vessels and foreign vessels apprehended by the Commonwealth.**

**The Government should provide additional resources to the Northern Australia Quarantine Strategy to enable it to undertake this additional role. [Paragraph 3.102]**

**Recommendation 9**

Section 185B of the *Customs Act 1901* should be amended so it:

- includes the need to consult the Australian Quarantine and Inspection Service if a ship is considered by Customs to pose a quarantine risk; and
- specifies that ships posing an identified quarantine risk are dealt with in an appropriate manner and timeframe (to be specified in the Act). [Paragraph 3.103]

**Recommendation 10**

The Department of Agriculture, Fisheries and Forestry—Australia, the Australian Fisheries Management Authority, and Environment Australia, (in consultation with State and Territory counterparts) should identify areas and introduce procedures whereby vessels posing a quarantine risk can be routinely, expeditiously, and safely disposed of. [Paragraph 3.104]

**Recommendation 11**

The Department of Agriculture, Fisheries and Forestry—Australia should facilitate the provision of sufficient additional container washing facilities in the port of Melbourne to ensure there is competitive pressure on charges, and that the timeliness of container washing is improved. [Paragraph 3.121]

**Recommendation 12**

The Department of Agriculture, Fisheries and Forestry—Australia should develop standards and benchmarks for the external and internal inspections of containers which reflect the risk assessment for the container and its cargo. [Paragraph 3.123]

**Recommendation 13**

**The Government should provide additional funds to the Commonwealth Scientific and Industrial Research Organisation to enable its Centre for Research on Introduced Marine Pests to provide diagnostic advice to assist the Northern Australia Quarantine Strategy to monitor biofouling organisms. [Paragraph 4.31]**

**Recommendation 14**

**When quarantine measures are announced for the importation of a particular commodity, the Department of Agriculture, Fisheries and Forestry—Australia should specify how these measures relate to Australia’s appropriate level of protection. [Paragraph 5.18]**

## Introduction

### The Quarantine Function

- 1.1 Australia is an island continent with unique flora and fauna free from many serious pests and diseases. Consequently, many Australian products command a premium or are able to access markets because of Australia's disease-free status.
- 1.2 Potential risks to this unique status are managed through quarantine policies and operations, administered by the Department of Agriculture, Fisheries and Forestry—Australia (AFFA).
- 1.3 The quarantine function is currently delivered under three outputs within AFFA:
  - Output 4—Market Access and Biosecurity—which develops quarantine policy and advice to government, and undertakes import risk analyses (IRAs);
  - Output 5—Product Integrity, Animal (including Aquatic Animal) and Plant Health—which seeks to minimise the impact of pests and diseases on Australian agriculture, fisheries and forestry, by managing emergencies and developing national policies and strategies; and
  - Output 6—Quarantine and Export Services—which includes quarantine inspection, certification and food safety standards as delivered by the Australian Quarantine and Inspection Service (AQIS).

- 1.4 AFFA's Portfolio Budget Statements for 2002–03 indicate departmental appropriations for the three outputs were \$26.1m, \$13.8m and \$138.6m respectively. (In addition, AFFA received a total of \$181.3m from other non-budget sources.)<sup>1</sup>
- 1.5 Australia's quarantine policy is constrained by two international agreements to which Australia is a signatory:
- the World Trade Organisation (WTO) Agreement on Agriculture—this prohibits the use of agriculture-specific non-tariff measures to distort trade; and
  - the Agreement on the Application of Sanitary and Phytosanitary Measures—this prohibits the use of unjustified food safety and quarantine requirements to protect domestic producers from international competition.
- 1.6 Within the context of these agreements, AFFA has to balance the need to preserve Australia's environment and disease-free status through preventing pest and disease incursions, against to desire to facilitate imports and international trade which will benefit Australia's economy.

## Quarantine under review

- 1.7 Australia's quarantine function has been the subject of a number of reviews in recent times, most notably by the Australian Quarantine Review Committee (QRC) in 1996, and the performance audit by the Auditor-General in 2001.
- 1.8 In 1996, the QRC Report (also known as the Nairn Report) considered that the effectiveness of quarantine was less than necessary to protect Australia's unique plant and animal health status. Its main concerns included:
- the politicisation of the IRA process;
  - the lack of infrastructure to support plant health quarantine;
  - the lack of performance measures for quarantine;
  - inadequacy in the use of x-ray detection and detector dogs;
  - inadequacy of the major systems used to clear low value air cargo; and
  - the lack of a consistent, data based approach to managing risk at the border.<sup>2</sup>

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1 AFFA, *Portfolio Budget Statements 2002–03*, Budget Related Paper No. 1.1., p. 25.

2 Auditor-General, *Audit Report No. 47 2000–01, Managing for Quarantine Effectiveness*, Department of Agriculture, Fisheries and Forestry—Australia, Canberra June 2001, pp. 44–5.



- 1.9 In response to the QRC Report, the Government established key parameters for quarantine management and committed \$76 million to the function commencing in 1997–1998. Of this, \$25.3m was to be recovered from industry through fees and charges for quarantine services.<sup>3</sup>
- 1.10 The report by the Auditor-General, tabled in June 2001 aimed to assess AFFA’s management of plant and animal quarantine services, and the implementation and impact of the Government response to the QRC Report. However, the audit report revealed potentially serious shortfalls in Australia’s ability to secure its border against pests and diseases. As a result, the Auditor-General made eight recommendations, which were all agreed to by AFFA.<sup>4</sup>
- 1.11 In February 2001, there was a major outbreak of foot and mouth disease in the UK which had serious repercussions in Europe and elsewhere. The Government responded in the 2001–02 Budget by providing \$596.4m over 4 years to strengthen Australia’s defence against the introduction of exotic pests and diseases. Some \$281.4m was provided to AFFA as part of this initiative with the Government specifying that intervention levels at Australia’s borders were to substantially increased.<sup>5</sup>

## The Committee’s Inquiry

- 1.12 The Joint Committee of Public Accounts and Audit has a statutory duty to ‘examine all reports of the Auditor-General’, and the powers to report to Parliament ‘on any items or matters’ in the Commonwealth’s ‘accounts, statements and reports, or any circumstances connected with them’.<sup>6</sup>
- 1.13 Following the tabling of *Audit Report No. 47, 2000–01*, the Committee resolved in August 2001 to review the efficiency and effectiveness of Australia’s quarantine function. The Committee decided to review the issues raised in the audit report, but because of the additional funding provided to AFFA, the terms of reference were broadened. The Committee re-adopted its inquiry in April 2002 after the November 2001 federal election.
- 1.14 Invitations to provide submissions to the inquiry were advertised in the national press on 12 and 13 April 2002. Over 50 submissions were

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3 Auditor-General, *Audit Report No. 47 2000–01*, p. 46.

4 Auditor-General, *Audit Report No. 47 2000–01*, pp. 35–7.

5 AFFA, *Submission No. 14*, p. 126.

6 *Public Accounts and Audit Committee Act 1951*, Sections 8(1)(c) & (d).

received—a list can be found at Appendix A. 14 exhibits were received—a list is at Appendix B.

- 1.15 The Committee held public hearings in Canberra, Brisbane, Sydney and Melbourne between July and September 2002. A list of witnesses at the hearings can be found at Appendix C.
- 1.16 As part of its evidence gathering, the Committee has inspected procedures aimed at protecting Australia's quarantine border. The Committee has been briefed on Northern Australia Quarantine Strategy (NAQS) operations in Cairns and the Torres Strait, and has viewed quarantine operations at international airports, mail exchanges, sea freight terminals, and animal and plant quarantine stations. The Committee has also been briefed on the efforts to eradicate the red fire ant incursion in Brisbane and inspected fire ant infestation sites. The details of the inspections are at Appendix D.

## Report Structure

- 1.17 In Chapter 2, the Committee considers the parameters which define Australia's quarantine operations. The chapter includes a discussion of Australia's appropriate level of protection (ALOP) and the import risk analysis (IRA) process which determines the quarantine measures for the importation of commodities.
- 1.18 Chapter 3 focuses on operations at the quarantine border which are administered by AQIS. In this chapter the Committee has drawn from the information gathered during its inspection visits.
- 1.19 In Chapter 4, the Committee discusses quarantine preparedness. The chapter includes comments about NAQS which covers an area between Cairns and Broome and seeks to detect and respond to any pest and disease incursion. The Committee also discusses whether Australia has the necessary resources to detect and respond to pest and disease incursions.
- 1.20 The report concludes with a discussion in Chapter 5 of education and awareness. The chapter begins with a consideration of the skill levels and training of personnel involved with the quarantine function. Quarantine awareness can be promoted by way of information campaigns and through prosecution and other compliance activities—both are discussed by the Committee.

## Setting the quarantine parameters

### Introduction

- 2.1 Australia is a consistent supporter of free trade between nations and is a member of the World Trade Organisation (WTO). The WTO recognises that nations have a right to protect themselves from the introduction of exotic pests and diseases and has an agreed set of constraints on the protective measures member countries can impose on imports. The Agreement on the Application of Sanitary and Phytosanitary Measures (the SPS Agreement) sets the parameters on the quarantine measures which can be imposed by WTO member countries. The SPS Agreement allows WTO members to determine their appropriate level of protection (ALOP) and within this parameter set quarantine measures aimed at maintaining that ALOP.
- 2.2 When an application to import a new commodity is submitted to AFFA, Biosecurity Australia undertakes an import risk analysis (IRA) to decide whether to allow importation. If importation is approved, the IRA process sets the quarantine measures and conditions which are to be imposed on the imported commodity.
- 2.3 During the inquiry the Committee received evidence on:
- the nature of Australia's ALOP;
  - the process of conducting IRAs; and

- the potential impact of any free trade negotiations on Australia's quarantine measures.

## Australia's appropriate level of protection

- 2.4 In setting its ALOP, a country seeks to balance the risks of pest or disease incursions against the benefits of unfettered trade. The ALOP is thus a 'societal value judgement' which 'reflects community expectations with regard to risk generally and, in particular, with protecting agricultural industries and the environment.' It is 'an expression of government policy'.<sup>1</sup>
- 2.5 Australia's ALOP, as recognised by the WTO dispute panel in the *Australia Salmon Case*,<sup>2</sup> is:
- ... a high or 'very conservative' level of sanitary protection aimed at reducing risk to 'very low levels', while not based on a zero-risk approach'.<sup>3</sup>
- 2.6 While no definitive statement has been provided by AFFA concerning Australia's ALOP, information in AFFA's draft *Administrative Process for Import Risk Analysis Handbook*, and a comment provided by AFFA at a public hearing are consistent with the WTO understanding of Australia's ALOP.<sup>4</sup>
- 2.7 Australia's ALOP has been criticised in submissions and in evidence at public hearings. Specifically, the criticisms have been:
- the ALOP is too vague and should be better defined; and
  - there should be a different ALOP for different situations, especially as identified by broader economic considerations.

## Should the appropriate level of protection be better defined?

- 2.8 The Senate Rural and Regional Affairs and Transport Legislation Committee when it reviewed the *Australia Salmon Case* commented:
- 

1 Mr David Wilson, *The appropriate level of protection*, in *Quarantine and market access, Forum proceedings, 6–7 September 2000*, Biosecurity Australia, Canberra 2000, p. 160.

2 In October 1988, Canada successfully appealed before the WTO, Australia's ban on the importation of Canadian salmon.

3 WTO, *Australia—measures affecting importation of salmon*, 20 October 1998, paragraph 197.

4 AFFA, *Submission No. 14*, p. 200; Ms Mary Harwood, Executive Manager, Biosecurity Australia, *Transcript, 20 September*, p. 304.

... putting in place quarantine measures determined against a concept which is inherently vague and unsubstantiated, and which can only be inferred from analysing decisions on quarantine applications, is a recipe for inviting confusion and criticism. ... the standard against which the risk is being determined must be subject to some standards, guidelines or definition. The committee regards the current situation as being entirely unacceptable.<sup>5</sup>

- 2.9 The Senate committee recommended that the ALOP 'be more explicit and include as part of its determination environmental factors and the application of the precautionary principle.'<sup>6</sup>

### A more quantitative appropriate level of protection?

- 2.10 The submission from Australian Pork Ltd suggested that 'Australia's assessment of low risk is essentially qualitative which stems from Biosecurity Australia's inability to define ALOP'. It added that a more quantitative definition would be consistent with WTO rules.<sup>7</sup> Australian Pork Ltd also told the Committee that a quantitative analysis would provide more certainty as to 'the outcome of and rationale behind the import risk analysis and the protocols.'<sup>8</sup> This view was also supported by Australian Wool Innovation Ltd.<sup>9</sup>
- 2.11 The Committee notes that neither the Senate committee nor the witnesses to the inquiry volunteered a more quantitative definition of Australia's ALOP.
- 2.12 A quantitative definition of ALOP has been discussed in a Productivity Commission staff research paper. The paper asks whether the ALOP could be:

... in terms of a specific expected cost of pest or disease incursion (say \$50 000 per annum) or in probabilistic terms (say one in a million probability in 100 years of a cost or disease incursion of \$50 000 per annum)?<sup>10</sup>

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5 Senate Rural and Regional Affairs and Transport Legislation Committee, *An Appropriate Level of Protection? The Importation of Salmon Products: A case study of the Administration of Australian Quarantine and the Impact of International Trade Arrangements*, Canberra, 2000, p. 97.

6 Senate Rural and Regional Affairs Committee, *An Appropriate Level of Protection? p. 189*. The government has yet to respond to the committee's report.

7 Australian Pork Ltd, *Submission No. 2*, p. 10.

8 Mr Chris Ambler, *Transcript, 17 July 2002*, p. 91.

9 Australian Wool Innovation Ltd, *Submission No. 27*, p. 361; Dr Scott Williams, *Transcript, 17 July 2002*, p. 122.

10 Exhibit No. 2, Productivity Commission, *'The Role of Risk & Cost-Benefit Analysis in Determining Quarantine Measures'*, Staff Research Paper, February 2002, p. 42.

- 2.13 The paper proceeds to suggest that more precision would impose greater transparency and consistency on quarantine decision-making, because it would make it easier for 'a regulator to be consistent in evaluation across cases'. It would also reduce the vulnerability of the regulator to 'the charge of being susceptible to other influences.' The paper notes, however, that small industries would be less capable of absorbing an expected cost of a pest or disease incursion than larger industries.<sup>11</sup>
- 2.14 During a public hearing the Productivity Commission acknowledged that greater precision could also lead to more criticism and the search for loopholes.<sup>12</sup> In saying this, however, the Productivity Commission advised the Committee that the purpose of staff research papers was 'not to recommend policy changes but to provide information and analysis.'<sup>13</sup>
- 2.15 In contrast to the view expressed in the Productivity Commission staff research paper, the Committee has received evidence from the Queensland and Tasmanian Governments in support of the current definition of the ALOP. The submission from the Queensland Government commented that a more prescriptive ALOP 'would require a much more detailed import risk analysis process than the data currently available would allow.'<sup>14,15</sup>
- 2.16 AFFA has responded to this issue by noting that none of Australia's trading partners have a more precise definition than Australia. As well, there would be major difficulties in having a single prescriptive ALOP because there were 'so many different circumstances where it would need to be relevant.'<sup>16</sup>
- 2.17 In a supplementary submission, AFFA stated that providing a more quantitative definition of Australia's ALOP would:
- ... create significant difficulties in terms of having to publicly quantify, in a 'one size fits all' way, the extent of expected damage Australia is prepared to carry in biological, economic or environmental terms. A specific quantitative value for the ALOP could well lead to inconclusive legal debates in Australia and in the WTO over scientific evidence pointing to quarantine measures resulting in risks being slightly greater or below the ALOP value. This would not
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11 Exhibit No. 2, pp. 42, 44.

12 Mr Garth Pitkethly, *Transcript*, 3 September 2002, p. 254.

13 Mr Robert Kerr, *Transcript*, 3 September 2002, p. 253.

14 Queensland Government, *Submission No. 32*, p. 400.

15 Mr John Pauley, *Transcript*, 3 September 2002, p. 237.

16 Ms Mary Harwood, *Transcript*, 20 September 2002, p. 304.

only be limited to border measures, as SPS measures put in place by the States/Territories in governing trade in agricultural commodities within Australia are subject to the same requirement of consistency with the national ALOP.<sup>17</sup>

- 2.18 The comment from AFFA raises the question as to whether there needs to be a 'one size fits all' definition of Australia's ALOP. This issue is discussed below.

### The inclusion of the precautionary principle?

- 2.19 The precautionary principle is part of a significant number of international treaties and declarations to which Australia is a signatory. Regarding the environment, it can be stated as:

In order to protect the environment, the precautionary approach shall be widely applied by states according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.<sup>18</sup>

- 2.20 The precautionary principle is part of the Biosafety Protocol of the Convention on Biodiversity (as known as the Cartagena Protocol), which is directed at managing the movement of living modified organisms that may have adverse effects on biodiversity and human health. (Australia is not a signatory to the Cartagena Protocol.)<sup>19</sup>
- 2.21 The precautionary principle in international treaties has usually been a guiding concept without explicit directions on how it is to be applied. This has created 'uncertainty and concern that it might be used to weaken the scientific basis of risk assessment and risk management.'<sup>20</sup> A more specific concern is that the precautionary principle in the Cartagena Protocol may be used to unduly restrict trade in products of modern biotechnology.<sup>21</sup>
- 2.22 Commentators have noted that the WTO Appellate Body has rejected the notion that 'if it cannot be proved that an adverse event would never occur at any point of time, a WTO Member is free to prohibit entry of a product.' The Appellate Body emphasised that the likelihood of a pest or

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17 AFFA, *Submission No. 47*, p. 519.

18 *1992 Rio Declaration on Environment and Development*, Principle 15.

19 Queensland Government, *Submission No. 30*, p. 398.

20 Dennis Gebbie and Bruce Bowen, *Does the SPS Agreement need a precautionary principle? The Case of food safety*. in *Quarantine and market access, Playing by the WTO rules, Forum proceedings, 6-7 September 2000*, p. 167.

21 Queensland Government, *Submission No. 30*, p. 398.

disease transmission must be indicated as a probability, and that the precautionary principle did not override the provisions of the SPS Agreement.<sup>22</sup>

2.23 Nevertheless, other commentators have argued that the SPS Agreement in fact allows a precautionary approach because countries are able to determine their own ALOP which may be greater than that reflected in relevant international standards, guidelines and recommendations.<sup>23</sup>

2.24 Indeed, the Committee notes that Article 5.7 allows countries, in circumstances where relevant scientific information is insufficient, to provisionally adopt quarantine measures on available pertinent information, provided they seek within a reasonable time the additional information needed for a more objective assessment of risk.

### **Should there be different appropriate levels of protection for different situations?**

2.25 Returning to whether Australia should have a 'one size fits all' ALOP, the Committee received evidence from members of the horticulture industry arguing for different ALOPs depending on industry circumstances. Horticulture Australia Council Ltd told the Committee that for a small industry which might be destroyed by the establishment of a disease or pest there should be a different ALOP as compared to that for a large industry which could cope with the establishment of a pest or disease.<sup>24</sup>

2.26 The implication is that the ALOP should be more 'conservative' for smaller, more economically vulnerable industries.

2.27 Evidence was also received from the Murray Goulburn Cooperative Co Ltd which would lead to the same principle of different ALOPs for different industries, but with the opposite outcome. The witness argued that the ALOP 'should take account of the economic impact of quarantine barriers on the Australian community as a whole and on the Australian export industries in particular.' The witness added, 'We are not balancing one industry against the other; we are balancing the good for the

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22 Stephen Deady, *Lessons for Australia from WTO dispute settlement cases*, in *Quarantine and market access, Playing by the WTO rules, Forum proceedings, 6–7 September 2000*, p. 121.

23 Dennis Gebbie and Bruce Bowen, *Does the SPS Agreement need a precautionary principle? The Case of food safety*, in *Quarantine and market access, Playing by the WTO rules, Forum proceedings, 6–7 September 2000*, p. 167.

24 Mr Rod Fayle, *Transcript, 29 July 2002*, p. 142.



Australian economy’, but conceded that the result may be that ‘one industry benefits more than another.’<sup>25</sup>

- 2.28 Murray Goulburn Cooperative cited instances where the governments of the Philippines, Thailand and the United States had hinted at increased access to their markets as a trade-off for greater access for particular commodities (eg bananas and chicken meat) to the Australian market.<sup>26</sup> This view was supported by the Australian Dairy Corporation, which advised of the loss of about \$4 million worth of trade over a 4 month period during a ‘tropical fruit argument’ with the Philippines in 2000.<sup>27</sup>
- 2.29 The need for more economic assessment of quarantine policies has also been discussed in a paper by Ms Sallie James and Professor Kym Anderson. The paper comments that quarantine measures mainly focus on the effects of restrictions on import-competing Australian producers, but including the effects on consumers demonstrates that:
- ... even if imported diseases were to wipe out a local industry, the gains to consumers may outweigh the losses to import-competing producers from removing a ban on imports.<sup>28</sup>
- 2.30 The paper includes as a case study an economic analysis of Australia’s banana industry and suggests that allowing bananas into Australia could benefit consumers by \$300 million annually, while producers would lose \$60–100 million annually. The net gain would be ample to fully compensate the growers’ losses. The authors’ conclusion from the case study is that it would be in Australia’s economic interest to remove the current ban on imported bananas and enjoy the net gain from trade.<sup>29</sup>
- 2.31 A note of caution has been introduced in a paper by Digby Gasgoine who argues that introducing economic cost/benefit analysis would result in the restrictiveness of the SPS regime being determined by the ‘relative economic competitiveness of domestically produced and imported supplies of the commodity.’ In the case of imports from two countries with the same disease status the quarantine controls would be stricter on the country with the less efficient export industry. Therefore, there would

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25 Mr Paul Kerr, *Transcript*, 3 September 2002, p. 267.

26 Mr Paul Kerr, *Transcript*, 3 September 2002, pp. 268–9.

27 Mr Phillip Goode, *Transcript*, 3 September 2002, p. 275.

28 Exhibit No. 4, Sally James & Kym Anderson, *On the need for more economic assessment of quarantine/SPS policies*, in *Australian Journal of Agricultural and Resource Economics* 42 (4): 525–44, December 1998, *Abstract*.

29 Exhibit No. 4, p. 10.

be discrimination which would contravene the goal of a non-discriminatory GATT regime.<sup>30</sup>

2.32 The discrimination issue was also discussed in the Productivity Commission staff research paper. The requirement for consistency is covered in Article 5.5 of the SPS Agreement which states:

... each Member shall avoid arbitrary or unjustifiable distinctions in the levels it considers to be appropriate in different situations, if such distinctions result in discrimination or a disguised restriction on international trade.

2.33 However, the research paper raised a possible defence based on the discrimination not being arbitrary because it had resulted from the 'consistent application of a transparent and objective analytical framework.' Nevertheless, the paper proceeded to raise possible breaches of other SPS Agreement articles:

- Article 2.3 which prohibits arbitrary or unjustifiable discrimination where identical or similar conditions prevail and its application in a manner constituting a disguised restriction on international trade;
- Article 5.3 which lists ways to assess risks which do not include consideration of competition or trade related impacts of allowing or restricting imports; and
- Article 3.1 which requires Members to base their quarantine measures on international standards, guidelines or recommendations, where they exist, except where there is a scientific justification to maintain higher measures (Article 3.3).<sup>31</sup>

2.34 The paper concluded:

Although each of these legal arguments appears to have some merit, they must be considered debatable until further WTO guidance is given (through its dispute settlement system), or there is an explicit change in the rules.<sup>32</sup>

2.35 The Committee notes that use of broader economic considerations may also contravene Article 2.2 which requires Members to base quarantine measures on scientific principles and not maintain them without sufficient scientific evidence, except in cases where relevant scientific evidence is

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30 Digby Gasgoine, *The 'appropriate level of protection': an Australian perspective*, in *The Economics of Quarantine and the SPS Agreement*, Ed Anderson, McRae & Wilson, Centre for International Studies, Adelaide and AFFA Biosecurity Australia, Canberra, 2001, pp. 136-7.

31 Exhibit No. 2, pp. 52-3.

32 Exhibit No. 2, p. 53.

insufficient, whereupon the measure can be provisionally adopted (Article 5.7).

## The Committee's conclusion

- 2.36 In drawing its conclusion, the Committee notes AFFA's evidence that other WTO countries have not adopted a precisely defined ALOP. The example of a more quantitative ALOP suggested in the Productivity Commission staff research paper, unfortunately does not in the Committee's view provide the answer.
- 2.37 Setting a benchmark allowable annual cost of a potential pest or disease incursion raises the problem of accurately predicting the potential cost of a pest or disease incursion before that incursion happens. As well, the benchmark cost would have to be revised with increases due to inflation. The Committee agrees with the Productivity Commission that there is also the issue of equity for small industries which might be unable to cope with the benchmark cost of allowable incursions.
- 2.38 On the other hand, using the alternative probabilistic ALOP invites a change in the ALOP to zero risk if that probabilistic event occurs.
- 2.39 In both instances therefore it would be vital to set the benchmark at the appropriate level. Consequently, there is likely to be considerable and protracted debate on this issue by interested parties and the public in general. The Committee doubts whether the outcome would be an ALOP which did not attract legal challenge in both Australia and the forum of the WTO.
- 2.40 The Committee considers, therefore, that the case for a more quantitative ALOP has not been sustained.
- 2.41 Regarding the precautionary principle, the Committee believes that there is sufficient provision already in the SPS Agreement to address the uncertainty posed by new pest or disease threats to Australia, or from organisms which suddenly appear as a new pest or disease.
- 2.42 The Committee does not support the inclusion of broader economic considerations in deciding Australia's ALOP. The notion of allowing certain industries to be put at greater quarantine risk to pests and diseases in order to enhance the export opportunities of other industries is rejected. The Committee believes there are benefits to Australia having a diverse economy. A varied economy is a robust economy which is not unduly restricted by artificial constraints.

- 2.43 Notwithstanding the need to maintain a diverse economy for broader societal reasons, it is likely that including broader economic considerations in setting an ALOP, or adopting different ALOPs for different industries, could raise serious problems with the WTO. Indeed, evidence provided to the Committee points to potential legal difficulties arising from possible breaches of the SPS Agreement.
- 2.44 It is also clear that there is not a substantial body of case law in the Appellate Body of the WTO. Consequently, because of the costs and potential international damage arising from appeals to the WTO, it is not in Australia's best interest to become 'creative' in setting its ALOP, or creating several ALOPs, in order to rectify this case law deficiency.
- 2.45 In conclusion, the Committee believes that Australia should adopt a cautious approach as regards changing its ALOP. The WTO considers that Australia's current definition of its ALOP is appropriate, so there is no need to change it—to do otherwise would needlessly increase uncertainty. The ALOP has to be expressed in broad general qualitative terms if it is to cover all circumstances.

## The import risk analysis process

- 2.46 The broad parameters for IRAs are defined by paragraphs 2, 3 and 4 of Article 5 of the SPS Agreement. They specify the use of scientific and technical consideration, but allow limited economic and trade factors to be considered when undertaking IRAs:
2. In the assessment of risks, Members shall take into account:
    - available scientific evidence;
    - relevant processes and production methods;
    - relevant inspection, sampling and testing methods;
    - prevalence of specific diseases or pests;
    - existence of pest—or disease—free areas;
    - relevant ecological and environmental conditions; and
    - quarantine or other treatment.
  3. In assessing the risk to animal or plant life or health and determining the measure to be applied for achieving the appropriate level of sanitary or phytosanitary protection from such risk, Members shall take into account as relevant economic factors:

- the potential damage in terms of loss of production or sales in the event of the entry, establishment or spread of a pest or disease;
  - the costs of control or eradication in the territory of the importing Member; and
  - the relative cost-effectiveness of alternative approaches to limiting risks
4. Members should, when determining the appropriate level of sanitary or phytosanitary protection, take into account the objective of minimizing negative trade effects.

2.47 AFFA's procedures for undertaking IRAs have evolved in response to various reviews, notably the 1996 Nairn Review and Auditor-General's recent audit.<sup>33</sup> The procedures currently followed are set out in AFFA's *Draft Administrative Framework for Import Risk Analysis* released in September 2001.<sup>34</sup> The Committee notes that the procedures remain in draft form and are not reflected by the handbook published on AFFA's website. The website handbook is a 1998 document and contains advice on routine and non-routine risk analyses, processes which were discontinued after the Auditor-General's review.<sup>35</sup>

### Recommendation 1

2.48 **The Department of Agriculture, Fisheries and Forestry—Australia should:**

- **finalise its *Draft Administrative Framework for Import Risk Analysis*; and**
- **update its website information to reflect the current procedures for import risk analysis.**

### Environmental considerations

2.49 AFFA provides a flow chart as an annex to its *Draft Administrative Framework for Import Risk Analysis* which indicates that following lodgement of an import proposal Biosecurity Australia consults with Environment Australia.

33 AFFA, *Submission No. 14*, pp. 122–4.

34 AFFA, *Submission No. 14*, pp. 123, 193–296.

35 AQIS, *AQIS Import Risk Analysis Process Handbook*, Canberra, 1998.

- 2.50 The audit report commented that AFFA and Environment Australia had started developing a protocol 'for consultation between the two departments to clarify working relationships, role and responsibilities under the [quarantine and environment] legislation.' The Auditor-General urged prompt finalisation of the protocol.<sup>36</sup>
- 2.51 The submission from Environment Australia advised it was 'very supportive of the recent enhancements to the consultation and IRA assessment processes undertaken by Biosecurity Australia' and provided additional information about the content of the memorandum of understanding (MOU) that was being developed. The MOU was expected to:
- enhance arrangements for the integration of Environment Australia's advice into IRA processes, especially where substantial environmental issues were likely to become involved; and
  - establish a mechanism for ongoing consultation on quarantine matters generally.<sup>37</sup>
- 2.52 Environment Australia told the Committee that the MOU was almost complete,<sup>38</sup> and later at the Committee's final public hearing in September 2002, AFFA confirmed that the text had been finalised.<sup>39</sup>

## Recommendation 2

- 2.53 The Department of Agriculture, Fisheries and Forestry—Australia and Environment Australia should report to the Committee on the effectiveness of the memorandum of understanding between them on quarantine matters in its response to this report.**

## Stakeholder comments

- 2.54 During the public hearings the Committee asked witnesses about AFFA's procedures for IRAs. In general, witnesses responded that there had been an improvement in the IRA process since the audit report.<sup>40</sup>

36 Auditor-General, *Audit Report No. 47, 2000–01*, p. 114.

37 Environment Australia, *Submission No. 20*, p. 282.

38 Mr Gerard Early, *Transcript, 16 July 2002*, p. 50.

39 Ms Mary Harwood, *Transcript, 20 September 2002*, p. 318.

40 National Farmers' Federation, *Transcript, 17 July 2002*, p. 86; Australian Pork Ltd, *Transcript, 17 July 2002*, p. 89; Queensland Fruit and Vegetable Growers, *Transcript, 29 July 2002*, pp. 152, 154; Australian Chicken Meat Federation Inc, *Transcript, 5 August 2002*, p. 193.

2.55 However, the following issues were raised in evidence:

- consideration of the economic effects on industry;
- regional issues;
- the expertise needed to undertake IRAs;
- the legal underpinning of the procedures;
- the costs associated with IRAs; and
- the timeliness of the IRA process.

### Economic effects on industry

2.56 Notwithstanding the ability under WTO rules for an IRA to consider limited economic effects, several submissions and witnesses suggested that broader economic impacts on industry should be considered. However, when pressed by the Committee, witnesses confirmed that scientific considerations should come first.

2.57 The Quarantine and Exports Advisory Council (QEAC) commented that the introduction of a new commodity into Australia may well have an economic impact and suggested this should be identified and dealt with 'in a different area, other than in the quarantine or import risk assessment area.'<sup>41</sup>

2.58 Australian Pork Ltd took a similar line to QEAC and suggested that government should undertake a review to determine 'whether any adjustment needs to be made to assist industries if imports of a particular product are allowed.'<sup>42</sup> Comments from Australian Wool Innovation Ltd and the Queensland Fruit and Vegetable Growers also supported this view.<sup>43</sup>

2.59 The Committee has considered whether significant IRAs should be accompanied by economic impact statements. However, to be useful and credible such impact statements would require resources and expertise to prepare. Not only would this increase the costs arising from IRAs, but the outcome of such a move might also increase pressure on government to bolster industries facing competition from imports. Such support could be regarded as a covert industry subsidy and as such undermine Australia's international stance on reducing subsidies. To be timely an impact

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41 Mr Andrew Inglis, *Transcript, 16 July 2002*, p. 65.

42 Ms Kathleen Plowman, *Transcript, 17 July 2002*, p. 90.

43 Mrs Jane Holloway, *Transcript, 17 July 2002*, p. 90; Mr Mark Panitz, *Transcript, 29 July 2002*, p. 150.

statement would need to accompany the report of an IRA which would potentially complicate early release of IRAs.

## Regional issues

- 2.60 The Tasmanian Government in its initial submission to the inquiry argued that the SPS Agreement allowed different quarantine measures to be imposed on commodities imported to different regions of Australia. Argument on this issue had resulted in a protracted dispute both within Australia, and between Australia and Canada at the WTO . Refusal by AFFA to adopt this stance also underlay Tasmania's current fish quarantine measures which were considered to breach WTO rules.<sup>44</sup>
- 2.61 In a supplementary submission, the Tasmanian Government advised the Committee that its concerns had been addressed by an agreement reached at a meeting of the Primary Industries Ministerial Council. Regional differences in risk could be addressed by differing measures in specific regions and an agreed partnership approach allowing early and comprehensive cooperation 'should facilitate the process for commodities where regional differences in risk exist.'<sup>45</sup>
- 2.62 At the Committee's final public hearing, AFFA confirmed that an agreement had been reached between the Commonwealth and the states on regional issues.<sup>46</sup>
- 2.63 The Committee in concluding that the regional issue appears to have been resolved, notes that Article 6, paragraph 1 of the SPS Agreement concerning regional differences could act both ways. As well as allowing increased quarantine measures in certain regions, it might permit reduced quarantine measures in regions where there is less risk. For example, a primary product could be barred from entering mainland Australia because of the risk of importing disease, but it might be argued that it be allowed into a particular region because that product is **not** grown in that region. Article 6, paragraph 1 reads:

Members shall ensure that their sanitary or phytosanitary measures are adapted to the sanitary or phytosanitary characteristics of the area — whether all of a country, part of a country, or all or parts of several countries — from which the product originated and **to which the product is destined**.  
[emphasis added]

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44 Tasmanian Government, *Submission No. 1*, p. 5.

45 Tasmanian Government, *Submission No. 33*, p. 404.

46 Ms Mary Harwood, *Transcript, 20 September 2002*, p. 319.



## Expertise needed to undertake import risk analyses

### Involvement of industry

2.64 AFFA's draft handbook on its administrative process for IRAs provides information on the creation of the panels which conduct IRAs. The Australian Chicken Meat Federation Inc (ACMF) criticised the composition of the IRA panels:

... it never fails to amaze me that when an IRA panel is set up—and Biosecurity Australia goes out there with the panel—there is no industry representation on that panel. However, the greatest expertise in the poultry industry in Australia rests with the industry and not with the people they put on panels. ... I am talking about a technical representative. I am not talking about someone who has got more of a political axe to grind ...<sup>47</sup>

2.65 The witness acknowledged, however, that industry had an opportunity to comment through the normal IRA process and with the current IRA the opportunity had been 'reasonable'.<sup>48</sup>

2.66 The Committee notes that AFFA's draft handbook permits Biosecurity Australia to draw on outside expertise for its IRA panels, including from industry. The handbook comments that 'in selecting members, Biosecurity Australia will draw on the register of experts it maintains and on nominations made by stakeholders and other agencies.'<sup>49</sup>

2.67 Stakeholders are also able to comment at the commencement of an IRA on the scope, timetable, and list of the expertise required to undertake the task, as well as appeal the subsequent decision of the IRA manager. Stakeholders are consulted on any technical issues paper and on the draft IRA report. The provisions of the final report are also appealable.<sup>50</sup>

2.68 The Committee believes that industry is adequately involved in the IRA process through being able to nominate experts for Biosecurity Australia's register, and that AFFA's administrative procedures for IRAs provide adequate opportunity for stakeholder input.

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47 Dr Jeffery Fairbrother, *Transcript*, 5 August 2002, p. 193.

48 Dr Jeffery Fairbrother, *Transcript*, 5 August 2002, p. 193.

49 AFFA, *Submission No. 14*, p. 217.

50 AFFA, *Submission No. 14*, pp. 211–215.

### Centre of excellence for quarantine risk management

- 2.69 In 1996, the Nairn Quarantine Review recommended the establishment of 'a Key Centre for quarantine-related risk analysis to enhance Australia as a world leader in this field.' The recommendation was not accepted on the grounds that within the additional resources provided at the time, AQIS and the Bureau of Resource Sciences would continue to develop risk assessment methods.<sup>51</sup>
- 2.70 The issue was raised again in QEAC's submission which recommended that a centre of excellence be established. QEAC envisaged the centre as integrating 'the skills of risk analysis and management, economics and science to ensure the comprehensive development of policies and protocols.' It would 'ensure establishment and continuation of the necessary intellectual capacity in risk management' and would be viewed positively internationally.<sup>52</sup>
- 2.71 Appearing before the Committee, QEAC commented that risk analysis was a discipline which went beyond the quarantine area. It was an extremely difficult area especially where efforts were being made to quantify risks. The challenges of the discipline was one of the reasons for disputes between trading partners over the scientific basis of quarantine decisions. Australia had areas of expertise within AQIS, Biosecurity Australia, and CSIRO, but this needed to be drawn together into one organisation.<sup>53</sup>
- 2.72 Support for a centre of excellence was provided by CSIRO, which noted Australia was no longer the leader in the area and had slipped behind New Zealand and the US. CSIRO acknowledged that Biosecurity Australia had done good work on refining the IRA process, but because of pressure from the IRA workload it had found it difficult to undertake ground-breaking research such as exploring whether there were better ways of hazard identification.<sup>54</sup>
- 2.73 A second benefit from a centre of excellence, CSIRO argued, was that it would provide a degree of independence in the eyes of industry. Total independence from Biosecurity Australia was not necessarily the best model because Biosecurity Australia was the major client for much of the

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51 AFFA, *Submission No. 14*, p. 180, referring to Recommendation 47 of the Nairn Review and the Government response.

52 QEAC, *Submission No. 6*, p. 53.

53 Mr Andrew Inglis, *Transcript, 16 July 2002*, p. 64.

54 Dr Robert Floyd, *Transcript, 3 September 2002*, pp. 243, 246.

projected research output. Consequently, Biosecurity Australia needed to be involved in the organisation.<sup>55</sup>

- 2.74 The witness advised that CSIRO had considered whether to establish a cooperative research centre for biosecurity risk analysis, but had not proceeded. This was because firstly there were insufficient skills in Australia around which to build the centre, and secondly there was tension between the research goals of its government and private industry clients which meant a **cooperative** research centre was not practical.<sup>56</sup>
- 2.75 The model envisaged by CSIRO was for experts from various organisations to be involved for a percentage of their time on research activity. There would be:
- ... a number of key staff from AFFA, some state departments, CSIRO and some universities. ... We then form linkages with the agencies, such as the Plant Protection and Quarantine group in the US and the agencies in New Zealand. They are actually very keen to work with us on some of these issues.<sup>57</sup>
- 2.76 Responding to the issue, AFFA stated that the more skills brought to bear on risk analysis the better, but the question with a prospective cooperative research centre is how was it to be resourced.<sup>58</sup>
- 2.77 The Committee considers that it is time for the Government to revisit the Nairn Quarantine Review's recommendation for the creation of a body to draw together a critical mass of expertise in risk analysis. Such a move could help re-establish Australia's primacy in the field and reinforce Australia's credibility when quarantine issues were brought before the WTO.

### Recommendation 3

- 2.78 **A centre of excellence should be established to undertake risk analysis research. The Department of Agriculture, Fisheries and Forestry—Australia should review, and subsequently advise the Government, on options for the establishment of such a research centre.**

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55 Dr Robert Floyd, *Transcript*, 3 September 2002, p. 243.

56 Dr Robert Floyd, *Transcript*, 3 September 2002, p. 247.

57 Dr Robert Floyd, *Transcript*, 3 September 2002, p. 248.

58 Ms Mary Harwood, *Transcript*, 20 September 2002, p. 309.

## Legal underpinning of the procedures

2.79 The submission from the Australia Banana Growers' Council Inc (ABGC) provided several examples where it believed the 'Philippine bananas IRA' had not followed appropriate procedures. The ABGC concluded:

The IRA process is currently an administrative process governed by policy guidelines. Any departure by Biosecurity Australia from those guidelines has the potential to significantly disadvantage stakeholders participating in the IRA process. However, as the process is governed by policy guidelines, stakeholders have little or no opportunity to legally review the conduct of the process by Biosecurity Australia. The ABGC believes that this can, in some cases, result in stakeholders being denied procedural fairness which erodes credibility in the process and contributes to the perception of a lack of accountability on the part of Biosecurity Australia.

It is recommended that:

- the IRA process should be given legislative backing so that Biosecurity Australia cannot deviate from the prescribed process unless authorised under the legislation;
- decisions made in the IRA process should be subject to statutory judicial review;
- the IRA process should only be varied after consultation with stakeholders.<sup>59</sup>

2.80 In support of its view, ABGC told the Committee that:

- apart from bringing the matter to Biosecurity Australia's attention, there was little industry could do if it believed procedures had not been followed;
- executive officers from AFFA could decide to vary the process and 'nowhere are they called to account';
- when no reasons were given it was difficult to explain to banana growers; and
- consequently this bred 'suspicion and fear, particularly at the regional and rural level'.<sup>60</sup>

2.81 AFFA responded in a supplementary submission to ABGC's recommendation that the IRA process should be legislated. The department noted that the IRA process was already subject to a

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<sup>59</sup> ABGC, *Submission No. 31*, p. 392.

<sup>60</sup> Mr Tony Heidrich, *Transcript, 29 July 2002*, pp. 157, 162, 163.

considerable amount of review including as a last resort Administrative Decisions Judicial Review (ADJR) action. AFFA noted several advantages of the present system, which included:

- a scientific process;
- as open and transparent a process as anywhere in the world;
- consistency with WTO obligations; and
- efficiency and the flexibility to respond to emergency situations while meeting a wide variety of quarantine situations.<sup>61</sup>

2.82 AFFA also listed the disadvantages of legislating the process:

- a greater time to make amendments and reduced flexibility for subsequent adjustment;
- a possible compromise to the ability to follow best practice because it would lock in procedures;
- a more costly and time consuming administration;
- an inflexible administrative system causing even 'simple' import proposals to be subject to unnecessary and resource-intensive processes, resulting in controversy and delays to useful imports;
- the real possibility of extensive challenge and litigation; and
- the opportunity for relevant overseas countries to seek review of controversial decisions in Australia's courts as well as before the WTO.<sup>62</sup>

2.83 The Committee considers there is no substantial case for legislating the IRA process. However, once AFFA's draft procedures are finalised (the subject of Recommendation 1), **the Committee expects that they will be followed.**

### The opportunity to appeal

2.84 AFFA's draft procedures allow stakeholders to appeal to a Deputy Secretary of AFFA on the proposed scope of an IRA, its indicative timetable, and the list of required expertise. At the completion of the IRA and the publication of the provisional policy determination, stakeholders again have the opportunity for an appeal. The appeal is heard by an IRA Appeal Panel (IRAAP) comprising:

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61 AFFA, *Submission No. 47*, p. 522.

62 AFFA, *Submission No. 47*, pp. 522–3.

- the Chair of QEAC (acting as Chair);
  - the Chief Veterinary or Plant Protection Officer;
  - a member of AFFA from outside Biosecurity Australia;
  - a member from a State or Territory agriculture, fisheries or forestry agency; and
  - one other member of QEAC nominated by the Chair.<sup>63</sup>
- 2.85 The Auditor-General noted that stakeholders were concerned that appeals were 'ultimately decided by the departmental decision-maker rather than an independent body', but concluded that AFFA had 'effectively implemented the Government's policy on appeals.'<sup>64</sup>
- 2.86 The Committee notes that at the time of the audit there had been six appeals to the AFFA secretary, all dismissed; and three to IRAAP, two of which were **successful**. These appeals were under AFFA's 1998 procedures which were replaced with the current revised draft procedures in September 2001.<sup>65</sup>
- 2.87 The Committee concludes on the evidence before it, that there is no reason to alter the appeal provisions. Indeed, appeals to the IRAAP have at least a reasonable chance of success, which is good evidence of the IRAAP's impartiality.

### Potential for conflicts of interest

- 2.88 The Tasmanian Salmonid Growers Association (TSGA) raised the issue of potential conflicts of interest for officers involved in the IRA and policy making process.<sup>66</sup> At the hearing the TSGA provided hypothetical examples where a conflict might have occurred.<sup>67</sup>
- 2.89 Notwithstanding the truth or otherwise of these claims, the Committee believes it is important for transparency and accountability that individuals involved with IRA decision-making declare any potential conflict of interest.

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63 AFFA, *Submission No. 14*, pp. 211, 215, 222.

64 Auditor-General, *Audit Report No. 47 2000-01*, p. 120.

65 Auditor-General *Audit Report No. 47 2000-01*, p. 136.

66 TSGA, *Submission No. 44*, p. 486.

67 Mr Owen Carrington Smith, *Transcript, 3 September 2002*, p. 301.

## Recommendation 4

- 2.90 **The Department of Agriculture, Fisheries and Forestry—Australia’s *Administrative Process for Import Risk Analysis* should contain provisions requiring individuals involved with an IRA to declare any conflict of interest.**

### Facilitating import risk analyses

- 2.91 The ABGC raised the issue of how far Australia should go in facilitating market access especially when an IRA revealed a gap in scientific knowledge. ABGC’s submission stated:

While it is appropriate for Biosecurity Australia and Risk Assessment Panels to assist applicants in preparing appropriate experimental research protocols to fill the gaps in knowledge and to supervise that research, the ABGC believes that in no circumstances is it appropriate for Biosecurity Australia to expend public funds to undertake its own experimental research to fill gaps in knowledge. ... the onus should be on the applicant to demonstrate, through appropriate verifiable scientific and technical data that the importation of a particular commodity satisfies Australia’s acceptable level of protection.<sup>68</sup>

- 2.92 The ABGC added that if access to Australian markets was going to benefit an exporting country, it, rather than the Australian taxpayer, should pay for any research work that was required.<sup>69</sup>
- 2.93 Support was provided by the TSGA which suggested that it was far too easy for countries to apply to import products into Australia without presenting a lot of the science which is needed to make the assessment.<sup>70</sup>
- 2.94 In drawing its conclusion, the Committee notes that paragraph 7 of Article 5 of the SPS Agreement stipulates that where relevant scientific evidence is insufficient and a WTO member provisionally adopts a series of quarantine measures, ‘Members shall seek to obtain the additional information for a more objective assessment of risk ... within a reasonable period of time.’

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68 ABGC, *Submission No. 31*, p. 393.

69 Mr Tony Heidrich, *Transcript, 29 July 2002*, p. 159.

70 Mr Owen Carrington Smith, *Transcript, 3 September 2002*, p. 300.

- 2.95 As a signatory to the WTO agreement it is reasonable for Australia to facilitate access to the Australian market. Indeed, the paper from Ms Sallie James and Professor Kym Anderson argues that in the case of banana importation such access would benefit Australians.
- 2.96 The Committee has no evidence that the assistance provided by AFFA is inappropriate and does not support the ABGC view.

### **Timeliness of the import risk analysis process**

- 2.97 The Auditor-General found in June 2001 that IRAs were taking significantly longer than anticipated. Consequently, AFFA was only able to start three animal IRAs in 1999 and one in 2000 compared with over 30 new requests received. IRAs were taking about 20 months to complete with more recent ones taking an average of over 30 months.
- 2.98 AFFA responded to the audit findings by advising it was attempting to improve its management of IRA by greater use of 'generic' or global IRAs where one IRA addressed the same commodity from different countries.<sup>71</sup>
- 2.99 A supplementary submission from AFFA indicated that Biosecurity Australia's resources only allowed between 45 and 50 IRAs to be undertaken at any one time. Currently there were 46 IRAs underway with 165 requests awaiting consideration. However, it was anticipated only 70–80 of these requests would proceed to a full IRA. The number of requests had dropped from 23 in 2000, to 11 in 2001 and 9 to October 2002, because a detailed application was now required to ensure that any request was genuine.<sup>72</sup>
- 2.100 The delays in IRA completion appear to be causing a degree of frustration expressed by some of Australia's trading partners. For example the Australian Dairy Corporation (ADC) told the Committee that Thailand was not responding positively to requests to improve access for cheese, citing the need to 'solve the chicken meat problem' which had been going on for 'seven or eight years at least.'<sup>73</sup>
- 2.101 The ADC agreed that the length of time for an IRA and the waiting list contributed to the perception that Australia was using quarantine as a trade barrier, and added:

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71 Auditor-General, *Audit Report No. 47, 2000–01*, p. 122–3.

72 AFFA, *Submission No. 52*, p. 604.

73 Mr Phillip Goode, *Transcript, 3 September 2002*, p. 274.



Looking at it from the point of view of an exporter, I can understand their anger. The longer it takes, the more that is going to grow, the more political it becomes ...<sup>74</sup>

2.102 The solution offered by the ADC was to increase resources and to prioritise the IRAs. IRAs originating from more important trading partners could be looked at first because delays could affect trade.<sup>75</sup> The submission from ADC even suggested the fast tracking of IRAs originating from countries negotiating preferential trade agreements in return for better market access for Australia agricultural products.<sup>76</sup> However, when questioned by the Committee, ADC emphasised that less significant trade partners should not be continually pushed to bottom of the list.<sup>77</sup>

2.103 AFFA responded in its supplementary submission that recent changes to IRA procedures were expected to ease potential delays by identifying and handling any technical concerns of stakeholders earlier in the process. AFFA added:

However, the size of the backlog is directly related to the speed with which IRAs can be dealt with. This depends on a number of factors including the resources available (availability of suitably qualified external experts in addition to Biosecurity Australia staff), the complexity of the IRA (eg the number and type of pests and diseases that need to be considered), the availability of published or other information necessary to support the analysis, and the quality, completeness and timing of responses by the proponent country to requests for information.<sup>78</sup>

2.104 The main impediments, AFFA advised, were in some cases the lack of essential information due to deficiencies in scientific knowledge or delays in obtaining from the applicant information on pests and diseases which were relevant to the IRA. Biosecurity Australia conducted IRAs according to a published, structured and transparent process—there was no scope to fast track IRAs.<sup>79</sup>

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74 Mr Phillip Goode, *Transcript, 3 September 2002*, p. 276.

75 Mr Phillip Goode, *Transcript, 3 September 2002*, p. 276.

76 ADC, *Submission No. 8*, p. 69.

77 Mr Phillip Goode, *Transcript, 3 September 2002*, p. 277.

78 AFFA, *Submission No. 52*, p. 604.

79 AFFA, *Submission No. 52*, p. 605.

- 2.105 The Committee estimates that at the current rate, Biosecurity Australia may reduce the current backlog to less than ten in about six years.<sup>80</sup> If there was a backlog of about ten, applicants could expect to wait for about six months before the IRA was commenced. The Committee believes this is a reasonable waiting time. However, if about 24 new applications are received on average each year, or the time to complete IRAs increases to an average of just over 4 years, the backlog will never be reduced.
- 2.106 It is important that the IRA backlog be reduced to a reasonable number in a reasonable time to remove any perception that Australia is using a lengthy IRA process as a non-tariff trade barrier. This is especially important because of Australia's stance supporting free trade in commodities.

### Recommendation 5

- 2.107 **The Government should provide sufficient resources to Biosecurity Australia to ensure that within five years the backlog in IRAs is such that new applicants can expect to wait no longer than six months on average before their IRA commences.**
- 2.108 The Committee does not support rushing particular IRAs or manipulating the waiting list to favour applications from particular countries. It is important that the science underpinning the quarantine measures arising from an IRA is not compromised by haste. As well, 'playing favourites' risks creating the perception that Australia is prepared to compromise its quarantine to facilitate trade with particular countries.

## Free trade agreements

- 2.109 Several submissions raised concerns that Australia might trade off its position on quarantine to facilitate free trade agreements with particular trade partners. The submission from the ACMF referred to 'numerous references to "genuine co-operation and resolution" of quarantine

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80 The estimate assumes the current 'real' backlog is 80, 11 new applications are made each year, it takes an average of 2 years to complete an IRA, and Biosecurity Australia can undertake 48 IRAs concurrently. Every 2 years Biosecurity Australia receives 22 new applications, but completes 48—a net biennial reduction in the backlog of 26.

matters' in Department of Foreign Affairs and Trade publications concerning a possible free trade agreement with Thailand.<sup>81</sup>

- 2.110 Submissions from the Horticulture Australia Council Ltd and the National Farmers' Federation also declared that the scientific basis for Australia's quarantine measures should not be compromised to facilitate free trade agreements.<sup>82</sup>
- 2.111 AFFA has responded to this issue stating:
- ... Australia has made it clear that it will not be negotiating on quarantine issues or agreeing to settlement of quarantine issues as a precondition for negotiations of free trade agreements.<sup>83</sup>
- 2.112 The Committee also notes a media release by the Minister for Agriculture, Fisheries and Forestry which stated that in the current negotiations with the United States there had been 'no agreement to change Australia's quarantine standards' and that the 'approach to quarantine will not be a bargaining chip in any negotiations.'<sup>84</sup>
- 2.113 The Committee agrees that Australia's quarantine standards should not be compromised.

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81 ACMF, *Submission No. 4*, p. 37.

82 HAC, *Submission No. 19*, p. 263; NFF, *Submission No. 26*, p. 354.

83 AFFA, *Submission No. 52*, p. 605.

84 Minister for Agriculture, Fisheries and Forestry, Hon Warren Truss MP, *Media Release, Truss rejects ridiculous claims on quarantine*, 26 September 2002.



## Border Operations

### Introduction

3.1 Quarantine border operations fall within AFFA's Output 6 which aims:

To protect Australia's animal, plant and human health status and maintain market access through the delivery of quarantine and export services.<sup>1</sup>

3.2 AQIS is responsible for the operational and service delivery aspects of quarantine which are organised into eight major programs:

- airports;
- import Clearance;
- seaports;
- international mail;
- detector dogs;
- Northern Australian Quarantine Strategy including East Timor;
- post-entry plant quarantine; and
- post-entry animal quarantine.<sup>2</sup>

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1 AFFA, *Portfolio Budget Statements 2002-03, Budget Related Paper No. 1.1*, p. 63.

2 AFFA, *Submission No. 14*, p. 112.

- 3.3 A major focus of *Audit Report No. 47, 2000-01* which was tabled in June 2001, was the effectiveness of the border operations. The audit found that performance measures were of limited value and that most seizable material arriving by mail and with air passengers was passing through the border undetected.<sup>3</sup>
- 3.4 However, the findings revealed by the audit field work were overtaken by the announcement in the May 2001 Budget of an extra \$596.4 million over 4 years to strengthen the border largely in response to the February 2001 FMD outbreak in the UK. AFFA received \$281.4 million of this additional funding.
- 3.5 A major focus of the Committee's inquiry has been to determine whether the outcomes specified by the Government, in terms of increased intervention levels at the quarantine border, had been or were likely to be achieved. To this end the Committee has examined the relationship between AFFA and other agencies (both Commonwealth and State), and has sought evidence on and inspected a range of AQIS border operations.

## Relations with other agencies

### Relations with Commonwealth agencies

- 3.6 In fulfilling its quarantine role AQIS has contact with several Commonwealth agencies with varying degrees of closeness. The list includes:
- the Australian Customs Service (Customs);
  - the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA);
  - the Department of Health and Ageing;
  - the Department of Foreign Affairs and Trade;
  - the Department of Transport and Regional Services;
  - Environment Australia;
  - Department of Defence; and
  - Australia Post.

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3 Mr Ian McPhee, *Transcript, 16 July 2002*, p. 2.

- 3.7 Relations with Customs, DIMIA, and Australia Post are particularly close as these agencies are directly involved with AQIS in coordinating and managing border policy and operations. The submission from AFFA advised there were regular meetings between the secretaries of DIMIA and AFFA, and the CEO of Customs to coordinate border policy and management. There were also 'close working relations between relevant staff in all three agencies' fostered by networks and committees at various levels and 'across the full range of activities and regions.'<sup>4</sup>

### Relations with Customs

- 3.8 Customs is usually the first point of contact for passengers and cargo entering Australia. Customs told the Committee that there was a significant input from other agencies including AQIS, which provides Customs with alert lists and profiles. In return, AQIS made extensive use of Customs systems to report, target and manage movements of quarantine interest. During processing, Customs officers were alert to matters of quarantine interest and if the Customs system was triggered or if suspect items were detected, the matter would be referred to AQIS for specialist follow up.<sup>5</sup>
- 3.9 Customs also told the Committee that the two agencies tried to eliminate duplication when examining cargo by undertaking joint examinations where possible. To that end officers from each agency were trained in the procedures of the other agency.<sup>6</sup>
- 3.10 AFFA advised the Committee that at international airports Customs undertook prosecutions on behalf of AQIS for quarantine breaches. This was because passengers that breached quarantine legislation were also likely to have breached the Customs Act.<sup>7</sup> Concurrent charges could be pursued and AQIS would monitor quarantine specific issues. Customs had formalised these arrangements via MOUs with the Australian Government Solicitor and the Commonwealth Director of Public Prosecutions.<sup>8</sup>

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4 AFFA, *Submission No. 14*, p. 115.

5 Ms Gail Batman, *Transcript, 16 July 2002*, p. 32.

6 Mrs Marion Grant, *Transcript, 16 July 2002*, p. 37.

7 Importation of quarantinable material without a permit breaches the Quarantine Act, but also breaches the Customs Act because failing to accurately complete the incoming passenger card constitutes providing false or misleading statements to a Commonwealth officer.

8 AFFA, *Submission No. 47*, p. 535.

- 3.11 AFFA's submission noted that the relationship between AQIS and Customs was underpinned by a MOU which covers border quarantine operations.<sup>9</sup>
- 3.12 The close working relationship between AQIS and Customs at the border has raised the question whether they should be merged to form a single border agency. This issue is discussed later in this Chapter.

### Relations with Australia Post

- 3.13 Under the quarantine and customs legislation Australia Post is required to make all inbound international mail available for screening by AQIS and Customs. Australia Post's Border Agency Program is carried out in a tripartite consultation with Australia Post, AQIS and Customs.<sup>10</sup>
- 3.14 Australia Post told the Committee that an MOU with AQIS and Customs was being drafted. The focus of the MOU was to define Australia Post's responsibilities and obligations to AQIS and Customs, as well as their reciprocal responsibilities to facilitate Australia Post's goal of delivering mail on time and to acceptable standards.<sup>11</sup> AFFA has confirmed that the MOU was signed on 23 August 2002.<sup>12</sup>

### Relations with the Department of Immigration and Multicultural and Indigenous Affairs

- 3.15 DIMIA's submission stated that there was:
- ... a very positive cooperative relationship between [DIMIA] and AQIS. This relationship ensures that practical issues or concerns to one or both agencies are addressed promptly. It also means that, to the extent possible and appropriate, the resources of both agencies are able to be used efficiently to serve the goals of both agencies.<sup>13</sup>
- 3.16 The submission added that for the 14 inhabited islands in the Torres Strait there was an MOU between AQIS and DIMIA which enabled 24-hour coverage. There was also an MOU with all border agencies and Federal State and Territory police regarding illegal landings.<sup>14</sup> DIMIA noted that the cooperative relationship with AQIS in the Torres Strait resulted in a much broader coverage than if it acted alone.<sup>15</sup>

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9 AFFA, *Submission No. 14*, p. 115.

10 Australia Post, *Submission No. 3*, pp. 26, 28.

11 Mr Chris Grosser, *Transcript, 16 July 2002*, p. 45.

12 AFFA, *Correspondence, 29 October 2002*.

13 DIMIA, *Submission No. 23*, p. 319.

14 DIMIA, *Submission No. 23*, p. 317.

15 Ms Christine Sykes, *Transcript, 17 July 2002*, p. 70.



## Relationship with the Department of Health and Ageing

3.17 AFFA's submission advised there was an MOU between the Department of Health and Ageing which provides a link between policy, determined by the department, and operations undertaken by AQIS.<sup>16</sup>

## Committee Comment

3.18 The Committee considers that AQIS is working cooperatively and productively with other Commonwealth agencies. An issue, raised above, is whether outcomes could be made more cost/effective by merging one or more agencies into a single border agency. This is discussed below.

## Should there be a single Commonwealth border agency?

3.19 The Committee received two submissions calling for the creation of a single border protection agency.<sup>17</sup>

3.20 Mr Peter Bennett, a serving Customs officer, criticised the efficiency and effectiveness of AQIS:

- AQIS was a single purpose border protection agency with no legislative, administrative or operational responsibility or interest in any other threat to Australia;
- the various export, certifying, licensing and trade services for importers and exporters are ancillary to the core function of AQIS;
- the current border protection strategy perpetuates single and narrow purpose agencies that work independently and often in competition with other agencies;
- outbreaks of fire ants, the Cape York fruit fly, anthrax, Newcastle disease, wine vine rust, starfish in ballast were examples of AQIS's problems;
- there were serious effectiveness and efficiency problems with having several border agencies (these were listed);<sup>18</sup> and
- the current recruitment system was aimed at recruiting public service generalists, not border protection/enforcement specialists.<sup>19</sup>

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16 AFFA, *Submission No. 14*, p. 114.

17 Border Watch Australia, *Submission No. 12*, pp. 87–92; Mr Peter Bennett, *Submission No. 21*, pp. 289–301.

18 Mr Peter Bennett, *Submission No. 21*, pp. 290–1, 294, 298–301.

19 Mr Peter Bennett, *Transcript, 17 July 2002*, p. 111.

3.21 To overcome the alleged inefficiencies, Mr Bennett proposed the creation of a single border protection agency to include the border control and enforcement functions of existing border agencies such as AQIS and Customs. Mr Bennett outlined the key features of a single border protection agency in his submission;

The agency would be tasked to intercept and stop ANY and ALL threats to Australia's border integrity. Most importantly, there would be a common purpose and each and every member of the agency would have the responsibility and authority to carry out that function. There would be a higher standard of professionalism and accountability. And there would be the ready exchange of intelligence, shared facilities, equipment and resources, and consistency in recruitment, training and operational standards. And to the advantage of staff, there would be a more professional and expanded career path.

There would be no lines of demarcation, no legislation restricted to particular officers, no need for memorandums of understanding, no procedural or operational distinctions, no information caveats between officers in different offices, and there would be no separate purchase of equipment, offices or uniforms.<sup>20</sup>

3.22 The Committee raised the issue of a single border protection agency with AFFA and Customs.

3.23 AFFA responded that there were quite different cultures in the two organisations and they operated in different places and in different ways. Where there were similarities, for example at airports, both agencies worked very closely so that the processes were as seamless as possible. It was considered both organisations were operating at peak performance and taking advantage of the synergies of any similarities.<sup>21</sup>

3.24 In a supplementary submission, AFFA described the impact that a single border agency would have on AFFA operations. Assuming AFFA's border control functions were lost to the new proposed single agency, the impact on AFFA could include:

- dislocation of current alignment between quarantine policy and operations;
- loss of responsibility and accountability to relevant Ministers;
- more complex administrative environment;
- a breakdown in the elements of the quarantine continuum (pre-border, border, and post-border);

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20 Mr Peter Bennett, *Submission No. 21*, p. 293.

21 Ms Meryl Stanton, *Transcript, 16 July 2002*, p. 25.

- less responsiveness to changes in the pest and disease status of other countries;
- less focus on the management of quarantine risks generally and specialist quarantine resources to manage these risks compared with the performance of other community protection activities;
- loss of efficiencies from staff presently required to undertake both import and export certification functions, especially in smaller locations; and
- higher costs.<sup>22</sup>

3.25 The Committee asked Customs to respond to the proposition that AQIS and Customs be merged. Customs agreed with AFFA's comments at the public hearing, and added:

... when you are working on a range of complex functions, what you need to do is get your coordination, cooperation and priority setting working together. It does not matter whether you are in one agency or several agencies ... we work well together. We can share resources, we can cooperate with each other and we can help each other. ... I do not think it would change greatly being in one agency or several.<sup>23</sup>

### Committee Comment

- 3.26 Any change to the existing administrative arrangements for Australia's border protection risks disturbing existing synergies.
- 3.27 If Australia was creating agencies from scratch, the Committee believes the starting point would probably be a single border agency. However, border control is broad and complex. A modern single border agency will be large and by necessity have different programs to cover various aspects of border control. Inefficiencies will arise because they are inherent in any large agency. The Committee agrees with Customs that coordination is the key, not the number of agencies involved.
- 3.28 The Committee finds the disadvantages of a single agency outlined by AFFA compelling. In particular the Nairn Quarantine Review introduced in 1995 the concept of the quarantine continuum—that there should be a continuous transfer of quarantine risk management from pre-border, through border to post-border. To dismantle this concept by excising border operations with no detailed evidence regarding cost and scant evidence regarding the net gain in efficiency and effectiveness, would in the Committee's view be foolhardy.

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22 AFFA, *Submission No. 47*, pp. 520–1.

23 Ms Gail Batman, *Transcript, 16 July 2002*, p. 33.

- 3.29 To argue that the fact that incursions occur invariably demonstrates 'an AQIS problem' is to misunderstand the nature of quarantine management. It is not possible for Australia to adopt a zero risk quarantine policy and remain a member of the world's trading community, the WTO. There will always be exotic pest and disease incursions, some of which will have arrived by natural species dispersal mechanisms and some through 'an AQIS problem'.<sup>24</sup> The task is to predict incursion risks, minimise their chance of occurring, and prepare for all incursions by having an appropriate response mechanism in place. Quarantine preparedness is discussed further in Chapter 4.

## Relations with State and Territory governments

- 3.30 AQIS has direct management responsibility for quarantine services in all States and Territories except Western Australia, Northern Territory and Tasmania. In these jurisdictions AQIS funds State/Territory agriculture departments to deliver Commonwealth quarantine services on behalf of the Commonwealth.
- 3.31 The Committee asked representatives from the Tasmanian Government whether the State was satisfied with the level of transparency and involvement in Commonwealth quarantine matters. The Tasmanian Government responded that although there had been a very adversarial approach between Tasmania and the Commonwealth in particular during the salmon inquiry, currently:
- There is much closer consultation ... there is a much better understanding as to why decisions are being made ...[and there is] greater opportunity to be involved in the analysis and discussion.<sup>25</sup>
- 3.32 The Committee asked a similar question of the Queensland Department of Primary Industries (DPI) which was representing the Queensland Government. DPI told the Committee that there had been a decline in communication and collaboration between the two agencies after the separation of the quarantine function from state departmental delivery to Commonwealth-only delivery in 1995. However, there was now a good basis for collaboration between the agencies.<sup>26</sup>
- 3.33 Nevertheless, DPI commented that more could be done particularly in the area of surveillance. DPI believed that the fire ant and the papaya fruit fly incursions provided good examples of failed surveillance:

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24 Indeed, outbreaks of Newcastle disease in poultry results from an Australian strain of the virus, and is not as Mr Bennett suggests the result of the disease **entering** Australia. See Dr Jeffery Fairbrother, *Transcript*, 5 August 2002, p. 190.

25 Mr John Pauley, *Transcript*, 3 September 2002, p. 232.

26 Mr Kevin Dunn, *Transcript*, 29 July 2002, p. 133.

... where an incursion which does breach the quarantine border can perhaps be found and detected a very little distance beyond the quarantine border but with incomplete surveillance systems in place to look for pest entries ... some considerable time can elapse, in which case pests can establish and spread.<sup>27</sup>

- 3.34 DPI believed the fire ant was present for between two to four years on Fisherman Island in the Port of Brisbane and the south west suburbs before it was detected. It was presumed the movement of cargo or container bearing soil had introduced the fire ants and spread the infestation from the port.<sup>28,29</sup>
- 3.35 The Queensland Minister for Primary Industries announced in November 2002 that the eradication campaign was achieving success—Fisherman Island had been free of fire ants for over a year, and in the south west suburbs the ant had been eradicated in 72% of the 900 properties where it had been identified. There were over 500 people involved in the campaign which was scheduled to run for another 2 years.<sup>30</sup>

### Contracting out of the quarantine function

- 3.36 In its submission, IWGQ was critical of current arrangements where a number of State and Territory agencies were contracted to provide AQIS services. It suggested that all export and quarantine services should be carried out directly by AQIS.<sup>31</sup>
- 3.37 IWGQ told the Committee that its main concern was in WA. Here AQIS services were subcontracted out to the Department of Agriculture. The issue concerned the washing of containers for interstate movement. This technically was a primary industry function as it was maintaining standards within WA. However, it was falling within the quarantine function even though it did not involve importation of goods. Payment of the service was coming from federal quarantine budget funds and not from WA. IWGQ concluded:

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27 Mr Kevin Dunn, *Transcript, 29 July 2002*, p. 133.

28 Mr Kevin Dunn, *Transcript, 29 July 2002*, p. 133.

29 The Committee has inspected the fire ant eradication campaign. The Committee was advised that there had been two separate fire ant incursions, one from South America, the other from the US. Coincidentally, both incursions were discovered and reported on the same day.

30 AAP Wire Service, *Fire ant eradication seems a success, says experts*, 22 November 2002; *Queensland winning battle against fire ants*, 24 November 2002.

31 IWGQ, *Submission No. 5*, p. 44.

It is difficult for people to understand why they must pay \$295 for a container to be washed when it has been moved between Melbourne and Fremantle.<sup>32</sup>

3.38 In its supplementary submission, AFFA explained the reason for the three jurisdictions retaining management responsibilities when the Commonwealth resumed the direct responsibility for quarantine services during 1995–97. The three jurisdictions had argued that there was a:

... synergy of providing interstate and international quarantine functions simultaneously. These three areas have major differences in their pest and disease status compared with the rest of Australia and have strong interstate quarantine regimes.<sup>33</sup>

3.39 AFFA continued that the recent increased resources for quarantine had increased the number of Commonwealth funded staff, significantly altering the balance of State funded versus Commonwealth funded staff in WA and NT. Much greater attention was now spent on Commonwealth border functions compared with those of the State or Territory. While the present arrangements were working, there could be advantages in the Commonwealth resuming full responsibility for national quarantine arrangements. Resumption would recognise:

- increased threats to quarantine integrity at the international border;
- the potential for reduced management effort and for reduced dependence on State hierarchies and public sector processes;
- a likely shortening of the chain of command;
- improved capacity for uniformity in service delivery; and
- greater flexibility in relation to full national service delivery responsibilities.<sup>34</sup>

### Committee Comment

3.40 The Committee has not received enough evidence to come to a firm view on this matter. Retaining the present arrangements would reflect a recognition of the 'regionality' concept recently confirmed by the Primary Industries Ministerial Council. However, if the Commonwealth resumed the border quarantine function it would reflect the increased importance of the function, and recent increases in Commonwealth funding.

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32 Mr Stephen Morris, *Transcript*, 5 August 2002, p. 178.

33 AFFA, *Submission No. 47*, p. 532.

34 AFFA, *Submission No. 47*, p. 532.

## Offshore Operations

- 3.41 Pre-border operations are an important part of the quarantine continuum as they attempt to keep risks offshore. Current pre-border operations focus on:
- pre-inspection of goods before export;
  - assessment and certification by AFFA of off-shore production and supply systems; and
  - overseas certification indicating either that products comply with Australia's requirements or that products have undergone appropriate quarantine treatment.<sup>35</sup>
- 3.42 The audit found that 'pre-border operations ... were not supported by clear directions, targets and criteria, and in some areas offshore arrangements were not reliable'.<sup>36</sup>
- 3.43 The Auditor-General recommended that AFFA strengthen its management of pre-border cargo activities by clearly articulating government policy directions and where pre-border strategies are found to be unreliable, AFFA act promptly to ensure quarantine risks are effectively managed.<sup>37</sup>
- 3.44 Since the audit report, AQIS has prepared a policy paper on *Pre-Border Cargo Quarantine Arrangements*, which describes offshore and pre-border cargo schemes and provides guidelines on various matters including policy and scheme criteria; operational targets; performance indicators; monitoring and reporting to stakeholders; and models for sanction policies. Industry groups have been provided with a draft copy for consultation.<sup>38</sup>
- 3.45 AFFA's submission provided specific examples of its pre-border operations:
- offshore AQIS inspections of used machinery, mining and earthmoving equipment;
  - offshore AQIS inspections of military equipment and personnel;
  - East Timor area pest and disease surveys (in the context of Australia's United Nations involvement);

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35 Auditor-General, *Audit Report No. 47, 2000-01*, p. 69.

36 Mr Ian McPhee, *Transcript, 16 July 2002*, p. 2.

37 Auditor-General, *Audit Report No. 47, 2000-01*, p. 74.

38 AFFA, *Submission No. 14*, p. 134.

- fertiliser port assessments (“reduced” risk classification where acceptable risk mitigation strategies are in place);
- imported food certification (acceptance of certification for food safety testing from recognised overseas government agencies); and
- the Canadian Timber Accreditation Scheme (recognition of exporting mills with acceptable quality assurance systems).<sup>39</sup>

## Clearance of fertiliser imports

3.46 The submission from the Fertilizer Industry Federation of Australia Inc (FIFA) raised two issues:

- the use of offshore clearance for fertiliser imports; and
- the lack of consistent application of clearance procedures in Australia.<sup>40</sup>

## Offshore clearance

3.47 FIFA cited an incident involving a shipment of fertiliser which was rejected when it reached Australia in March 2002 because of exotic grain contamination of the ship superstructure. FIFA estimated that the cost associated with the rejected shipment was US\$8 million. FIFA told the Committee that had the contamination been discovered at the overseas port prior to loading, considerable savings would have resulted because the ship could have been cleaned.<sup>41</sup>

3.48 FIFA advised that the industry had imported some 36 million tonnes into Australia in the last five years and cargo contamination had never occurred—the only problem had been ship contamination. The loading port involved in the recent incident was an AQIS certified offshore supply system which was regarded as a worldwide benchmark system. An arrangement where AQIS cleared fertiliser destined for Australia at this overseas port would provide:

... the full benefit of the work that has been done in making those offshore ports low risk. The contamination from then on is either stuff that is in the ship, which would be dealt with by AQIS inspecting the ship prior to loading, or local contamination, in which case, once you sort it out, it is not actually a quarantine concern.<sup>42</sup>

39 AFFA, *Submission No. 14*, p. 135.

40 FIFA, *Submission No. 7*, p. 65.

41 Captain Michael Pritchard, Mr Nicholas Drew, *Transcript, 17 July 2002*, pp. 99–102.

42 Mr John Lewis, Mr Nicholas Drew, *Transcript, 17 July 2002*, pp. 104–5.



- 3.49 AFFA responded to the suggestion noting that in 1999 there had been discussions with the fertiliser industry on the feasibility of conducting off-shore inspections of fertiliser shipments. While FIFA had offered to meet AQIS's direct costs, the proposal had involved 'high opportunity costs ... that could not be satisfactorily met'. This was because more qualified and experienced staff would have had to travel and remain overseas for extended periods.
- 3.50 Moreover, fertiliser imports represented a high risk and permits required zero contamination. The proposal would not have addressed en route contamination risks either at ports en route, or from contamination dislodged from the vessel. Consequently, inspections on arrival in Australia would still be needed.
- 3.51 AFFA also noted that the *Quarantine Act 1908* did not extend beyond Australia and therefore AQIS officers had no legislative authority to conduct offshore inspections or to direct vessel operators or fertiliser exporters to remove the quarantine risk from ships prior to departure.<sup>43</sup>

### Consistent application of procedures

- 3.52 Regarding inconsistencies of clearance procedures, FIFA gave the Committee two examples. However, FIFA added it was working with AQIS to produce a set of procedures and a handbook so that both the inspectors and the importers understood their roles and definitions used in the procedures. FIFA concluded that it appeared that 'real progress' was being made.

### Committee Comment

- 3.53 The Committee does not support the offshore clearance of bulk commodities. This is not to say that the offshore risk minimisation procedures developed by FIFA are not world's best practice. For example, any weed seeds contaminating a fertiliser shipment, which survived downstream processing, would be given a 'running start' if they made it to Australian soil. The Committee believes therefore that this represents high risk and necessitates AQIS inspection of shipments arriving in Australia.
- 3.54 The Committee notes that the need to achieve consistency in the application of quarantine protocols was noted in the audit report,<sup>44</sup> and is pleased that FIFA and AQIS are working cooperatively to clarify quarantine clearance procedures.

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43 AFFA, *Submission No. 47*, p. 530.

44 Auditor-General, *Audit Report No. 47 2000-01*, pp. 95-6.

## Australia's quarantine gateways

3.55 A condition of the additional funding to the border operations announced in the 2001 Budget was an increase in quarantine intervention and effectiveness levels.<sup>45</sup> Additional resources were provided for infrastructure upgrades at airports and mail centres to assist the meeting of increased intervention and effectiveness levels.

## International air passengers

3.56 At airports, the Government set the intervention target at a minimum of 81% (100% during non-peak periods), and the effectiveness target for high risk quarantine items at a minimum of 87% (and a minimum of 50% for standard risk items). This represented an increase from the 35% intervention rate and 39% effectiveness rate.

3.57 AFFA advised the Committee that national intervention and effectiveness levels had reached over 80% and 70% respectively within 12 months of these targets having been set.<sup>46</sup> AFFA noted that intervention levels might not be sustainable in peak periods ahead of projected infrastructure spending.<sup>47</sup>

3.58 Seizures of items of quarantine concern at international airports had also risen significantly—up by 84%, since the March quarter 2001, with about 38,000 items being seized per month. The number of quarantine on-the-spot fines had also increased during the same period—up by almost 60% with approximately 1100 fines issued per month.<sup>48</sup>

3.59 During the inquiry, the Committee inspected AQIS operations at Sydney International Airport.<sup>49</sup> Besides the quarantine clearance of passengers, quarantine operations involve a number of other activities including:

- surveillance and profiling for leakage of goods of quarantine concern;
- assessment of the quarantine risk associated with international aircraft;

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45 Intervention refers to the application of quarantine measures to identify and manage items of quarantine interest (eg. screening by dogs or x-rays; visual examination of opened passenger bags) while effectiveness refers to the likelihood that these measures will intercept items of quarantine interest.

46 AFFA, *Submission No. 14*, p. 126.

47 AFFA, *Submission No. 14*, p. 236.

48 AFFA, *Submission No. 14*, p. 127.

49 For a description of passenger processing procedures, see AFFA, *Submission No. 47*, pp. 557–9.

- auditing and surveillance of aircraft waste disposal arrangements and disinfection treatments; and
  - development and delivery of quarantine awareness publicity.<sup>50</sup>
- 3.60 During its inspection, the Committee noted the use of quarantine detector dogs to patrol the baggage carousel areas. (The performance of quarantine detector dogs is discussed below when the Committee reviews activities at international mail centres.)
- 3.61 After collecting their baggage and presenting their incoming passenger card to Customs, international passengers were able to clearly see the bank of x-ray machines and AQIS personnel awaiting them. The Committee was told that the use of the amnesty bins had increased after the x-ray machines had been made more visible. (On one occasion AQIS officers had retrieved a live turtle from an amnesty bin!) As well, passengers were often observed to pause before proceeding towards the x-ray machines in apparent reflection on the contents of their baggage.
- 3.62 A supplementary submission from AFFA detailed the increase in x-ray intervention of passengers and crew. For passengers with nothing to declare, 94% now had their baggage x-rayed (up from 4% prior to the increased funding), whereas for those with items to declare, 15% now had their baggage x-rayed and 85% had their baggage examined (previously only the baggage was inspected).<sup>51</sup>
- 3.63 Whilst at the airport the Committee observed the detection by the x-ray machine of a jar of pelletised prawn food in the baggage of a passenger with 'nothing to declare.' The Committee was also present when an AQIS officer 'acting on intuition' discovered egg material in the centre of packaged food described as 'rice cakes'. These had been declared by the passenger.
- 3.64 AFFA's supplementary submission noted that:
- Approximately 75% of all undeclared seizures at airports are detected through x-ray inspection. Recent seizures detected through the x-rays include live plant material, various food items, animal products such as raw meat and bee pollen, wooden articles, seeds and biological products.<sup>52</sup>
- 3.65 AFFA's supplementary submission advised that during a six month period ending in June 2002, there was a total of 166 146 seizures in the 'something to declare' channel of which 145 273 were declared and 20 873

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50 AFFA, *Submission No. 14*, p. 142.

51 AFFA, *Submission No. 47*, pp. 558–9.

52 AFFA, *Submission No. 47*, pp. 535.

were undeclared, while the 'nothing to declare' channel captured 48 074 items of which the majority were undeclared.<sup>53</sup> (The issue of quarantine prosecutions is discussed in Chapter 5.)

## Shipping and ship-borne passengers

- 3.66 At seaports, the Government set intervention levels at 100% for both vessels and disembarking passengers. Effectiveness levels were set at 96% for both risks.<sup>54</sup>
- 3.67 For the March 2002 quarter, intervention for disembarking passengers had been achieved and vessel intervention was at 98%. The effectiveness level for vessels was 87% and methodology for collecting passenger effectiveness data was to be trialed in mid-2002.<sup>55</sup>
- 3.68 An exhibit from AFFA advised that vessel inspection involved:
- an assessment of the hygiene and food preparation and storage areas;
  - bonding of any quarantine risk material;
  - ensuring that the vessel is free of rodents, vermin, exotic insects ... or diseases;
  - waste disposal systems check and supervision;
  - inspection and monitoring of any animals on board; and
  - verification of ballast water management arrangements.
- 3.69 Passengers were cleared using a combination of questioning and bag searches, the use of detector dogs and x-ray units at some ports and the provision of amnesty bins for quarantinable material.<sup>56</sup>
- 3.70 It appeared to the Committee that AQIS ship inspection and passenger clearance procedures were sufficient up to a point. The concern of the Committee was raised by a comment in the submission from Environment Australia that the most common modes of marine pest introduction included ballast water and hull fouling.<sup>57</sup> Both modes are of quarantine concern.

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53 AFFA, *Submission No. 47*, p. 557.

54 AFFA, *Submission No. 14*, p. 236.

55 AFFA, *Submission No. 14*, p. 236.

56 Exhibit No. 8, AFFA, *AQIS Powerpoint presentations: AQIS Airports Program; AQIS Seaports Program; AQIS Mail Program*, p. 30.

57 EA, *Submission No. 20*, p. 285.

## Ballast water

- 3.71 Environment Australia advised the Committee that although ballast water only accounted for 15-20% of introduced marine pests in Australia, 'it is becoming the major threatening vector over the last two decades.'<sup>58</sup>
- 3.72 Fortunately, ballast water management for international shipping has been covered by voluntary guidelines for ballast water management since 1990. In 1 July 2001 these had been replaced by mandatory reporting and management requirements. A decision support system is now used to assess each ballast water tank as either high or low risk. High risk international vessels can only discharge ballast water outside Australian territorial waters (the 12 nautical mile limit) unless AQIS approved on-board treatment such as heating or the use of chemicals.<sup>59</sup>
- 3.73 A further risk is posed by the ballast water carried by Australian vessels which could transfer introduced marine pests from port to port.
- 3.74 In 1999 the National Taskforce on the Prevention and Management of Marine Pest Incursions recommended that AQIS 'develop and manage a single national management regime for preventing the introduction and translocation of introduced marine pests from vessels in Australian waters.' In 2000 the National Introduced Marine Pests Co-ordination Group (NIMPCG) was established to implement the recommendations of the National Taskforce.<sup>60</sup> NIMPCG comprises a national consultative body of government, scientific, environmental and industry stakeholders.<sup>61</sup>
- 3.75 Environment Australia advised that NIMPCG was currently examining legislative options and had concluded that 'a single management regime covering ballast water is likely to be feasible'. However, the regime would likely need to rely on a combination of State/Territory and Commonwealth legislation including the Quarantine Act.<sup>62</sup>
- 3.76 Currently, Environment Australia advised, there was an ongoing trial of administrative arrangements for a single ballast water regime at the Port of Hastings Victoria, but:

No agreement has yet been reached among Commonwealth agencies, the States and NT, and the shipping and ports industries, on the form a single ballast water regime, or a regime for regulating other shipping related vectors, should take.<sup>63</sup>

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58 EA, *Submission No. 20*, p. 285.

59 Environment Australia, *Submission No. 20*, p. 285.

60 Environment Australia, *Submission No. 20*, p. 286.

61 AFFA, *Submission No. 47*, p. 542.

62 Environment Australia, *Submission No. 20*, pp. 287-8.

63 Environment Australia, *Submission No. 20*, p. 287.

- 3.77 AFFA has provided more information on the issue. It advised that there had been 'substantial progress in implementing the recommendations of the National Taskforce report' and that it will set the approach for a National System. NIMPCG had also developed an Australian Strategic Plan 2002-2006 providing a framework for developing a proposed policy document which defined the responsibilities for the National System. The Strategic Plan was being considered by the Natural Resource Management Ministerial Council and the Australian Transport Ministerial Council.<sup>64</sup>
- 3.78 The Committee accepts that progress, albeit slow, is being made to address the risks posed by ballast water. Momentum on this important issue needs to be maintained.

### Recommendation 6

- 3.79 **The Department of Agriculture, Fisheries and Forestry—Australia should report to the Committee on progress with the single ballast water regime and provide a timetable for its introduction in Australia.**

### Biofouling

- 3.80 In its submission, Environment Australia stated that hull fouling may account for up to 60% of past introduced marine pest introductions into Australia.<sup>65</sup> Despite this, biofouling was not covered by the Quarantine Act and 'there is no national system of border protection from organisms that foul hulls and other shipping and boating equipment.'<sup>66</sup>
- 3.81 The Queensland Environmental Protection Agency also raised concern about biofouling and cited two examples of incursions at Trinity Inlet near Cairns. The first organism was discovered by the Royal Australian Navy when it had to remove some two to three tonnes of Caribbean tube worm from three vessels which had been moored at the inlet for only five months. The second organism was the Asian green mussel. The source of the pests appeared to have been a vessel detained by DIMIA and the Australian Fisheries Management Authority. The detained vessel had been moored up stream from the naval vessels.<sup>67</sup>

64 AFFA, *Submission No. 45*, pp. 542–3.

65 EA provided a supplementary submission listing over 40 species thought to have been introduced via biofouling, over half of which were considered to have a serious impact. Environment Australia, *Submission No. 40*, pp. 444–7.

66 Environment Australia, *Submission No. 20*, p. 285.

67 Mrs Pauline Semple, *Transcript, 29 July 2002*, p. 169.

- 3.82 A supplementary submission from DIMIA advised that AFMA had not been involved with the seizure, and that the tubeworm had in fact been detected in Cairns some 18 months earlier. DIMIA had also repurchased the vessel, which had been sold for scrap, to enable its hull to be scraped to remove the infestation.<sup>68</sup>
- 3.83 AFFA advised the Committee that the hull fouling issue presented:
- ... practical and operational challenges that have not yet been fully analysed on a national or international basis. There is currently no practical or cost effective means of inspecting or treating the hulls of large commercial vessels. ...
- Responsibility for domestic hull fouling issues rests with the States/NT—hull fouling is currently only regulated in very specific circumstances.
- in the NT illegal entry vessels (fishing and immigration) and some private yachts entering enclosed marinas are subject to inspection and management protocols administered under NT jurisdiction.
  - in Western Australia some illegal entry vessels (fishing and immigration) are subject to inspection and management protocols administered under State jurisdiction, at Willie Creek.
  - Queensland recently circulated a draft of a proposed State protocol for the management of illegal entry vessels.<sup>69</sup>
- 3.84 AFFA expanded on the reasons for a lack of a national approach commenting that:
- The key gap in progress is a policy level agreement on what might constitute the components of a *National System* and how they should be implemented, managed and funded. Most work has focused on the ballast water component of the vessel regime, with little consideration of non-vessel elements.<sup>70</sup>
- 3.85 More information on the protocols operated by the NT Government was provided to the Senate Legal and Constitutional References Committee (SLCRC) during its inquiry into the Migration Legislation Amendment (Further Border Protection Measures) Bill 2002.
- 3.86 The NT Department of Industry, Resource and Development told the Senate committee that risk assessments had identified two classes of high risk vessels—recreational vessels destined for Darwin marinas, and apprehended vessels. These were subject to two separate protocols. Some

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68 DIMIA, *Submission No 55*, pp. 623–4.

69 AFFA, *Submission No. 47*, p. 546.

70 AFFA, *Submission No. 47*, p. 546.

536 visiting international vessels had been inspected and 7% had been quarantined with marine pests. Apprehended vessels were met by divers at a prearranged location outside the port limits and inspected.<sup>71</sup>

#### Committee comment

3.87 The Committee considers that biofouling on international vessels arriving in Australian waters is clearly a quarantine issue. Section 78A of the *Quarantine Act 1908* refers to the 'treatment of vessels and installations that are believed to be in an unsanitary condition or to be likely to be carrying disease or pests.' Under the definitions within the act:

**treatment** means any process for controlling or eliminating a disease or pest and:

(a) in relation to a vessel, installation or premises, includes examination, spraying, fumigation, disinfection, denaturing and cleaning ...

3.88 However, unlike ballast water, biofouling is not covered by Section 78A and this may have contributed to lack of attention paid to the biofouling problem.

3.89 While AFFA has advised that large commercial vessels pose an inspection and treatment problem, the evidence to the Senate committee suggests that it is international recreation vessels and apprehended vessels that pose the major risk. The increase in illegal fishing vessels seized in northern waters will only increase exposure to the risk.<sup>72</sup> (The Committee can see why large commercial vessels are less of a risk—they spend as little time in port as possible and travel at speeds which are not conducive to the establishment of biofouling organism colonies.)

3.90 The Committee notes that the issue seems to have been addressed in Darwin and WA through protocols for inspections. Coincidentally, it is in these two jurisdictions that State/Territory agencies undertake quarantine operations for the Commonwealth.

3.91 The gap therefore is Queensland. The Committee considers that NAQS is the organisation 'on the ground' in northern Queensland which could be the lead Commonwealth organisation required to tackle what is, in the Committee's view, primarily a Commonwealth responsibility.

3.92 Unfortunately, during the Committee's inspection of quarantine operations in Northern Australia, NAQS officers advised the Committee

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71 Ms Andria Marshall, *SLCRC, Transcript, 11 September 2002*, pp. 227–8.

72 A media release from the Minister for Fisheries and Conservation on 23 January 2003 indicated that a total of 111 foreign fishing vessels had been apprehended in calendar year 2002,—the most since 1997.



that it did not have the resources to undertake below the water line inspections. The Committee believes this should be rectified.

- 3.93 During the Committee's review of Coastwatch operations, it observed several foreign fishing vessels outside the 200 mile limit. These 'type three' boats together with smaller 'type two' boats are the foreign fishing vessels most likely to be the ones apprehended. The Committee notes that the procedure for suspect illegal entry vessels (which are often type three boats) intercepted near Ashmore Reef bringing non-citizens to Australia was to sink them off Ashmore Reef.
- 3.94 It occurred to the Committee that one way to reduce the quarantine risk posed by type two and type three boats caught illegally fishing in Australian waters would be to sink them in deep water without bringing them to shore. This would reduce the risks of biofouling organism incursions,<sup>73</sup> and alleviate pressure on inspection personnel.
- 3.95 Section 185B (3) of the *Customs Act 1901* provides for the destruction of a ship if it 'poses a serious risk to navigation, quarantine, safety or public health' or 'a serious risk of damage to property or the environment.' However, there is no cross reference to the Quarantine Act or similar provisions in the Quarantine Act.
- 3.96 It appears therefore that under the legislation Customs can decide to destroy a ship without seeking advice from quarantine authorities, but if the quarantine authorities want to quickly destroy a ship they must enlist Customs to undertake the task.
- 3.97 The Committee can see the benefits of the current arrangement—in the event of a ship posing a quarantine risk **and** containing evidence of interest to Customs, it is important that Customs's evidence is not destroyed by a unilateral decision from Quarantine.
- 3.98 For vessels posing a quarantine risk through biofouling, time is critical in eradicating the threat before the biofouling organisms can spread into vulnerable environments. The Committee considers, therefore, that the Customs legislation needs amendment to include the element of urgency if a boat is discovered to pose a serious quarantine risk.
- 3.99 Unfortunately, the shallowness of some areas of northern waters, the Torres Strait in particular, mitigates against speedy disposal of vessels in environmentally safe areas. Consequently, readily accessible disposal areas need to be identified and procedures put in place to facilitate expeditious destruction. This means that Environment Australia as well as

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73 The Committee understands that biofouling organisms disposed of in deep water will not survive.

the Australian Fisheries Management Authority and State/Territory agencies need be involved in the planning process.

- 3.100 The Committee believes there is merit in any arrangement covering the whole of Northern Australia.

### **Recommendation 7**

- 3.101 **Section 78A of the *Quarantine Act 1908* should be amended so as to make reference to biofouling organisms.**

### **Recommendation 8**

- 3.102 **The Northern Australia Quarantine Strategy should include activities to address the risks posed by organisms biofouling international recreational vessels and foreign vessels apprehended by the Commonwealth.**

**The Government should provide additional resources to the Northern Australia Quarantine Strategy to enable it to undertake this additional role.**

### **Recommendation 9**

- 3.103 **Section 185B of the *Customs Act 1901* should be amended so it:**
- **includes the need to consult the Australian Quarantine and Inspection Service if a ship is considered by Customs to pose a quarantine risk; and**
  - **specifies that ships posing an identified quarantine risk are dealt with in an appropriate manner and timeframe (to be specified in the Act).**

### **Recommendation 10**

- 3.104 **The Department of Agriculture, Fisheries and Forestry—Australia, the Australian Fisheries Management Authority, and Environment Australia, (in consultation with State and Territory counterparts) should identify areas and introduce procedures whereby vessels posing a quarantine risk can be routinely, expeditiously, and safely disposed of.**

## International cargo

- 3.105 International cargo arrives at two gateways in Australia—at international airports and at seaports.
- 3.106 The Government has set cargo intervention rates at 100%. Sea containers, air containers and high volume low value (HVLV) airfreight documents were achieving intervention rates of 100%, 98% and 82% respectively in the March quarter 2002 (up from 5%, 2% and less than 2% respectively in February 2001). Intervention rates were not specified by the Government for personal effects and non-containerised cargo. However rates achieved in the March quarter 2002 were 91% and 93% respectively (up from 30% and 35%).<sup>74</sup>
- 3.107 For effectiveness, the Government set a rate of 96% for the three cargo categories. In the March quarter 2002, effectiveness rates for sea containers, air containers and HVLV were 82%, 98% and 92% respectively. Effectiveness targets for personal effects and non-containerised cargo were not specified and no data was available from AFFA.<sup>75</sup>

## Containers

- 3.108 Procedures for containers can involve:
- examination of the container contents;
  - physical inspection of the outside of the container; and
  - washing of the container.
- 3.109 The ANAO told the Committee that containers posed a major challenge for quarantine operations. Although the target for intervention was 100%, the ANAO was concerned about the quality and depth of quarantine inspections.<sup>76</sup>

## Internal inspections

- 3.110 While the majority of containers carry cargo, the Committee was told during its inspections that there was a significant movement of empty containers around the world—approximately 180 000 are unloaded in Australia annually.<sup>77</sup> ‘Empty’ containers can in fact contain used

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74 AFFA, *Submission No. 14*, p. 236.

75 AFFA, *Submission No. 14*, p. 236.

76 Mr Alan Greenslade, *Transcript, 16 July 2002*, p. 5.

77 Exhibit No. 8, p. 35.

packaging material some of which may pose a quarantine risk because of the pests and diseases they may harbour.<sup>78</sup>

3.111 The empty containers from highest risk countries were targeted by AQIS, especially those from countries with infestations of the giant African snail and from high risk African ports.<sup>79</sup>

3.112 When challenged by the Committee, AFFA acknowledged that while a majority of sea containers were inspected on the outside, only 10% of sea containers were actually opened and checked. AFFA added:

... intervention takes various forms ... it is important to look at the system as a whole ... [it] includes processes of electronic and physical screening as well as physical intervention of opening containers.<sup>80</sup>

3.113 The Committee notes, however, that facilities have recently opened in Sydney and Melbourne (with 2 more projected for Brisbane and Fremantle) which allow the x-raying by Customs of complete cargo containers. A 12-metre container can be x-rayed in about 10 minutes and items such as illegal handguns, drugs, and plant material can be detected. It is expected that the facility in Sydney will be able to inspect 100 containers each day, some 25 000 per year.<sup>81</sup> Data obtained from the Sydney Ports' web site indicates this number represents about 5% based on 2001-02 figures for container movements.<sup>82</sup> (The Committee has inspected the Melbourne facility.)

#### External inspection

3.114 The Committee has observed the external inspection of containers at Port Botany. Material that had been recently removed included encrusted soil, pebbles, and a dead bird. The Committee was told that a nest with eggs had also been removed from the top of one container.

3.115 The primary purpose of such inspections was to prevent the arrival of seeds. The Committee was concerned that exotic plants could become established in the inspection area itself. AFFA subsequently advised the Committee that while AQIS regularly conducted wharf surveillance patrols, plant establishment in the area would be difficult as wharf areas are constructed from bitumen and/or concrete. Despite this, if a situation occurred where a plant of quarantine concern had established itself in the

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78 The Committee was told by AQIS officers during an inspection that sometimes live cats are enticed into containers destined for Australia, 'for a bit of a joke'.

79 Exhibit No. 8, p. 35.

80 Mr John Cahill, *Transcript, 16 July 2002*, p. 22.

81 Customs, *Minister's Media Release, Boost for border protection in Sydney*, 9 June 2002.

82 <http://www.sydneyports.com.au/TradeLogistics/>

immediate wharf area, the matter would be referred to AQIS plant scientists for evaluation and advice on treatment options.<sup>83</sup>

### Container washing

- 3.116 The Committee has also inspected container washing facilities in Port Botany and at Cairns.
- 3.117 At the public hearing in Melbourne, the Independent Paper Group (IPG) raised concerns about inconsistencies in container inspection and cleaning practices between Sydney and Melbourne ports:
- interpretations of contamination levels differed between Melbourne and Sydney;
  - a higher proportion of IPG containers were sent for washing in Melbourne compared to Sydney irrespective of country of origin;
  - the cost of cleaning was approximately \$470 in Melbourne compared to \$260 in Sydney; and
  - the turn around time was between 3 and 11 days in Melbourne compared to 30 minutes to 2 hours in Sydney.<sup>84</sup>
- 3.118 AFFA responded that during May and June 2002, AQIS had undertaken an extensive review of container inspection practices in various cities including Melbourne and Sydney. The review had found minor variations in practices between the various cities and had resulted in the revision of work instructions and training materials provided to container inspectors. As well, during the May–July 2002 quarter the proportion of containers sent for washing was 2% for Sydney and 3.5% for Melbourne. It was believed the difference was attributable to the different types of imports arriving at the ports.<sup>85</sup>
- 3.119 Regarding the variation in cleaning costs and turn around time between the ports, AFFA advised that washing facilities were privately owned and operated by industry and that AQIS had no control over costs or time. However, as only one company provided cleaning facilities in Melbourne, AQIS would review whether other cleaning facilities could be approved.<sup>86</sup>
- 3.120 The Committee notes that there are 2 container washing depots in Sydney, compared to 3 in Fremantle and 4 in Brisbane,<sup>87</sup> and is surprised there is only one washing facility at a major port such as Melbourne. The

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83 AFFA, *Submission No. 47*, p. 533.

84 IPG, *Transcript, 3 September 2002*, pp. 282, 284, 286.

85 AFFA, *Submission No. 47*, p. 563.

86 AFFA, *Submission No. 47*, p. 564.

87 IPG, *Transcript, 3 September 2002*, p. 283.

Committee believes that the introduction of additional facilities in Melbourne would introduce competition, with subsequent downward pressure on the costs charged, and reduce the delays associated with cleaning. The Committee is reassured that AQIS is reviewing the issue.

### Recommendation 11

- 3.121 The Department of Agriculture, Fisheries and Forestry—Australia should facilitate the provision of sufficient additional container washing facilities in the port of Melbourne to ensure there is competitive pressure on charges, and that the timeliness of container washing is improved.**

#### Consistency of container handling

- 3.122 The Auditor-General found that methods of external container inspection varied markedly in the three States audited, and these were generally related to the operating environment of the particular port.<sup>88</sup> Notwithstanding the evidence provided by AFFA that AQIS had reviewed container inspection practices, the Committee believes that more rigor could be introduced to container handling processes.

### Recommendation 12

- 3.123 The Department of Agriculture, Fisheries and Forestry—Australia should develop standards and benchmarks for the external and internal inspections of containers which reflect the risk assessment for the container and its cargo.**

## International Mail

- 3.124 The 194 million mail items entering Australia each year pose a significant risk for the quarantine border.<sup>89</sup> Under the Quarantine and Customs Acts, Australia Post is responsible for facilitating the screening of this international mail by AQIS and Customs.<sup>90</sup>

88 Auditor-General, *Audit Report No. 47 2000–01*, p. 95.

89 Exhibit No. 8, p. 8.

90 Australia Post, *Submission No. 3*, p. 26.

- 3.125 In the May 2001 Budget the Government provided Australia Post with an additional \$49.4 million over 4 years to increase the screening of international mail. The intervention rate was set at 100%. Australia Post told the Committee that the target was achieved in March 2002 and has been maintained at that level.<sup>91</sup>
- 3.126 The effectiveness target was set at 96% for high risk items and at 50% for lower risk items. AFFA advised the Committee that effectiveness levels were at 91% for high risk items, up from the 11% identified in the audit report.<sup>92</sup>
- 3.127 Despite its success in facilitating screening of international mail Australia Post advised the Committee that new facilities at the major gateways of Sydney and Melbourne will be needed to sustain performance. In Sydney the existing centre at Clyde will be upgraded, whereas a new international facility will be built at Melbourne airport. The facility is expected to open in mid-2003.<sup>93</sup>
- 3.128 The Committee has inspected Australia Post's international mail centre in Sydney. The screening process is described in Australia Post's submission:
- Customs canines are used initially (primarily to detect narcotics);
  - Customs Target Officer determine if the mail article contains prohibited or restricted items ... (if so it is sent to the examination area, opened and examined);
  - mail is then x-rayed (and as a result some is also subject to opening and examination);
  - mail is then subject to AQIS canine inspection (primarily to detect animal or vegetable material); and
  - end point sampling by AQIS of screened articles to determine the effectiveness of screening (intervention), is then undertaken.<sup>94</sup>
- 3.129 The Committee was advised that over 60% of all seizures at mail centres were detected by x-rays.<sup>95</sup> During the inspection the Committee was impressed with the way in which AQIS conduct their x-ray operations. AQIS x-ray operators who detect an item of quarantine concern are also responsible for opening and inspecting that item. The Committee saw this as an effective, efficient self-checking method of assessing and improving performance.

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91 Mr Michael McCloskey, *Transcript, 16 July 2002*, p. 39.

92 Exhibit No. 8, p. 12; *Submission No. 14*, p. 236.

93 Mr Michael McCloskey, *Transcript, 16 July 2002*, p. 39.

94 Australia Post, *Submission No. 3*, pp. 27-8.

95 AFFA, *Submission No. 47*, p. 535.

3.130 In contrast, Customs x-ray operators forward items of interest to an examination officer to open and inspect the items. Customs advised the Committee that operators are encouraged to follow up results with the examination officers. The images of detected items are stored for later use as intelligence or for training.<sup>96</sup>

**3.131 The Committee believes there would be merit in Customs adopting the self-checking approach used in AQIS x-ray operations.**

3.132 During the inspection the Committee also observed AQIS detector dogs in action. As a demonstration, a detector dog discovered dried plant material secreted in an airmail letter. However, later in the visit the dog detected a packet of vacuum-packed seeds, again in an airmail letter. A supplementary submission from AFFA provided more information about the items detected by the dogs:

Quarantine Detector Dogs are trained to detect:

- fresh fruit and vegetables;
- meat, both fresh and processed, including canned meats;
- plant material;
- eggs;
- birds;
- reptiles;
- bees;
- soil;
- seeds;
- cheese.

The dogs have extremely sensitive noses for odour detection, allowing them to alert to tiny items of quarantine concern that may not be distinguishable by x-ray. These include pressed flowers between book pages, seeds in letters and small quantities of soil particles. The dog teams are also an invaluable tool for alerting to items that are rigorously packaged to prevent detection, such as cryogenically packaged foodstuffs, which are still detectable by the dogs.<sup>97</sup>

3.133 The Committee was told that during their working life the dogs were kept at a quarantine station so that they did not become fatigued by the smells they were trained to detect. However, in retirement the dogs often went to live with their handler.

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96 Customs, *Submission No. 38*, p. 425.

97 AFFA, *Submission No. 47*, p. 534.



- 3.134 The Committee has explored with AFFA the use of gamma-radiation to destroy quarantine risks as an alternative to detection by dogs. AFFA responded that it had considered the possibility of irradiating mail items as an alternative to the current procedures of screening and inspection. However, it was difficult and costly. This was because different pests required different dosages and often incoming mail had full declarations. Irradiation at high doses could damage items such as electronics, plastics, therapeutic drugs and allowable seeds.<sup>98</sup>
- 3.135 During the inspection of the Clyde Mail Centre, the Committee was surprised at the nature and volume of items of quarantine concern that are detected. Recent items that had been seized were displayed and included vacuum-packed fresh bratwurst sausages, dried salted fish, dried fungi, beef lollies, a snake, and soiled sports boots. The Committee also observed AQIS officers unpacking parcels of clothing and cleaning lightly soiled shoes before returning them to the repacked parcels.
- 3.136 In November 2002, two live boa constrictor snakes were discovered at the Melbourne international mail centre in a parcel sent from Greece. The parcel had been x-rayed and the 60 cm long snakes were found concealed in a one litre vacuum flask type container.<sup>99</sup>
- 3.137 The Committee acknowledges the performance of Australia Post and AQIS at the mail centres, but notes that the systems have yet to be fully tested during the Christmas peak period. At that time approximately 30 000 mail items will arrive—more than double that received in March 2002 when 100% screening was first achieved.<sup>100</sup>

## Committee Comment

- 3.138 The Committee is satisfied with the improvements in intervention and effectiveness levels achieved by AFFA and AQIS. The Committee is confident that the Government's targets will be achieved.

## Waste disposal

- 3.139 During the inspection of animal and plant quarantine facilities at Eastern Creek, the Committee noted that large amounts of animal and plant material needed to be disposed. Material seized at quarantine gateways will also need to be disposed of appropriately.

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98 AFFA, *Submission No. 47*, p. 534.

99 Minister for Agriculture, Fisheries and Forestry, *Media Release, Quarantine puts the 'squeeze' on illegal boa constrictors*, 15 November 2002.

100 Exhibit No. 8, p. 7.

- 3.140 A submission from Mr John Hall outlined his concerns about current quarantine waste disposal practices. Mr Hall criticised the current methods of waste disposal such as deep burial, and advocated that AQIS develop a new facility treatment process. The facility 'could handle all sizes of quarantine waste generated from ships and aircrafts, hospital and infectious material, as well as high security material treatment of seizures from customs and police, etc.'<sup>101</sup>
- 3.141 The Committee sought comment from AFFA on the issue.
- 3.142 AFFA advised that currently, AQIS contracted out their waste disposal arrangements to the private sector. Current waste disposal methods included deep burial, high temperature incineration and heat treatment by autoclaving. Prior to approval, all proposed methods were submitted to Biosecurity Australia for assessment of the effectiveness of the proposed treatment. Contractors also had to comply with relevant State and Commonwealth environmental legislation and were subject to regular monitoring by AQIS under co-regulation arrangements.<sup>102</sup>
- 3.143 Responding to the criticism of the deep burial method, AFFA stated:
- Deep burial is an internationally accepted method of disposing of animal and plant quarantine waste. The majority of organisms of quarantine concern do not survive for long periods of time in the anaerobic environment provided by deep burial. As the waste decomposes, soil microorganisms and changes to the chemical environment effectively destroy the viability of a wide range of bacteria and viruses. Seeds are also affected by changes to the chemical environment, decreasing their viability over time. This occurs in a controlled environment, buried under several metres of soil.<sup>103</sup>
- 3.144 The Committee is satisfied that quarantine wastes are being appropriately disposed.

## Other border operations

### Imported Alcohol Labelling

- 3.145 All imported food including alcohol must comply with the *Quarantine Act 1908* and the *Imported Food Controls Act 1992*. Under the legislation, AQIS
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101 Mr John Hall, *Submission No. 10*, pp. 81–4.

102 AFFA, *Submission No. 47*, p. 536.

103 AFFA, *Submission No. 47*, p. 537.

administers the *Imported Food Control Regulations 1993* and the *Imported Food Control Order 2001* on behalf of AFFA and Food Standards Australia New Zealand (FSANZ).<sup>104</sup>

- 3.146 The submission from Diageo Australia Ltd, an importer and distributor of spirits and alcoholic beverages, raised the following concerns about the administration of the imported food legislation:
- the rate of inspections of consignments;
  - the labelling requirements for duty free goods; and
  - parallel imports of spirits and alcoholic beverages.

### The rate of inspections of consignments

- 3.147 Alcohol is classified as a random surveillance food by FSANZ. Consequently, five per cent of all consignments (ie 1 in 20) are subject to inspection by AQIS. While inspection can range from either simply examining the label to opening the bottle to examine the contents for macrocontaminations, the majority of inspections involve simply examining the label.<sup>105</sup>
- 3.148 Diageo argued that this surveillance regime discriminated against larger volume, reputable and compliant importers of alcohol. Diageo believed that the real risk for AQIS was from lower volume or one-off importers who would not be subject to the same actual level of inspection due to the random nature of selection.<sup>106</sup>
- 3.149 As an example, Diageo noted that due to the high volume of alcohol it imported annually, approximately 1 in 30 of its consignments had been selected for inspection over the previous year. No single product had been identified by AQIS as failing inspection. In contrast, Diageo provided examples of products imported by small volume importers which did not comply with Australian domestic labelling requirements.<sup>107</sup>
- 3.150 Responding to the issues raised by Diageo, AFFA advised the Committee that under the current legislation the random surveillance category was the lowest risk category of food. The other two categories were:
- risk category (eg cooked prawns, oysters, soft cheeses) which was inspected at a rate of 100%, 25% or 5% depending on performance history; and

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104 AFFA, *Submission No. 14*, p. 139.

105 Mr Robert Preece, *Transcript, 5 August 2002*, p. 215.

106 Diageo Australia Ltd, *Submission No. 48*, p. 577.

107 Diageo Australia Ltd, *Submission No. 48*, p. 577.

- active surveillance (eg egg powder, vegetable sprouts, tofu) which was inspected at 10% by country of origin.
- 3.151 However, following a recommendation from the National Competition Policy Review of the legislation, AQIS and FSANZ were:
- ... developing a performance based inspection system for [random and active] surveillance category food. ... Under the new system, instead of the rigid 100%, 10% and 5% inspection regimes, food with intrinsic lower risk (such as spirits) and a strong compliance history could be subjected to a very low intensity inspection regime. However food with higher levels of intrinsic risk and/or poor compliance history will be subject to a higher inspection intensity.<sup>108</sup>
- 3.152 The Committee believes that the proposed changes to the inspection regime for surveillance category foods will address the concerns of importers of intrinsically low risk foods.

### The labelling requirements for duty free goods

- 3.153 The *Imported Food Controls Act 1992* and associated regulations outline labelling requirements for imported alcohol. These requirements aim to protect Australian consumers by identifying the name and address of the local importer, origin of the product, package size, spirit strength and the number of standard drinks.<sup>109</sup> Duty free alcoholic products in contrast have generic labelling providing details of the manufacturer, size, alcoholic strength and origin.<sup>110</sup>
- 3.154 Diageo advised the Committee that until recently AQIS had not applied Australia's domestic labelling requirements to alcohol sold in duty free outlets. However, from 1 August 2002 AQIS had decided to enforce labelling requirements.<sup>111</sup>
- 3.155 Diageo argued that the duty-free market was distinctly separate from the domestic market and was structured along global lines. Duty free alcohol products had a single packaging and labelling standard that was applied to all duty free alcohol products for sale in any airport in the world or as ships' stores for consumption by crew and passengers on any international flight.<sup>112</sup>

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108 AFFA, *Submission No. 54*, p. 619.

109 Diageo Australia Ltd, *Submission No. 25*, p. 345.

110 Diageo Australia Ltd, *Submission No. 25*, p. 346.

111 Diageo Australia Ltd, *Submission No. 25*, pp. 345-6.

112 Diageo Australia Ltd, *Submission No. 48*, p. 572.

- 3.156 Diageo told the Committee that such compliance with domestic labelling requirements would cost it approximately \$1 million. Also it would be irrelevant to approximately 65–70 per cent of purchases because they were by overseas customers returning to their home country. Labelling differed greatly between countries, especially regarding the number of standard drinks.<sup>113</sup> The alternative, Diageo advised, was to source duty free supplies for Australia and New Zealand through its domestic business. This was estimated to cost in excess of US\$1.5 million per annum and also reduce the range of products which would be available.<sup>114</sup>
- 3.157 Diageo's submission noted that the industry had applied to FSANZ's predecessor the Australia New Zealand Food Authority (ANZFA) for an exemption for duty-free alcohol products from domestic labelling requirements, but this had been rejected.<sup>115</sup>
- 3.158 The Committee sought comment from FSANZ on this issue. FSANZ provided ANZFA's final assessment report on the issue. The report concluded that there was not 'a sufficiently persuasive case ... to interfere with the public health and safety provision of name and address requirements.'<sup>116</sup>
- 3.159 FSANZ's submission also advised that the decision to reject the exemption request was being challenged by industry interests in the Federal Court.<sup>117</sup>
- 3.160 In the light of the fact that the matter is before the Courts, the Committee has decided not to comment further.

### Parallel imports

- 3.161 Parallel importing occurs when a product destined for another market is imported into Australia in parallel to imports by the main distributor of the product. The parallel import may have labelling which complies with the other market, but which does not meet Australia's requirements. Typically a parallel import comprises a 'one off' or small number of consignments.
- 3.162 Diageo has provided the Committee with several examples of parallel imports which allegedly did not comply with Australia's labelling requirements or had expired use by dates. Such imports posed a

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113 Mr John Halmarick, *Transcript*, 5 August 2002, p. 220.

114 Diageo Australia Ltd, *Submission No. 48*, p. 576.

115 Diageo Australia Ltd, *Submission No. 25*, p. 346.

116 FSANZ, *Submission No. 45*, p. 495.

117 FSANZ, *Submission No. 45*, p. 487.

commercial risk to the regular importer because the importer might be seen by the consumer as responsible for the deficient product.<sup>118</sup>

3.163 AFFA advised the Committee that while regular importers were likely to be familiar with Australia's labelling laws, there were numerous low volume importers such as one-off or opportunistic importers with little or no familiarity with food safety requirements. When a surveillance category food failed inspection a holding order was invoked. The order 'applies to the food and the overseas producer so the impact is also on routine importers who have taken steps to ensure that their food complies with Australian standards.'

3.164 Under the new system that was proposed, AFFA added:

... the importers will be targeted for labelling non-compliances rather than the food itself. Thus it would be a more equitable system that would reward those importers who take measures to ensure their food is correctly labelled and otherwise in compliance with Australia's food safety standards.<sup>119</sup>

3.165 The Committee considers that the changes envisaged by AFFA should address the concerns raised by Diageo.

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118 Diageo Australia Ltd, *Submission No. 25*, p. 348; *Submission No. 48*, p. 578.

119 AFFA, *Submission No. 54*, p. 619.

## **Quarantine preparedness**

### **Introduction**

- 4.1 An important aspect of the quarantine function is preparedness for potential quarantine 'incidents'. This chapter considers how Australia monitors the areas most at risk of pest and disease incursions and prepares for major incursions. Being prepared involves the ability to identify exotic pests and diseases outbreaks in Australia if and when they occur; and having procedures, strategies and the resources to respond to such outbreaks. For particular risks it is also possible to undertake pre-emptive research.

## **Northern Australia Quarantine Strategy**

### **Introduction**

- 4.2 NAQS was established in 1989 following a major review by Professor David Lindsay which identified Northern Australia as being highly susceptible to pest and disease incursions. This risk is due to:

- the area's proximity to countries with a different pest and disease status to that of Australia;
- treaty arrangements with Papua New Guinea (PNG) which allow movement between PNG and Australia through the Torres Strait;
- increasing numbers of visiting international cruising yachts and increased tourism;
- the numbers of suspected illegal entry vessels and illegal fishing vessels that are intercepted and brought to shore;
- low population density and isolated terrain with populations feral animals;
- recent examples of exotic pests thought to have been introduced by wind currents.<sup>1</sup>

4.3 AFFA advised the Committee that NAQS which operates between Cairns and Broome:

... works by identifying and evaluating quarantine risks facing northern Australia and providing early detection advice and warning of new pests and diseases through a targeted program of monitoring, surveillance and public awareness. Its work encompasses pre-border, border and post border activities.<sup>2</sup>

4.4 QEAC reviewed NAQS in 1998 and found it had been 'effective in detecting and responding to major incursions over the previous five years.' Recommendations aimed at improving NAQS administration were also made by QEAC. In June 2001, the Auditor-General found that there had been 'solid progress in all the recommendations accepted by AFFA.'<sup>3</sup>

## Liaison with State programs

4.5 The submission from Queensland's Department of Primary Industries (DPI) drew the Committee's attention to joint surveillance and response programs mounted by NAQS and the DPI's Northwatch program.<sup>4</sup> DPI told the Committee that Northwatch delivered its services in Cape York and the Torres Strait and provided the state with the capacity to respond to the detection of pests and diseases. Whereas NAQS was responsible for

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1 Auditor-General, *Audit Report No. 47 2000-01*, p. 102; AFFA, *Submission No. 14*, p. 128.

2 AFFA, *Submission No. 14*, p. 128.

3 Auditor-General, *Audit Report No. 47 2000-01*, p. 102

4 Qld DPI, *Submission No. 32*, pp. 396-7.



monitoring pigs for Japanese encephalitis (with Northwatch support), DPI was responsible for papaya fruit fly:

Each year we expect that papaya fruit fly will be detected under the NAQS or Commonwealth program on islands in the northern Torres Strait. We undertake the response to those detections and collaboratively with the Commonwealth, Queensland and other states have an agreed and shared funded program in the Torres Strait ... to suppress the populations to prevent their establishment and put further pressure on re-entry into horticultural production areas of Queensland.<sup>5</sup>

- 4.6 The Committee pursued the issue of whether there was unproductive duplication of resources. DPI responded that both state and Commonwealth organisations had worked hard to ensure responsibilities ‘dovetail to form a synergy to produce a good outcome.’ Essentially NAQS operated a monitoring and surveillance program—the early detection of pests and diseases—and Northwatch delivered the response obligation. However, it was necessary for Northwatch personnel to be familiar with the local terrain and territory so they had become involved with surveillance. That surveillance was either done jointly, or separately in areas where NAQS did not operate. The aim was ‘to maximise the two roles collectively to provide the best outcome nationally.’<sup>6</sup>
- 4.7 Northwatch also operated an information and liaison centre at Coen which when required operated as an inspection centre for road traffic travelling south from Cape York. North-bound traffic was provided with AQIS, DPI and environmental information. The Coen centre was co-funded by AQIS.<sup>7</sup>

## The Committee’s inquiry

- 4.8 During the inquiry the Committee inspected NAQS operations in Cairns and the Torres Strait. The Committee was briefed on the various activities undertaken by the program and was able to meet those involved.
- 4.9 The NAQS issues discussed with the Committee included:
- the animal and plant pests and diseases which have the potential to invade Australia;

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5 Mr Kevin Dunn, *Transcript*, 29 July 2002, p. 135.

6 Mr Kevin Dunn, *Transcript*, 29 July 2002, p. 135.

7 Mr Kevin Dunn, *Transcript*, 29 July 2002, p. 135.

- the program of visits to PNG and Indonesia to assist those countries in monitoring animal and plant pests and diseases;
  - the monitoring program within Australia;
  - the use of sentinel herds to detect various human and animal diseases;
  - the trapping program for disease carrying mosquitoes and insect pests;
  - the public awareness program; and
  - the challenges posed by the movement of people throughout the Torres Strait for traditional activities under the treaty with PNG.
- 4.10 AFFA provided the Committee with the NAQS survey program and target species list.<sup>8</sup>
- 4.11 The Committee's inspection visits were the subject of an article in the House of Representatives publication *About the House*.<sup>9</sup> The text of the article can be found in Appendix E.
- 4.12 As with all its inspections, the Committee was impressed with the professionalism, dedication, and enthusiasm of the personnel it met.<sup>10</sup> The Committee was told during a briefing that off-duty quarantine officers at a social function in Darwin had noticed an unusual plant pathology. This resulted in the early identification of an exotic disease incursion into Australia. The example confirms the comments the Committee has received that quarantine officers are always engaged in defending Australia's quarantine border.
- 4.13 The Committee was told that NAQS in its dealings with local communities was keen that it was not seen as an enforcement agency, preferring a cooperative rather than coercion strategy in quarantine matters.<sup>11</sup>
- 4.14 The Committee also notes with approval the involvement of local people in the management of quarantine in the Torres Strait.<sup>12</sup> The people of the

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8 Exhibit No. 13, AFFA, *NAQS target lists and 2002/03 survey program*.

9 House of Representatives, *NAQS: on the quarantine frontline*, in *About the House* September/October 2002.

10 For example, the Committee understands that the NAQS botanist, Dr Barbara Waterhouse has provided many thousands of specimens including Siam weed to the Queensland herbarium. Siam weed is potentially devastating weed which currently infests East Timor—a small outbreak in Tully north Queensland is being eradicated.

11 For example, NAQS preferred to approach isolated communities in the area independently of Customs or police operations.

12 For example, Mr Shane Ahboo is the NAQS Operational coordinator on Thursday Island, and Mr Ron Enosa, Chairman Saibai Island Council, and Ms Hilda Mosby of Yorke Island are the quarantine officers for their respective island communities.

Torres Strait have wholeheartedly embraced the quarantine message as essential for the preservation of their culture and livelihood.

## Pest and disease incursions in Australia

### Performance measures

- 4.15 One measure of the effectiveness of the quarantine function is the number of pests and diseases which become established in Australia. Indeed one of AFFA's current performance measures is the rate of incursions attributable to biosecurity policy.<sup>13</sup>
- 4.16 The Auditor-General found that there had been a marked increase in reported incursions to 1999–2000 but noted that the trend could have been due to a variety of factors such as:
- less effective quarantine arrangements;
  - improved surveillance by State and Territory agencies;
  - increasing amounts of quarantine risk material arriving at the border; and/or
  - breaches in quarantine occurring some years previously.<sup>14</sup>
- 4.17 AFFA's annual report for 2000–01, reporting against the then indicator of 'zero increase in the rate of exotic pest/disease establishments attributable to breaches of quarantine', provided details of 10 pest and disease incursions.<sup>15</sup> An additional 2 exotic insects were listed for that year in an exhibit provided by AFFA.<sup>16</sup> (The 12 new 'establishments' compares to 21 and 26 for 1998–99 and 1999–2000 reported in *Audit Report No. 47, 2000–01*.)
- 4.18 AFFA told the Committee that it considered 'there is really no detectable change in the rate of incursions ... over the last 20 years to 25 years.' The data was very 'lumpy' with some years having 10–15 incidents classified as incursions, whereas other years there were only 2 or 3.

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13 AFFA, *Portfolio Budget Statements 2002–03, Budget Related Paper No. 1.1*, p. 55.

14 Auditor-General, *Audit Report No. 47 2000–01*, pp. 52–3.

15 AFFA, *Annual Report 2000–01*, pp. 179–80.

16 Exhibit No. 6, AFFA, *New plant pest and diseases recorded within Australia since 1996*.

- 4.19 Sometimes first time detections were misleading. AFFA cited an example where a fungus was first detected in July 1999, but which was believed to have been in Australia for between 20 to 30 years. As well, in late 1999, 4 new exotic thrips insects had been collected in the Northern Territory by a visiting thrips expert—while they appeared on the list for 1999, the insects could have been present for up to 150 years.<sup>17</sup>
- 4.20 For the 2001–02 year, AFFA's performance measure became 'incursions attributable to biosecurity policy.' Unlike its previous annual report, AFFA's *Annual Report 2001–02* provided no information against this performance measure.<sup>18</sup>
- 4.21 Material on AFFA's internet site, however, provides a list of new plant pest and diseases recorded in Australia since 1996, which shows there were 10 new recordings for 2001–02. The list is qualified with the information that:
- detection is 'very dependent on surveillance activity';
  - pests might have been in Australia for some time before detection; and
  - it is 'practically impossible to determine the entry pathway for specific exotic pests', and 5 pests were likely to have arrived on wind currents.
- 4.22 AFFA's final caveat on its list is:
- In the absence of a baseline for comparison, it would be inappropriate to use this list to measure the effectiveness of quarantine measures.<sup>19</sup>
- 4.23 The Committee agrees with AFFA that determining the mode of entry of a new plant pest or disease is extremely difficult, especially considering that fungal spores and small insects can be carried great distances on wind currents. It is likely that few incursions could be directly attributable to lapses in biosecurity policy. Including information of new pests and diseases in the annual report as a measure of performance could therefore be misleading. It is also misleading to have the performance measure in the first place because it implies the measure is valid. The error is compounded if no information subsequently appears in the annual report!
- 4.24 The Committee is reminded of its recommendation when it reviewed the accrual budget documentation that 'agency performance measures identified in the portfolio budget statements must always be accompanied by a comparative standard.' The Committee notes that all performance
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17 Dr William Roberts, *Transcript, 16 July 2002*, p. 24.

18 AFFA, *Annual Report 2001–02*, pp. 94, 104.

19 AFFA, Website document, *New plant pest and diseases recorded within Australia since 1996*.

measures should be reported against in the annual report. Accordingly, the Committee expects AFFA to report against all of its performance measures in its annual report.

## Monitoring for plant and animal pests and diseases

4.25 A major problem faced by plant and animal health officers is the myriad of potential pests and diseases. For example, CSIRO told the Committee that for citrus alone there were some '600 significant pests—that is not pathogens; this is just insect pests—known worldwide.'<sup>20</sup> Consequently, AFFA targets the pests and diseases most likely to affect Australia.

## Monitoring under the Northern Australia Quarantine Strategy program

4.26 Programs such as NAQS has a list of pests and diseases which it targets. This includes animal diseases, plant pests and pathogens, and weed species. All are monitored by a survey program which includes visits to the countries to the north of Australia.<sup>21</sup>

4.27 During its inspection of NAQS activities, the Committee was briefed on the use of sentinel herds used to detect incursions of various diseases, and examined various types of fly traps. Two issues which arose during the inquiry was whether the NAQS target list should be expanded and whether the range of species used for monitoring was adequate.

## Expansion of the NAQS list

4.28 In Chapter 3, the Committee discussed the problem of biofouling. Because in northern Australia the greatest risk appears to be posed by vessels arriving at the quarantine border, the Committee decided the Commonwealth through AFFA should be the prime agency responsible for addressing the problem. As a result, the NAQS list should be expanded to include those biofouling organisms known to be a risk in northern Australia.

4.29 The Committee raised this issue with CSIRO, noting that the CSIRO Centre for Research on Introduced Marine Pests (CRIMP) in Hobart is the centre of excellence in Australia. CSIRO responded positively to the suggestion it become involved and commented that CRIMP did not have all of the diagnostic capacity itself but coordinated with the Australian museums.<sup>22</sup>

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20 Dr Robert Floyd, *Transcript, 3 September 2002*, p. 240.

21 Exhibit No. 13.

22 Dr Robert Floyd, *Transcript, 3 September 2002*, p. 241.

- 4.30 The Committee considers that CSIRO should become involved in the monitoring of biofouling organisms in northern Australia either directly because of its in-house expertise or by coordinating the expertise residing elsewhere.

### Recommendation 13

- 4.31 **The Government should provide additional funds to the Commonwealth Scientific and Industrial Research Organisation to enable its Centre for Research on Introduced Marine Pests to provide diagnostic advice to assist the Northern Australia Quarantine Strategy to monitor biofouling organisms.**

### Monitoring Australian wildlife

- 4.32 The Committee has been provided with a list of animal pests and diseases targeted by NAQS monitoring activities.<sup>23</sup> However, it is unclear whether, apart from sentinel herds of domestic animals and the trapping of feral animals, Australian native animals are routinely monitored for exotic diseases.
- 4.33 The Australian Society for Parasitology told the Committee that marsupials could carry and act as reservoirs for the protozoan disease surra.<sup>24</sup> The Society added that:

Australian wildlife, although they are unique, are certainly susceptible to a range of diseases that are common overseas, and they are the biggest potential reservoir for disease in Australia. If something gets into that reservoir then it will be extremely difficult to eradicate ...

... there should be a targeted program and there needs to be a review of various diseases and at least an initial judgement of their threat in terms of the human or wildlife populations or the feral or domestic populations of animals.<sup>25</sup>

- 4.34 The Society's submission provided other examples of parasitic diseases where Australian wildlife could be at risk or act as reservoirs:

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23 Exhibit No. 13.

24 Surra is a sleeping sickness type of disease found in PNG. It primarily affects horses, dogs and pigs.

25 Dr Mark Sandeman, *Transcript*, 3 September 2002, p. 261.

- *Trichinella* found in Tasmanian marsupials;
  - *Leishmania* discovered in East Timor; and
  - an exotic species of *Babesia* found in dogs in Australia.<sup>26</sup>
- 4.35 The Committee asked AFFA to respond to the issue of surra in marsupials. AFFA's supplementary submission stated that marsupials, unlike domestic animals and their feral counterparts, were extremely difficult to sample. Many were nocturnal, lived in trees, were difficult to capture alive, and suffered post-capture stress.<sup>27</sup>
- 4.36 Surra was a chronic infection in cattle and pigs which meant that infected animals would test positive for a long time. On the other hand, surra was acute and fatal in at least two species of wallaby which meant that infected individuals would not survive long enough to be captured and tested. The first indication of surra therefore was likely to be increased mortality. NAQS invested heavily in public awareness and asked the public to report any increased mortality in native animals to NAQS or State agencies. Reports of increased mortality would be jointly investigated by NAQS and State agencies.<sup>28</sup>
- 4.37 The Committee is satisfied that NAQS has appropriate strategies in place to manage the threats posed to native animals by surra.
- 4.38 However, there may be a case for monitoring native animals for other exotic diseases. **The Committee expects that AFFA, in conjunction with Environment Australia and State and Territory conservation agencies, will keep a watching brief on the issue of exotic diseases entering Australia's wildlife populations and take any necessary monitoring and remedial action.**

### Other monitoring

- 4.39 The Australian Veterinary Association (AVA) has advocated an active surveillance program for diseases such as anthrax which can be sent through the mail and for naturally occurring diseases not currently covered by a surveillance program.<sup>29</sup> The risk of a lack of surveillance was that it was much more difficult to detect a small outbreak before it had

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26 Australian Society for Parasitology Inc., *Submission No. 15*, p. 245.

27 The Committee notes that a trap developed by Ecotrap Pty Ltd may provide a solution by allowing the humane and safe capture of native animals. The *ecotrap* is soft walled with a frame which loses tension when it is triggered. This reduces injury to the captured animal.

28 AFFA, *Submission No. 54*, p. 616.

29 Dr Kevin Doyle, *Transcript, 5 August 2002*, p. 200.

expanded into a major problem. The AVA provided as an example the case of influenza virus which was readily carried by wild birds and could mutate and combine with other influenza viruses to produce 'something quite new and wonderful.'<sup>30</sup>

4.40 The AVA suggested that the decline in disease monitoring had happened 'accidentally' because laboratories no longer took samples from any veterinarian or farm for no cost, having introduced fee-for-service. Consequently, samples were now only provided where the symptoms were 'very bad or very unusual'. The drop in samples reduced the ability of authorities to track disease movement.<sup>31</sup> The AVA gave the example of infectious bovine rhino-tracheitis as a disease no longer able to be tracked due to the decline in passive surveillance.<sup>32</sup>

4.41 The AVA argued that there was a case for Australia paying for the monitoring of some diseases. It noted that the Organisation des International Epizooties (OIE)<sup>33</sup> rules effectively required countries claiming freedom from a particular disease, and deriving trading benefit from the fact, to demonstrate such freedom. For example, the cost of monitoring for bovine spongiform encephalopathy (BSE) was coordinated through Animal Health Australia. The AVA noted that 'the demands by the OIE and WTO for demonstration as to [disease] freedom are increasing day by day.'<sup>34</sup>

4.42 A different view was taken by the National Farmers' Federation (NFF) which indicated it did not support random testing for diseases known on clinical grounds to not occur in Australia. The NFF submission stated:

Surveys (for instance for FMD [foot and mouth disease]) are not required by either OIE or our overseas trading partners in maintaining our FMD-free status for trading purposes. Indeed, such surveys could well be counterproductive since random testing of negative populations inevitably leads to false positive results, probably compromising our status until yet more testing is carried out to confirm continuing freedom from actual disease.<sup>35</sup>

4.43 In drawing its conclusion, the Committee notes that Australia-wide there are some 60 flocks of chickens comprising the National Sentinel Chicken

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30 Dr Joanne Sillince, *Transcript, 5 August 2002*, pp. 203-4.

31 Dr Joanne Sillince, *Transcript, 5 August 2002*, p. 204.

32 AVA, *Submission No. 22*, p. 311.

33 The international animal health organisation.

34 Dr Kevin Doyle, *Transcript, 5 August 2002*, p. 206.

35 NFF, *Submission No. 26*, p. 355.



Surveillance Scheme. These sentinel flocks are able to provide advance warning of outbreaks of Murray Valley encephalitis, and would be useful in detecting incursions of West Nile virus if it entered Australia.<sup>36</sup>

- 4.44 The Committee has not come to a view on whether further monitoring is needed, but expects AFFA to continuously review the need for routine disease monitoring in the light of Australia's national interest and international obligations.

### Expertise needed to identify incursions

- 4.45 The submission from the Australian Society for Parasitology suggested that 'the biggest threat to Australia's future quarantine function is a national decline in education and research training.'<sup>37</sup> The Society elaborated:

There is no department of parasitology left now in this country. That has become a department of microbiology, and I believe from next year there will be two people who are parasitologists left in that place. That is Queensland University. ANU [the Australian National University] used to have a fairly strong parasitology component but there is one person left. There are very few people—of any critical mass certainly—around the country in the universities now. ... CSIRO have cut back extensively on their parasite area as part of their cutback in the whole of the agricultural research area. They have people left in Brisbane and Armidale. As far as I know, that is about it.<sup>38</sup>

- 4.46 The Committee has received additional information on this issue in a supplementary submission:

The CSIRO has amalgamated the former CSIRO Divisions of Animal Health and Animal Production, and parts of Tropical Agriculture. This has resulted in a large scale loss of staff of laboratories in Sydney and Melbourne. In particular the movement of the McMaster laboratory to Armidale has resulted in a serious loss of parasitology expertise.

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36 ABC Radio National Health Report, *The West Nile Virus*, 25 November 2002.

37 Australian Society for Parasitology Inc., *Submission No. 15*, p. 245.

38 Dr Mark Sandeman, *Transcript*, 3 September 2002, p. 259.

There is particular concern with our remaining expertise in aquatic diseases with only 4 scientists in Australia expert in the area of molluscan diseases.<sup>39</sup>

4.47 The Society concluded that a targeted approach was needed comprising for example research grants or research projects where disease risks, especially to Australia's north could be studied.<sup>40</sup>

4.48 The Committee questioned AFFA on the decline in available expertise. AFFA responded:

It is true that there are times when it seems there is going to be a dearth of professionals ... We have been saying that for a long time. I can remember that, when I was a practising nematologist, there were 10 nematologists in Australia. It has been pretty much around that number over a long period, which does not seem to be a lot of plant nematologists. There is a lot of support in those specialist areas from the international network. ... If the number were halved it would not be good, but we would still be able to get by. I do not know how you encourage people to go into those areas when there are so few jobs.<sup>41</sup>

4.49 A less fatalistic view was expressed by CSIRO which advised the Committee that there was an initiative with Plant Health Australia 'to identify the key pests and pathogens that we do not have the diagnostic capacity for in Australia and then develop that capacity.'<sup>42</sup>

**4.50 The Committee expects that such a risk management strategy would be integral to AFFA programs in both animal and plant areas.**

4.51 Nevertheless, the Committee is concerned at the decline in the scientific expertise available in Australia. The creation of such expertise often requires a significant lead time beginning with university undergraduate courses. The Committee has not taken detailed evidence regarding how to build up scientific expertise in quarantine-related areas, but supports any practical moves to address this weakness.

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39 Dr Mark Sandeman, *Submission No. 56*, p. 625.

40 Dr Mark Sandeman, *Transcript, 3 September 2002*, p. 259.

41 Dr Brian Stynes, *Transcript, 20 September 2002*, p. 308.

42 Dr Robert Floyd, *Transcript, 3 September 2002*, p. 240.

## Response capability to disease outbreaks

- 4.52 Australia has had to respond to a variety of disease and pest outbreaks in recent years. Notable examples are:
- periodic outbreaks of the Australian strain of Newcastle disease in poultry; and
  - red fire ants in Brisbane—currently subject to an eradication program costing in excess of \$140m.
- 4.53 The problems associated with mounting a rapid and effective response will be the same irrespective of whether or not such outbreaks result from a breach of the quarantine barrier.
- 4.54 In December 2001, the Government requested the Productivity Commission to consider three FMD outbreak scenarios and ‘evaluate the full economic, social and environmental impact ... including on the agricultural sector, regional Australia, and the national economy’.<sup>43</sup> As well, in September 2002 a major FMD outbreak simulation exercise was conducted to evaluate Australia’s response capability.

## The economic impact of a foot and mouth disease outbreak

- 4.55 The Productivity Commission modelled three outbreak scenarios ranging from a single point outbreak to large multi-point outbreak across three States in south eastern Australia which took a year to control. The results suggested that:
- the loss of export revenue would ‘range from over \$3 billion for a short outbreak to over \$9 billion for a 12 month outbreak’; and
  - the loss to the Gross Domestic Product would be \$2–3 billion for a short outbreak, rising to \$8–13 billion for a 12 month outbreak.<sup>44</sup>
- 4.56 The modelling also provided information on whether to vaccinate animals in the case of an outbreak or whether a cull policy should be adopted. The Productivity Commission told the Committee that it tended to the view that vaccination would only be useful if the outbreak was running out of control. It would then be used as a holding operation to enable the slaughter policy to ‘catch up’.<sup>45</sup>

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43 Productivity Commission, *Impact of a Foot and Mouth Disease Outbreak on Australia*, Research Report, Canberra 2002, p. iii.

44 Productivity Commission, *Impact of a Foot and Mouth Disease Outbreak on Australia*, p. xviii.

45 Mr Garth Pitkethly, *Transcript, 3 September 2002*, p. 252.

- 4.57 The Committee understands that it is currently not possible to distinguish a vaccinated animal to one with FMD. If Australia is to retain its disease free status a cull policy is essential. However, new vaccines are being developed which might permit a non-cull policy.<sup>46</sup> The Committee sought further information from AFFA.
- 4.58 AFFA responded:
- ... the development of new vaccines and diagnostic tests offers opportunities for strategic use of vaccination that could reduce the number of animals which have to be destroyed in an outbreak response. Recent changes to international guidelines mean that the trade effects of using vaccination may not be as severe as applied in the past and many countries are re-evaluating their approaches to the use of vaccination. However, ... it is likely that it will be some time before they result in the policy changes (by both individual trading partners and international organisations that set relevant guidelines and standards) that would enable the full realisation of the opportunities to reduce the number of animals that might have to be destroyed ...<sup>47</sup>
- 4.59 AFFA continued that the costs and benefits of the various options used in response to an FMD outbreak needed to be assessed on a case by case basis. Each outbreak would have particular factors such as the density and species of livestock involved, the virulence of the strain of disease, environmental factors and availability of resources. As well, while Australia might choose a particular option this might not be acceptable to major trading partners. All economic studies had shown that the 'costs associated with loss of export markets far outweigh the direct costs of control and eradication.'<sup>48</sup>
- 4.60 The Committee also questioned the Productivity Commission on the actual scenario parameters—whether an FMD incursion via the Torres Strait to Cape York was more likely than the large outbreak model used, and whether the models included the likely spread of FMD into feral animals like pigs, deer and goats. The Productivity Commission responded that when the models had been discussed it had made it clear it did not want to become involved in the scientific judgements involved and had not been involved in setting the parameters.<sup>49</sup> The Commission

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46 *Foot and mouth needs new strategy* in *New Scientist*, 20 July 2002, p. 10

47 AFFA, *Submission No. 52*, p. 603.

48 AFFA, *Submission No. 52*, p. 603.

49 Mr Robert Kerr, *Transcript*, 3 September 2002, p. 255.

added that the scenarios did not take ‘the knock-on effects into feral animals,’ although it was mentioned ‘as a complicating factor.’<sup>50</sup>

- 4.61 AFFA has commented on the inclusion of feral animal control in disease simulations. It advised the Committee that in October 2001 the Queensland Government had facilitated an emergency animal field exercise in northern Queensland which focused on feral animal control. If there was a need to control feral animals in the case of an outbreak it would be done ‘in accordance with the principles and procedures set out in the *Wild Animal Management Manual* of the Australian Veterinary Emergency Plan (Ausvetplan).’<sup>51</sup>
- 4.62 The Committee believes that had the Productivity Commission’s outbreak scenario involved an incursion in Cape York and a spread into the feral animal population the outbreak would have lasted longer and been even more costly to the Australian economy.

### Capacity to deal with a major disease outbreak

- 4.63 The number of experienced veterinarians is a major factor in dealing with a major animal disease outbreak, such as FMD.
- 4.64 The AVA told the Committee it considered that while there were enough veterinarians in Australia, there were probably insufficient numbers trained on specific issues related to emergency disease outbreaks. It advocated the formation of a trained veterinary reserve, about the size of an infantry company, of veterinarians who would take time off work and be paid to train to combat disease outbreaks. The reserve would replace the current system of sending ‘randomly chosen individuals’ to the laboratory in Geelong—a system which was ‘extremely laudable’ but one which provided ‘very little opportunity for reinforcement.’<sup>52</sup> The plan had been raised in a workshop held to discuss the experiences of Australian practitioners who had travelled to the UK in 2001 to assist in combating the FMD outbreak.<sup>53</sup>
- 4.65 AFFA told the Committee that in responding to a disease event it had plans to draw on expertise from the States and Territories and from the private sector. There were also contingency measures to bring overseas expertise on a loan basis from other governments or on a contract basis. There were special training programs for particular diseases such as

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50 Mr Garth Pitkethly, *Transcript*, 3 September 2002, p. 256.

51 AFFA, *Submission No. 52*, p. 602.

52 Dr Kevin Doyle, *Transcript*, 5 August 2002, p. 201.

53 AVA, *Submission No. 22*, p. 308.

FMD and a number of people had been sent to the UK during the FMD outbreak to get direct FMD experience.

- 4.66 AFFA's submission contained advice that a national FMD coordination framework had been developed to tackle a major animal disease outbreak on a national basis. The Council of Australian Governments (COAG) was the peak body and would be supported by a FMD management and recovery group, comprising the chief executives of the Commonwealth and State agencies directly involved in the emergency.<sup>54</sup>
- 4.67 In September 2002, Australia conducted a major FMD outbreak simulation exercise, called Exercise Minotaur. The scenario was for an outbreak in south west Queensland which spread through northern NSW and all of Victoria. The 2 000 participants had to react to the need to cull over 800 000 animals across 1 400 properties. In addition, there were 'suicides' of farmers who had lost their stock and legal action by one farmer to prevent the cull of his stock.<sup>55</sup>
- 4.68 AFFA advised the Committee in October 2002 that a full assessment of the outcomes of the exercise had yet to be completed but a report was expected to be provided to COAG by the end of November 2002. However, most of the wide range of lessons expected to be drawn from the exercise would be pertinent to the management of large emergency animal disease responses. There was to be a 'five-year rolling plan' of annual 'mini-exercises' to test components of the response system and a major national exercise in 3–4 years time.<sup>56</sup>
- 4.69 The Committee believes AFFA is taking all the steps necessary to prepare Australia for a major disease outbreak. The program of follow up exercises mean that there are mechanisms in place to continually refine Australia's quarantine preparedness.

## Pre-emptive measures

- 4.70 A feature of a risk management strategy is that it identifies the most likely risks and thereby provide an opportunity to undertake pre-emptive measures to minimise the impact should those risks eventuate.
- 4.71 AFFA has provided the Committee with examples of the pre-emptive work with which it has been involved.

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54 AFFA, *Submission No. 14*, pp. 136–7.

55 *World's biggest FMD simulation a success: Officials*, AAP wire article 13 September 2002.

56 AFFA, *Submission No. 52*, p. 602.

## Old World screw worm flies

- 4.72 Screw worm flies (SWF) are ‘blowflies’ which lay their eggs on warm blooded animals. The larvae then consume the flesh of their host causing serious livestock production losses. The New World SWF has been eliminated from the USA, Mexico and several Central American countries through the use of the ‘sterile insect technique’. This involves mass rearing of SWF and releasing large numbers of sterile male flies which out compete the fertile male flies for females. With so many sterile male flies in the population, the SWF fails to reproduce successfully and the population collapses.
- 4.73 Old World SWF are found in PNG and so pose a risk to northern Australia. The sterile insect technique can be used to control the Old World SWF, but because the species is different from its New World relatives the technology has had to be developed afresh.
- 4.74 In the 1970s CSIRO commenced studying the pest with a view to building a pilot mass SWF rearing facility. In 1996 a mass rearing facility was constructed at the Instut Haiwan in Malaysia. The strategy in the event of an outbreak is to use the sterile insect technique together with a variety of quarantine controls. In 2001, a design brief was developed for a facility in Australia to produce 250 million sterile Old World SWF per week in case such a facility was required.<sup>57</sup>

## Plant weed species

- 4.75 AFFA advised the Committee that its pre-emptive work focuses on the development of a target list of plant species which had to potential to become serious weeds in Australia. There was general and targeted surveillance to ensure early warning of incursions and creation of generic processes for efficient and effective responses. In addition AFFA was working with Plant Health Australia to assist industries to develop biosecurity strategies. These may include identifying pre-emptive activities for specific pest threats including those posed by potential weeds.
- 4.76 The submission noted that much of the work on Siam weed was done prior to its detection in Australia. The research included ‘studies on seed biology, susceptibility to chemical and other controls measures and climatic preferences.’<sup>58</sup>

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57 AFFA, *Submission No. 47*, pp. 566–9.

58 AFFA, *Submission No. 47*, p. 546.

## Conclusion

- 4.77 The Committee believes that AFFA is well prepared to respond to incursions of exotic terrestrial pests and diseases. However, evidence provided to the Committee has revealed that currently at the Commonwealth level, there appears to be no capacity to systematically deal with marine incursions, especially of biofouling organisms. The Committee's recommendations in Chapter 3 are designed to assist in closing this gap in the quarantine border.
- 4.78 Despite the Committee's positive view of AFFA's preparedness in the terrestrial area, this is not to say that from time to time serious incursions will not occur. As acknowledged, in Chapter 2 when the Committee discussed Australia's appropriate level of protection, a policy of zero risk is not sustainable.



## Education and awareness

### Introduction

- 5.1 The skill level of staff, and the quarantine awareness of stakeholders and the public is fundamental to achieving better quarantine performance. Public awareness can be effected by various means, including education campaigns; and prosecution and compliance activities arising when quarantine breaches are detected.

### AFFA skill levels

- 5.2 In the 12 months following the May 2001 Budget, AQIS recruited and trained more than 1200 additional staff to respond to the quarantine threat.<sup>1</sup>
- 5.3 The level of skill possessed by staff will result from targeting suitable recruits as well as providing training and development opportunities. During the inquiry, several witnesses commented on the skill level of AQIS staff. While many witnesses were generally satisfied, others were critical.
- 5.4 The Australian Society for Parasitology noted that training starts with science education in schools and continues through to postgraduate
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<sup>1</sup> AFFA, *Submission No. 14*, p. 127.

education at universities. It expressed concern that the discipline of parasitology was on the decline, citing the lack of parasitology departments in Australia universities. There was a consequent fall in post-graduate education in the discipline. The Society suggested a strategic national approach to training and education was needed to ensure a steady supply of graduates at different vocational levels in order to meet the future needs of organisations such as AQIS.<sup>2</sup>

5.5 The Society conceded, however that 'AQIS staff [were] pretty well trained and certainly [were] doing a very good job.'<sup>3</sup>

5.6 The Committee asked QEAC about the level of skill and expertise available within Australia and AQIS. QEAC responded that many of the recently appointed AQIS staff were graduates who, with appropriate training, might be capable of undertaking AQIS and Customs functions in various locations.<sup>4</sup>

5.7 A contrary view was provided by CSIRO's submission which stated that many new recruits appeared to have no formal qualifications in AQIS-related fields. As such they could pose a high level of operational risk and ineffectiveness.<sup>5</sup> At the hearing, CSIRO elaborated by providing examples where CSIRO staff had had to advise AFFA staff about the information that needed to be transcribed on to import permits. CSIRO considered that a period of very rapid turnover within AFFA in previous years had resulted in the loss of corporate knowledge leading to inconsistent advice from AQIS.<sup>6</sup>

5.8 Despite these concerns, CSIRO informed the Committee that there had been an improvement and stated:

We would like to encourage AQIS to recruit staff, to encourage them to gain expertise and then to create employment opportunities that allow those staff to be retained, once they have gained that expert knowledge.<sup>7</sup>

5.9 Mr Peter Bennett raised concern about the skill level of AQIS staff, commenting 'currently you have people just walking off the street into many of these enforcement jobs with no qualifications other than the fact

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2 Dr Richard Sandeman, *Transcript, 3 September 2002*, pp. 258-9; The Australian Society for Parasitology, *Submission No. 15*, p. 245.

3 Dr Richard Sandeman, *Transcript, 3 September 2002*, p. 258.

4 Mr Andrew Inglis, *Transcript, 16 July 2002*, p. 64.

5 CSIRO identified agriculture, horticulture, forestry, biology and geology as AQIS-related fields. See CSIRO, *Submission No. 9*, p. 76.

6 Dr Deborah Middleton, *Transcript, 3 September 2002*, p. 239.

7 Dr Robert Floyd, *Transcript, 3 September 2002*, p. 239.

that they want to be a public servant.<sup>8</sup> In his proposal for a single border agency, Mr Bennett noted that there would be consistent recruitment, training and operational standards and that the staff would benefit from a more professional and expanded career path.<sup>9</sup>

- 5.10 Responding to comments about the skill levels of its staff, AFFA advised the Committee that in the last 12 months, it had focused in particular on training policies and practices to get new recruits and other staff 'up to speed'.<sup>10</sup> AFFA's submission stated that AQIS had a policy of multi-skill training its inspection staff so they could undertake the full range of quarantine inspection tasks. Such training was fully accredited and involved on and off-the-job training, and verification of the required skills. AQIS inspection staff at smaller work locations performed various quarantine tasks on a daily and weekly basis while in Sydney, Melbourne and Brisbane. As well, staff rotation between the full range of quarantine tasks was actively cultivated. This provided considerable flexibility for operations to meet emerging risks.<sup>11</sup>
- 5.11 As part of its long term strategy to deal with staff development, AFFA told the Committee that it had recently received accreditation for *Investors in People*.<sup>12</sup>
- 5.12 The Committee is satisfied that AFFA is recruiting appropriate personnel for its quarantine function.

## Promoting Awareness

### Stakeholder awareness

- 5.13 Many of the stakeholders consulted by the ANAO during its audit considered the concept of Australia's ALOP and the process by which it was set was not well explained by AFFA. Moreover, the audit found that some stakeholders misunderstood the role of Australia's ALOP in the IRA process, believing that:
- the ALOP was set at a level of no risk, whereas the policy states **low** risk;

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8 Mr Peter Bennett, *Transcript, 17 July 2002*, p. 111.

9 Mr Peter Bennett, *Submission No. 21*, p. 293.

10 Ms Meryl Stanton, *Transcript, 20 September 2002*, p. 317.

11 AFFA, *Submission No. 45*, p. 516.

12 Ms Meryl Stanton, *Transcript, 20 September 2002*, p. 317.

- the ALOP varied from industry to industry, whereas the level of protection is applied **equally** across all industries;
  - factors such as regional impacts of industry restructuring, and the costs and benefits of increased import competition would be considered by AFFA, whereas the SPS Agreement **does not** allow these factors to be considered in the IRA and
  - IRAs focused just on the risk of a pest or pathogen entering Australia, whereas they consider the **combined** risk of entry, establishment and consequences within Australia.<sup>13</sup>
- 5.14 Stakeholders also advised the ANAO that it was often difficult to see the relationship between risk management measures resulting from an IRA and the ALOP. They sought a clearer explanation for conclusions and preferred treatment options and their rationale in relation to the ALOP.<sup>14</sup>
- 5.15 AFFA advised the Committee that Biosecurity Australia had an active communications strategy. This included the publication *Biosecurity Australia News* which:
- aimed to increase the awareness and understanding of the IRA process through explaining the context in which it operated, and progress of particular IRAs; and
  - provided updates on technical market access negotiations.<sup>15</sup>
- 5.16 Regarding individual IRAs, AFFA communicated to all interested stakeholders via:
- regular updates by memoranda;
  - public meetings;
  - workshops;
  - active engagement with domestic and international stakeholders who expressed particular interest in the IRA; and
  - information posted on AFFA's website.<sup>16</sup>

### Committee Comment

- 5.17 The Committee is satisfied that AFFA has suitable mechanisms for increasing stakeholder awareness. In Chapter 2, the Committee concluded

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13 ANAO, *Audit Report No. 47 2000-01*, p. 112.

14 ANAO, *Audit Report No. 47 2000-01*, p. 112.

15 AFFA, *Submission No. 14*, p. 129.

16 AFFA, *Submission No. 14*, pp. 129-30.

that Australia's ALOP was suitable and needed to be expressed in general qualitative terms. Because of the **qualitative** nature of the ALOP definition, the link with the **quantitative** IRA measures may be difficult for those outside the process to understand fully. The Committee considers the links should be made explicit.

## Recommendation 14

- 5.18 **When quarantine measures are announced for the importation of a particular commodity, the Department of Agriculture, Fisheries and Forestry—Australia should specify how these measures relate to Australia's appropriate level of protection.**

## Public Awareness

### Education

- 5.19 AQIS conducts two major public education campaigns:
- *Quarantine Matters!*—conducted by AQIS and targeting Australian residents, travellers to Australia (including those of a non-English speaking background) and industry groups; and
  - *Top Watch*—conducted by NAQS and targeting communities and visitors to Northern Australia.<sup>17</sup>
- 5.20 AFFA provided the Committee with a resource kit which included a range of published material including brochures, postcards, advertisements, signage, videos, calendars and handbooks that are used by AQIS in their *Quarantine Matters!* and *Top Watch* campaigns.<sup>18</sup>

### Quarantine Matters!

- 5.21 The first stage of the *Quarantine Matters!* campaign commenced in 1997 and ran until 2001. In this phase, AQIS used various methods to increase public awareness including:
- displays at travel and industry expos;
  - increased advertising in relevant magazines and newspapers;
  - an annual Quarantine Week;
  - annual National Quarantine Awards; and

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17 AFFA, *Submission No. 14*, p. 130.

18 Exhibit No. 14, AFFA, *Quarantine Resource Kit*.

- increased use of news media to broadcast information about quarantine.<sup>19</sup>
- 5.22 AFFA advised the Committee that a survey in mid-2001 had shown the first phase of the campaign had been successful in raising general awareness.<sup>20</sup> However, the survey found that quarantine awareness among young people, aged between 18 and 24 was lower than average. Consequently, AFFA had put additional resources into targeting this age group.<sup>21</sup>
- 5.23 Phase Two of the *Quarantine Matters!* campaign began in the second half of 2001 and will continue through to 2004.
- 5.24 AFFA advised the Committee that the campaign now targeted key audiences and the 'as yet non-committed' individuals and groups, while maintaining and reinforcing the already high levels of awareness and compliance in the general community. There would also be greater emphasis on the use of news media opportunities and the use of a new range of mainly print-based advertising which targeted travellers, youth, and industry.<sup>22</sup>

### Top Watch

- 5.25 *Top Watch* is the quarantine awareness campaign specific to Northern Australia. The campaign is directed at local communities, industry groups, and visitors to Northern Australia. These groups are encouraged to report unusual pest or disease occurrences to AQIS officers. Key campaign activities for *Top Watch* include:
- visits by NAQS officers to communities and schools, and development of school projects;
  - the production of annual calendars for the Torres Strait and Cape York featuring local scenes and people, but coupled with relevant quarantine information;
  - weekly radio broadcasts in the Torres Strait and other remote areas;

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19 Other methods included: improved printed information materials and their more effective distribution; a CD-ROM and web-based schools kits; specialist communications to non-English speaking audiences; a revised in-flight video for screening on in-coming flights; improved information on the AFFA website; and targeted products for specific high-risk industry groups. See AFFA, *Submission No. 14*, p. 130.

20 Survey results showed that 78% of residents said they had seen or heard something about quarantine in the previous 12 months, compared to 58% in 1999. s well, 56% of Australian residents felt they were well informed about quarantine regulations—an increase from 44% in 1999 and 37% in 1997. See AFFA, *Submission No. 14*, p. 131.

21 AFFA, *Submission No. 14*, p. 131.; Auditor-General, *Audit Report No. 47, 2000–01*, p. 75.

22 AFFA, *Submission No. 14*, pp. 131–2.

- quarantine signage on all inhabited Torres Strait islands; and
- talks and presentations by quarantine officers.<sup>23</sup>

#### The Committee's observations during the inspections

- 5.26 At Sydney International Airport, the Committee observed the various quarantine signs and printed information available at the gateway including information in various languages. AQIS has recently introduced computerised display boards above the baggage collection conveyor belts which display quarantine information in languages appropriate to the incoming flight.
- 5.27 Staff at the international airport also told the Committee that the quarantine detector dogs were highly effective in promoting public awareness because when they arrived at the baggage collection area 'all eyes are on the dogs.'
- 5.28 During its inspection of the NAQS, the Committee noted the many public displays of *Top Watch*, the NAQS promotional material, and the high regard in which quarantine officers were held.

#### Committee comment

- 5.29 Awareness education will always be important in efforts to increase compliance with quarantine requirements, and engaging the public in the early detection of disease and pest incursions. However, the Committee notes that continuous exposure to the same message leads to saturation.
- 5.30 **Consequently, the Committee expects AFFA to continually find new and innovative ways to engage the public in the quarantine message.**

#### Prosecutions

- 5.31 AFFA advised the Committee that its compliance and prosecutions were underpinned by an AQIS-wide compliance and investigation program. All prosecutions were conducted in accordance with the prosecution policy of the Commonwealth through the Australian Government Solicitors Office (AGS) and the Director of Public Prosecution (DPP).<sup>24</sup>
- 5.32 When items of quarantine risk were found at any border, the action taken can include:
- a verbal warning (for airport passengers only);
  - a written warning;

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23 AFFA, *Submission No. 14*, p. 132.

24 AFFA, *Submission No. 47*, p. 538.

- a Quarantine Infringement Notice (for airport passengers only); or
  - action to proceed with prosecution.<sup>25</sup>
- 5.33 Under the *Quarantine Act 1908* persons bringing or attempting to bring items of quarantine risk into Australia may be liable for prosecution. AFFA's supplementary submission commented that most penalties imposed under the Act arose from two types of offences:
- the illegal importation of goods in contravention of Section 67; or
  - the infringement notice offence as set out in Regulation 59 of the Quarantine Regulations 2000 (Quarantine Infringement Notice).<sup>26</sup>
- 5.34 Under Section 67 of the Quarantine Act, the current maximum penalty is 10 years imprisonment, which can be converted to a pecuniary penalty involving possible fines of up \$66 000 for an individual or \$330 000 for a body corporate. Recent amendments to this section have resulted in tougher penalties if the illegal importation is commercially motivated. Maximum penalties in this case can include 10 years imprisonment and/or up to \$220 000 for an individual or \$1.1 million for a body corporate.<sup>27</sup>
- 5.35 Quarantine Infringement Notices issued to incoming passengers at international airports have a maximum penalty of \$220. AFFA told the Committee that this fine had recently been doubled.<sup>28</sup> If a passenger elects to have the alleged quarantine breach heard in court, the maximum penalty for the same infringement is \$13 200 or 2 years imprisonment.<sup>29</sup>

## Airports

- 5.36 AFFA advised the Committee that at international airports, Customs was responsible for prosecuting passengers in breach of the Quarantine Act on behalf of AQIS. This occurred because passengers were also likely to be in breach of the Customs Act. Prosecutions were conducted by the AGS before a court of summary jurisdiction.<sup>30</sup>
- 5.37 In the 2001–02 financial year:
- 12 595 Quarantine Infringement Notices were issued at international airports at an average of 1 049 per month (approximately 0.1% of

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25 AFFA, *Submission No. 47*, p. 538.

26 AFFA, *Submission No. 47*, p. 538.

27 AFFA, *Submission No. 47*, p. 539.

28 Ms Meryl Stanton, *Transcript, 16 July 2002*, p. 29.

29 AFFA, *Submission No. 47*, p. 539.

30 AFFA, *Submission No. 47*, p. 539.



people issued with Notices elected to have the matter heard in court); and

- 221 airport border prosecutions were conducted with penalties ranging from \$440 to over \$10 000.<sup>31</sup>

5.38 The Committee notes a recent media release from the Minister for Agriculture, Fisheries and Forestry which detailed the results of three prosecutions for quarantine breaches:

- a 14-month suspended jail sentence and a fine of \$3 700 for an attempt to smuggle 386 bulb plants into Australia;
- a fine of \$6 000 for an attempt by an international student to smuggle 850 grams of chicken into Australia; and
- a fine of 'almost \$10 000' for an attempt by 'an experienced international traveller' to smuggle 1.5 kg of bacon into Australia.<sup>32</sup>

### International Mail

5.39 Prohibited items arriving in the mail are seized upon detection. If there is evidence suggesting the consignee has attempted to by-pass quarantine controls, the matter is referred to the AQIS Compliance and Investigation Program. In any prosecution AQIS has to prove intent by the identified recipient to import the prohibited good. AFFA advised this was often difficult to obtain, as it required a direct admission from the recipient or the overseas addressor.<sup>33</sup>

5.40 If AQIS determined that the consignee had not deliberately attempted to breach the quarantine legislation, the consignee was notified by mail that the item had been seized and was provided with various options for addressing the quarantine risk.<sup>34</sup> The consignee was also sent an information pamphlet on quarantine and was requested to pass this information on to friends and family overseas. Where the consignor had repeatedly sent prohibited items or where a company had conducted a mail-out of a prohibited item, AQIS would contact the consignor directly.<sup>35</sup>

5.41 AFFA advised that in 2001–02, there were 435 investigations which were resolved mainly through letters of warning from AQIS or the DPP. There

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31 AFFA, *Submission No. 47*, p. 540.

32 Minister for Agriculture, Fisheries and Forestry, *Media Release, Courts mete out stiff quarantine penalties*, 23 November 2002.

33 AFFA, *Submission No. 47*, p. 540.

34 Possible options include treatment, re-export, or destruction.

35 AFFA, *Submission No. 47*, p. 540.

were currently 4 major investigations with possible subsequent referral to the DPP for prosecution.<sup>36</sup>

### Whether to prosecute

- 5.42 AFFA told the Committee that it was not always possible to have a blanket response to quarantine breaches at the border.<sup>37</sup> AFFA's supplementary submission stated that 'experienced quarantine officers applied judgement to each case based on training, precedent cases and standard work instruction procedures.'<sup>38</sup>
- 5.43 When determining whether to prosecute, AQIS officers have take into consideration factors including:
- whether the goods were declared;
  - whether the goods were concealed with the intention of avoiding detection;
  - the quantity and risk associated with the goods;
  - language issues and the level of understanding of the passenger;
  - duration of visit;<sup>39</sup>
  - seriousness of the matter; and
  - the likelihood of successful prosecution.<sup>40</sup>
- 5.44 The Committee was told of a recent incident where a large family was coming through an airport and declared that it had no items of quarantine interest. However, a quarantine detector dog alerted an officer to the bags and the parents were questioned further. They were adamant that they did not have anything, but when the baggage was x-rayed and physically inspected, it was discovered that their children had 'squirreled away all sorts of things in the bags that the parents did not know about.'<sup>41</sup>
- 5.45 AFFA continued that the choices faced by the AQIS officer were to prosecute on the basis that there was a deliberate attempt to breach quarantine regulations; to issue an on-the-spot fine because of a false
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36 The 435 investigations include detections at International Mail Centres and International Cargo Clearance. See AFFA, *Submission No. 47*, p. 540.

37 Ms Meryl Stanton, *Transcript, 16 July 2002*, p. 21.

38 AFFA, *Submission No. 47*, p. 538.

39 Visitors may only be in Australia for a short period and may opt not to pay an on-the-spot fine and be prosecuted, knowing they will have left before the hearing date. See Mr John Cahill, *Transcript, 16 July 2002*, p. 29.

40 AFFA, *Submission No. 47*, p. 538.

41 Mr John Cahill, *Transcript, 16 July 2002*, p. 21.

declaration (albeit possibly unintended); or to provide some sort of education to the passengers. In the event:

... the quarantine officer sat down with his dog—a beagle—and the children sat around and he delivered a very effective quarantine message which I am sure they will not forget when they are travelling into Australia next time. I think that is probably much more effective than any other legal remedy that might have been available to us.<sup>42</sup>

### Committee comment

- 5.46 While many consider that Australia should have a blanket response to prosecuting those who breach quarantine regulations, the Committee believes this is not always possible or appropriate. The Committee considers it is correct for AQIS to rely on the judgement and experience of its quarantine officers when determining possible action for quarantine breaches.

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42 Mr John Cahill, *Transcript, 16 July 2002*, p. 21.





## **Appendix A-List of Submissions**

1. Tasmanian Government
2. Australian Pork Limited
3. Australia Post
4. Australian Chicken Meat Federation
5. Industry Working Group on Quarantine
6. Quarantine & Exports Advisory Council
7. Fertilizer Industry Federation of Australia Inc
8. Australian Dairy Corporation
9. Commonwealth Scientific & Industrial Research Organisation
10. Mr John Hall
11. Mr Phil Tzavellas
12. Border Watch Australia
13. Australian Customs Service
14. Department of Agriculture, Fisheries & Forestry-Australia
15. Australian Society for Parasitology
16. Queensland Government
17. Tasmanian Government
18. Independent Paper Group

19. Horticulture Australia Council Ltd
20. Environment Australia
21. Mr Peter Bennett
22. The Australian Veterinary Association Ltd
23. Department of Immigration & Multicultural Affairs & Indigenous Affairs
24. AusAID
25. Diageo Australia Ltd
26. National Farmers' Federation
27. Australian Wool Innovation Ltd
28. Australian Seafood Industry Council
29. Queensland Fruit & Vegetable Growers
30. Queensland Environmental Protection Agency
31. Australian Banana Growers' Council Inc
32. Department of Primary Industries, Queensland Government
33. Tasmanian Government
34. Australian Wool Innovation Ltd
35. Department of Immigration & Multicultural Affairs & Indigenous Affairs
36. Botanical Resources Australia Pty Ltd
37. Tasmanian Apple & Pear Growers Association Inc
38. Australian Customs Service
39. Inquit Consulting
40. Environment Australia
41. Domeney Bros Fruitgrowers
42. Industry Working Group on Quarantine
43. The Australian Veterinary Association Ltd
44. Tasmanian Salmonoid Growers Association Limited
45. Food Standards Australia New Zealand

46. South Australian Government
47. Australian Quarantine Inspection Service
48. Diageo Australia Ltd
49. Commonwealth Scientific & Industrial Research Organisation
50. Department of Agriculture, Fisheries & Forestry-Australia
51. Melbourne Airport
52. Department of Agriculture, Fisheries & Forestry-Australia
53. Diageo Australia Ltd
54. Department of Agriculture, Fisheries & Forestry-Australia
55. Department of Immigration & Multicultural Affairs & Indigenous Affairs
56. Professor Sandeman, La Trobe University







## **Appendix B- List of Exhibits**

1. Mr Robert Kerr, Head of Office, Productivity Commission, '*Cost Recovery by Government Agencies*', Report No. 15
2. Mr Robert Kerr, Head of Office, Productivity Commission, '*The Role of Risk & Cost-Benefit Analysis in Determining Quarantine Measures*'
3. Mr Robert Kerr, Head of Office, Productivity Commission, '*Citrus Growing and Processing*'
4. Ms Sallie James & Professor Kym Anderson, School of Economics & Centre for International Studies, University of Adelaide, '*On the need for more Economic Assessment of Quarantine/SPS Policies*'
5. Mr Michael Robinson, Secretariat & National Spokesman, Border Watch Australia, '*Submission to the JCPAA Review of Coastwatch*'
6. Department of Agriculture, Fisheries and Forestry—Australia, '*New plant pest & diseases recorded within Australia since 1996*'
7. The Industry Working Group on Quarantine, '*Quarantine Awareness for the Cargo Industry Logistic Chain (CDRom)*'
8. Department of Agriculture, Fisheries and Forestry—Australia '*AQIS Powerpoint presentations*'
  - *AQIS Airports Program*
  - *AQIS Seaports Program*
  - *AQIS Mail Program*
9. Australian Society for Parasitology, '*An Investment in Human & Animal Health: Parasitology in Australia*'

10. Racing Victoria, *'Powerpoint Presentation, Size & Scope of the Victorian Racing Industry, International Movement of Horses for Competition'*
11. Dr Kevin Doyle, National Veterinarian, The Australian Veterinary Association Limited, *'Illegal Meat Imports'*
12. Mr John Cahill, Executive Manager, AQIS, *'Powerpoint presentation on NAQS'*
13. Mr Charles Hatcher, Department of Agriculture Fisheries and Forestry – Australia, *'NAQS target lists and 202-03 survey program'*
14. Mr John Cahill, Executive Manager, AQIS, *'Quarantine Resource Kit'*



## **Appendix C-Inspection visits**

### **Monday 29 July 2002**

- Inspection and briefing of the Fire Ant Control Program by officers from the Queensland Department of Primary Industries' at the Fire Ant Control Centre, Oxley, Brisbane

### **Tuesday 30 July 2002**

#### **Cairns and Thursday Island**

- Inspection and briefing of Northern Australia Quarantine Strategy (NAQS) Operations at the NAQS Cairns Office
- Briefing by Mr Shayne Arboo, NAQS Manager, Thursday Island

### **Wednesday 31 July 2002**

#### **Torres Strait**

- Inspection of NAQS operations, Saibai Island
- Briefing by Mr Ron Enosa, Chairman, Saibai Island Council
- Briefing by Ms Hilda Mosby, AQIS Officer, Yorke Island

## **Monday 5 August 2002**

### **Sydney**

- Inspection and briefing at the Eastern Creek Quarantine Station

## **Tuesday 6 August 2002**

### **Sydney**

- Inspection and briefing of AQIS operations at Kingsford Smith International Airport, Sydney
- Inspection and briefing of AQIS operations at the Port of Sydney
- Inspection of the laboratories at AQIS Headquarters
- Inspection and briefing of AQIS operations at the Australia Post Clyde Mail Centre

## **Wednesday 4 September 2002**

### **Melbourne**

- Inspection and briefing at the Sandown Racecourse Quarantine Station



## **Appendix D-Witnesses appearing at public hearings**

### **Canberra Tuesday 16 July**

#### **Australian National Audit Office**

Mr Ian McPhee, Acting Auditor-General

Mr Alan Greenslade, Executive Director

Mr John Meert, Group Executive Director

Mr David Marcus, Consultant

#### **Department of Agriculture, Fisheries and Forestry—Australia**

Mr Geoffrey Gorrie, Acting Secretary

Ms Meryl Stanton, Executive Director, AQIS

Mr Paul Morris, Executive Manager, Market Access and Biosecurity

Ms Mary Harwood, Executive Manager, Biosecurity Australia

Mr John Cahill, Executive Manager Quarantine, AQIS

Dr Bob Biddle, Deputy Chief Veterinary Officer, PIAPH

Dr William Roberts, Chief Plant Protection Officer

**Australian Customs Service**

Ms Gail Batman, Executive National Director, Passengers and Information Technology

Mrs Marion Grant, National Manager, Border Operations

**Australia Post**

Mr Michael McCloskey, Corporate Secretary

Mr Chris Grosser, Group Manager, International

Mr Ken Barrett, Manager, Border Agency Program

**Environment Australia**

Mr Gerard Early, First Assistant Secretary, Approvals and Legislation Division

Ms Anne-Marie Delahunt, Assistant Secretary, Wildlife Australia

Ms Alison Russell-French, Assistant Secretary, Marine, Coasts and Wetlands Branch

**Quarantine and Exports Advisory Council**

Mr William Rogers, Chairman

Mr Andrew Inglis, Deputy Chairman

Mr Hart Krtschil, Member

**Canberra Wednesday 17 July 2002****Department of Immigration and Multicultural and Indigenous Affairs**

Mr Terry Walker, Director, Air and Seaports Operations, Entry Branch

Ms Christine Sykes, Acting First Assistant Secretary, Border Control and Compliance Division

**Cattle Council of Australia**

Mr James Hartmann, Deputy Director

**Australian Pork Ltd**

Ms Kathleen Plowman, General Manager, Policy Division

Mr Chris Ambler, Senior Policy Analyst

**Fertilizer Industry Federation of Australia Inc**

Mr John Lewis, Director

Mr Nicholas Drew, Executive Manager

Captain Michael Pritchard, Member

Mr Peter Bennett

**Australian Wool Innovation Ltd**

Dr Scott Williams, External Project Manager, Animal Health and Exotic Disease

Ms Jane Holloway, Manager, Trade Relations Program

**Brisbane Monday 29 July 2002**

Department of Primary Industry, Queensland

Mr Kevin Dunn, Executive Director, Animal and Plant Health Service

Mr Robert Allen, Principal Policy Officer, Plant Health

**Horticulture Australia Council Ltd**

Mr Rod Fayle, Chairman

**Queensland Fruit and Vegetable Growers**

Mr Mark Panitz, Chief Advocate

**Australian Banana Growers Council**

Mr Tony Heidrich, Chief Executive Officer

**Queensland Environmental Protection Agency**

Ms Pauline Semple, Acting Chief Scientist, Waterways Scientific Services

**Sydney Monday 5 August 2002****Industry Working Group on Quarantine**

Mr Stephen Morris, Member

Mr Antony Beaver, Member

**Australian Chicken Meat Federation**

Dr Jeffory Fairbrother, Executive Director

**Australian Veterinary Association Ltd**

Dr Kevin Doyle, National Veterinarian

Dr Joanne Sillince, Board Member and President-Elect

**Diageo Australia Ltd**

Mr Robert Preece, External Consultant

Mr Ron Ainsbury, Director, External Affairs

Mr John Halmarick, External Consultant

Mr David Marr, Commercial Director, Global Duty Free



## **Melbourne Tuesday 3 September 2002**

### **Tasmanian Government**

Mr John Pauley, General Manager, Food, Agriculture and Fisheries,  
Department of Primary Industries, Water and Environment

Mr Daniel Reardon, Manager, Quarantine, Department of Primary Industries,  
Water and Environment

### **Commonwealth Scientific & Industrial Research Organisation**

Dr Deborah Middleton, Senior Veterinary Scientist

Dr Robert Floyd, Portfolio Manager, Biosecurity and Natural Resources

### **Productivity Commission**

Mr Robert Kerr, Head of Office

Mr Garth Pitkethly, First Assistant Commissioner, Canberra Office

### **Australian Society for Parasitology**

Dr Richard Mark Sandeman, Vice-President

### **Inquit Consulting**

Mr Paul Kerr, General Manager (Operations), Murray Goulburn Cooperative

### **Australian Dairy Corporation**

Mr Phillip Goode, Manager, International Policy

### **Independent Paper Group**

Mr Anthony Wood, President

Mr Robert Ferris, Member

Tasmanian Salmonid Growers Association

Mr Owen Carrington-Smith, Chairman

## Canberra Friday 20 September 2002

Department of Agriculture, Fisheries and Forestry Australia

Ms Meryl Stanton, Executive Director, AQIS

Mr John Cahill, Executive Manager Quarantine, AQIS

Mr Robert Murphy, National Manager Border, AQIS

Mr Andy Carroll, National Manager Cargo Management, AQIS

Mr Paul Morris, Executive Manager, Market Access and Biosecurity

Ms Mary Harwood, Executive Manager, Biosecurity Australia

Dr David Banks, General Manager Animal Biosecurity, Biosecurity Australia

Dr Brian Stynes, General Manager Plant Biosecurity, Biosecurity Australia

Dr Michael Nunn, Manager (Animal Health Science), Office of the Chief  
Veterinary Officer, PIAPH

Dr Ian Naumann, Principal Research Scientist, PIAPH

Mr Daryl Quinlivan, Executive Manager, Fisheries and Forestry



## **Appendix E-Articles which appeared in *About the House***

July/August 2002 Edition

### **Tasmania warns about more trade disputes**

The Tasmanian government has warned a federal parliamentary inquiry that Australia could face more trade disputes like the one on importation of salmon unless quarantine risk assessments are adapted to take account of regional differences in Australia.

The warning comes in the Tasmanian government's submission to federal parliament's Public Accounts and Audit Committee, which is reviewing Australia's quarantine operations.

The Tasmanian government says it has been pressing the Commonwealth Department of Agriculture, Fisheries and Forestry (AFFA) to adapt quarantine measures to regional conditions, but has not been successful to date. This is despite that fact that adaptation of quarantine measures is provided for under the World Trade Organisation's Sanitary and Phytosanitary Agreement.

"Refusal on the part of AFFA to utilise these globally accepted principles of risk management is scientifically unsound," says the Tasmanian government. "In the case of salmon, this has resulted in costly and protracted dispute both within Australia and between Australia and Canada in the WTO's dispute resolution forum.

"There is little doubt that similar costly and protracted disputes will continue to occur if AFFA does not implement the principle of adaptation of

quarantine measures to regional conditions in its IRA [Import Risk Analysis] process.”

The Public Accounts and Audit Committee inquiry was prompted by a report from the Auditor-General, which found that high proportions of material posing a quarantine risk were escaping detection in the mail and at international airports. Performance in detecting such material was found to vary from airport to airport.

In its submission to the inquiry, the Australian pork industry's peak national body expresses concern that overseas certification of goods for import is not always carried out according to the required protocols. Australian Pork Limited cites the example of timber being imported into Australia, stating: “AFFA has been aware that fumigation certificates are not reliable, with live pests frequently discovered on shipments of timber certified as fumigated.

“Such a situation reflects a difference from what is the actual level of protection provided to Australia by overseas export inspection services and what has been accounted for in theory,” says Australian Pork.

The submission emphasises the importance of international cooperation to stop the spread of disease. As an example, Australian Pork commends AFFA for its work on the Nipah virus in Indonesia (a virus transmitted by pigs that can cause death in humans and pigs).

Australian Pork calls for increased overseas training, technical assistance surveys, research and inspections, as well as networking with officials and experts in origin areas of risk. It also wants greater access to information about international veterinary services, saying that previous assumptions about the adequacy of other countries' veterinary services have not always proved correct.

Public hearings on the quarantine inquiry are due to commence in July.

September/October 2002 Edition

## On the Quarantine Frontline

*We hear plenty, and rightly so, of the efforts of our defence force troops in East Timor, Afghanistan and other parts of the world. We don't hear much, however, of the efforts of a group of lower profile but very important 'troops' also operating on and to the north of Australia's borders - the people implementing the Northern Australian Quarantine Strategy. About the House travelled with parliament's Public Accounts Committee to investigate.*

Screw-worm fly. Mango pulp weevil. Melon and papaya fruit fly. Asian honey bee. Giant African snails. Rabies. Dengue fever. Japanese encephalitis. Foot and mouth disease.

All lurking just to our north in south-east Asia, along with an array of other diseases, pests and weeds. Posing multi-million dollar threats to livestock, crops, native flora and fauna, tourism and public health, many of these nasties are on the march southwards.

Standing in their way is a team from the Australian Quarantine Inspection Service (AQIS); staff of the *Northern Australian Quarantine Strategy* (NAQS).

NAQS is a three-pronged strategy operating right across the top of Australia (and further north in neighbouring countries), from Broome in the west to Cairns in the east.

It combines border controls, scientific research and public awareness to protect Australia's environment, agricultural and horticultural industries, and animal, plant and human health.

The NAQS team - some 31 operational and 20 scientific staff - has a particular focus on improving the integrity of the quarantine border in the Torres Strait and on Cape York Peninsula, the closest parts of Australia to any other nation.

In fact, it's difficult to appreciate just how close Australia is to Papua New Guinea (PNG) until you're there.

Looking across the five-kilometre stretch of water between the Australian Torres Strait island of Saibai and the Western Province of PNG, it's as if you could throw a stone across. You can certainly navigate a boat across. In fact, you can travel right around the Torres Strait islands by small boat. The dinghy or tinny is known as the "Torres Strait ute", and the approximately 100 islands of Torres Strait provide stepping stones to the Australian mainland (it is 160 kilometres from PNG to the tip of Cape York).

This geographic proximity presents a challenge, with the ever-present danger of pests and diseases present in PNG moving across, either on the wind (mosquitos can be carried hundreds of kilometres), within foods or food scraps, within traded goods, on animals, soil or on people.

The 1985 Torres Strait Treaty allows free movement of traditional peoples from the Western Province of PNG in and out of the Torres Strait Protected Zone. In 2000-2001 there were some 2700 such movements. There is a list of items that can and cannot be traded, and large shore-side signs clearly illustrate this.

The potential threat posed by that traditional movement is increasing with the escalating movement eastwards of people, animals and goods within Indonesia, and in particular the establishment of significant cattle populations on islands of eastern Indonesia. Additional dangers are also being posed now by increases in illegal fishing and illegal immigration, and also international yachting. All have the potential to inadvertently introduce pests or spread diseases.

[A man, believed to be Indonesian, was recently found on Masig (Yorke) Island in middle of Torres Strait, where he was nabbed by the local Quarantine officer, Hilda Mosby. He had sailed from the PNG island of Daru in a home-made vessel, which remains beached on Masig.]

The potential damage from such incursions is enormous; at risk are billions of dollars of horticultural and agricultural industries, as well as public health. This is why quarantine is so important, and why it received its share of an extra \$600 million granted to border agencies in the 2001/2002 federal budget. It is Australia's quarantine function – one arm of which is the Northern Australia Quarantine Strategy – that is being scrutinised by the Public Accounts and Audit Committee.

So, how does the NAQS system operate?

NAQS is tasked with identifying quarantine risks to northern Australia, and providing early warning of quarantine pest incursions.

First, risk analysis is conducted to identify the pest and disease risks which exist in the region. Scientists are sent into the field within Australia and our near neighbours. From this research and analysis a disease and pest target list is created.

Ongoing monitoring and surveillance strategies and control programs are then developed and implemented.

Monitoring occurs in northern Australia, and off-shore, in PNG, East Timor and other nations, under special memoranda of understanding. Methods of

monitoring include establishing 'sentinel' herds of cattle and pigs, which are bled regularly to check for blood-borne diseases; trapping wild birds for similar testing; trapping flies and other insects, such as mosquitos; visiting and testing commercial and domestic animal herds; and targeting and autopsying animals.

The frequency with which animals and traps are checked depends on the risk level assigned to the area; NAQS breaks its area of operations into five different risk zones, from very high to very low.

Survey frequencies are graded accordingly, from once every five years for the very low risk zones to two or more times a year for the very high risk zones. These are usually general surveys of cultivated and naturalised plants and domestic animals, with particular emphasis on target organisms.

High risk areas also include ports where goods are unloaded. All containers entering from identified risk areas are now cleaned externally, and those from high-risk areas are also cleaned internally.

The giant African snail is often found in containers unloaded in Townsville and Darwin, but so far has not been found in Cairns.

"I've been looking for giant African snails for 10 years, and never found one," the hose operator told *About the House*. "I tell you what I have found though. Cats. The silly buggers at the other end sometimes throw cats into the containers. They think it's funny. I can tell you it's not. Those things can carry all sorts of bugs and diseases."

Two weeks after the committee's visit, a black-spined toad was found aboard a bulk carrier from east Indonesia. The toxic cousin of the cane toad, the black-spined toad is known as an explosive breeder with a talent for establishing in new environments.

Also trapped at Cairns seaport was an Asian tiger mosquito. This mosquito poses a significant public health threat. It carries dengue fever, can out-compete all native mosquito species, and is capable of living in cooler climates – meaning it could easily spread south into NSW if it enters unchecked. The mosquito caught in the trap at Cairns port is believed to have arrived via a cargo vessel from Indonesia.

An enhanced surveillance program was put into place at the docks once the mosquito was discovered in the daily checking of the traps. Similar checking by local quarantine officers goes on every day in high-risk areas, such as Saibai, where Ron Enosa also carries out dinghy surveillance and cargo inspection, and issues animal permits.

NAQS operations and scientific officers conduct regular 'extension' activities in neighbouring countries.

NAQS officer Peter Pederson, who briefed the committee in Cairns (turning at least one committee member squeamish with some graphic descriptions and a colourful slide show) is currently on a six-month posting in East Timor.

Mr Pederson is helping to set up a quarantine service in East Timor, which will protect both Australia and our close neighbour from exotic pests present in other nearby countries. For his first month, he was living in a modified shipping container.

The third aspect of NAQS is public awareness.

NAQS staff regularly make quarantine awareness presentations to schools, communities, rangers, police, health workers, commercial fishermen, tour operators and pastoralists. They are also involved in regular radio broadcasts on quarantine issues, maintain an FM radio network at six strategic locations in Cape York Peninsula, and an extensive system of signage throughout the Torres Strait and Peninsula area.

Shayne Ahboo is the NAQS operations coordinator for the Torres Strait area.

The 27-year-old Thursday Islander did all his schooling on the Island, before completing a Bachelor of Applied Science at the Queensland University of Technology in Brisbane, majoring in biology and minoring in aquaculture.

"When I was at school, Quarantine used to be the popular work experience place to get into," Shayne says. "But I could never get in.

"Then at my second year at Uni I was a bit strapped for cash and was looking for ways to supplement my income. I won a cadetship with Quarantine, and things started from there. I liked the job, and I feel I'm doing something worthwhile."

To the outside observer, perhaps the most impressive thing about the whole program is its integration within the culture of the islands. Everybody seems to know about it; everybody is part of the 'Top Watch' team.

"Not only that," Shayne Ahboo says, "we have a full complement of indigenous staff here [21 Torres Strait islanders operate the service on the islands]. That helps us with getting out into the community. It's certainly paying dividends."

Certainly Shayne seems to know everybody in the Torres Strait.

When returning from the Torres Strait, the committee landed back in Cairns. Who was waiting? Quarantine. With a sniffer dog (one of 71 now in operation



at ports around Australia). Inquiry secretary John Carter was stopped, as was NAQS head Robert Murphy.

It turns out they had been carrying oranges in their bags several days before the inspection tour began, the scent of which the beagle was still able to sniff out.

"At least we know it's working," was Dr Carter's embarrassed comment. And Australia can be grateful for that.

September/October 2002 Edition

## **FIRE ANTS**

On 22 February last year Brisbane was invaded. Two outbreaks of red imported fire ants – an aggressive invader described by the Queensland Department of Primary Industry as “worse than the rabbit or the cane toad” – were discovered in different parts of Brisbane.

The red fire ant is a danger to local fauna and to Australian lifestyles. A prodigious spreader, it takes over backyards and community areas, rendering them unsafe for play or use. Once disturbed, swarms of fire ants will cover people or animals in moments. They then bite in unison, and repeatedly.

The fire ant also poses a huge threat to agriculture, with the potential to make arable land unusable. The estimated cost of a full-blown outbreak is more than \$8.9 billion over 30 years.

Fire ants travel by flight (up to two kilometres) or in soil. The first outbreak was discovered at the port of Brisbane; it has now been cleared up via an extensive eradication plan. The second outbreak was in Brisbane's western suburbs. Some 440 people are working on the ongoing \$145 million, three-year fire ant eradication program there. Disconcertingly, the two outbreaks were unrelated, the port outbreak being an ant from the USA, the suburban outbreak an Argentinian variety.

## Quarantine should get under water, inquiry told

AQIS's Northern Australia Quarantine Strategy (NAQS) should be armed with a marine unit, according to evidence given to the parliamentary inquiry into quarantine.

Speaking at a public hearing in Brisbane of the Public Accounts and Audit Committee inquiry, the Acting Chief Scientist (Waterways Scientific Services) of the Queensland Environmental Protection Agency, Pauline Semple, said that NAQS should have a marine module.

"I think a marine module would be an advantage because the marine issues are quite different from the land issues," Mrs Semple said.

"As someone said the other day, 'If you have some cattle with a disease, you can put a fence around them, but if you have exotic pests on the hull or you have ballast water pests, you cannot fence them in or control them'."

Severe dangers could be posed to Australian marine life and industries by exotic marine pests.

Mrs Semple said monitoring, preventing and controlling the entry of these marine pests should be a quarantine responsibility, as is the case with such pests above the waterline.

"I think it should be a quarantine function, but there is no reason why it could not be that the responsible person in quarantine links to the state agencies to get the expertise.

"Obviously, you do not need to have 10 people with the expertise waiting around for the next event," she said.

At the same hearing, Mrs Semple outlined frustrations she faced with the federal Department of Immigration (DIMIA) when trying to establish an interim protocol to deal with the quarantine threats posed by seized illegal vessels.

Protocols exist in Darwin, which ensure that no vessels coming from an international port, including suspected illegal entry vessels (SIEVs) and foreign fishing vessels (FFVs), can be docked in Darwin without first being inspected. Such a protocol does not exist in Queensland.

Mrs Semple said she had been trying for three months to have Immigration agree to an interim protocol for dealing with the quarantine aspects of seized illegal vessels being held in Queensland whilst a national protocol was developed, but with no response.

“I developed a draft protocol that I sent to Canberra in May as an interim arrangement,” Mrs Semple told the inquiry. “It is basically the same as the Northern Territory’s, except that it is relevant to Thursday Island and Cairns, which is where the vessels come in.

“I had a response from the Australian Fisheries Management Authority (AFMA) saying that they were willing to cooperate and pay for the costs of inspection if I could organise divers to do that. The immigration department, after many phone calls and emails, have not responded.”

In later evidence responding to Mrs Semple’s claims, DIMIA told the committee, via AFFA, that the Queensland EPA had been contacted by phone, indicating a willingness to cooperate on developing the protocols.

Mrs Semple’s comments came after an outbreak of two marine pest organisms in Cairns’ Trinity Inlet, sourced from a detained vessel.

Early outbreaks of Caribbean tube worm and Asian green mussel were found in Trinity Inlet, but only by accident, as Mrs Semple explained.

“The two problems we have had in Trinity Inlet recently, in the last 12 months—the two pests we have had to eradicate—were both brought in by a detained vessel,” Mrs Semple said.

“It was detained by both DIMIA and AFMA. We are not quite sure of all the background to that; it is not public information. All we know is that it was under the control of those two agencies. But that vessel was the source of our problems in north Queensland.

“The first organism we found was the Caribbean tube worm. It was found accidentally by the Navy when they pulled out a couple of vessels that had come back from East Timor. The vessels had come back as what they call ‘cleanskins’, because they run them up onto the beach and take all the antifouling off the bottom.

“Those vessels were moored in Trinity Inlet for five months, just downstream of the particular vessel I mentioned earlier. When they were pulled out for cleaning and regular maintenance, they had two or three tonnes of tube worm— almost a monoculture—on the vessels.

“We thought at first that they may have picked it up in and brought it back from East Timor. However, we subsequently found the seized vessel covered in tube worm and we knew that that was the probable source of it.

“So it was found originally on three Navy vessels. In terms of eradicating it, we have looked all around Trinity Inlet. We found very small numbers in the most likely places. It had spread to about nine out of the 12 sites we inspected

but in very small numbers, so it is not competing well with the local species. Because it had spread widely, we do not believe that we can eradicate it by any kind of eradication process such as was used in Darwin [copper sulfate was used to eradicate a black striped mussel outbreak in an enclosed Darwin marina]. It is not practical there.

“The second organism was the Asian green mussel, which grows to about the distance between an index finger and thumb, as opposed to the little black striped mussel.

“Again, it is very aggressive. It has a much longer reproduction cycle and we have been able to find only juveniles. We have done very good searches of Trinity Inlet and looked in all the most likely places for establishment. The only specimens we have found—apart from on the original vessel, the source vessel—are, I think, 13 since November last year, and they were all juveniles, pre reproduction age. So we hope that with another 12 months of continued inspections we will get a clearance—that the inlet has been cleared of it.”

Mrs Semple said that she had also been in contact with AQIS about the vessel. AQIS had responded that “it is not their responsibility, that it is the responsibility of DIMIA and AFMA”.

The Public Accounts and Audit Committee is due to report the findings of its inquiry before the end of the year.



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