



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

**Reference: Review of Australia's quarantine function**

TUESDAY, 16 JULY 2002

CANBERRA

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## JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

Tuesday, 16 July 2002

**Members:** Mr Charles (*Chairman*), Ms Plibersek (*Vice-Chairman*), Senators Colbeck, Crowley, Hogg, Murray, Scullion and Watson and Mr Ciobo, Mr Cobb, Mr Georgiou, Ms Grierson, Mr Griffin, Ms King, Mr King and Mr Somlyay

**Senators and members in attendance:** Senators Scullion and Watson and Mr Charles, Mr Cobb, Ms King and Mr Griffin

### Terms of reference for the inquiry:

To inquire into and report 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*.

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**Committee met at 10.05 a.m.**

**CHAIRMAN**—I welcome everyone here this morning to the first in a series of hearings in this inquiry. The Joint Committee of Public Accounts and Audit will now take evidence as provided for by the Public Accounts and Audit Committee Act 1951 for its review of Australia's quarantine function. Australia is an island continent with unique flora and fauna and benefits from the absence of many serious pests and diseases. The quarantine function administered by the Department of Agriculture, Fisheries and Forestry Australia through three of its eight outputs seeks to preserve this status while maintaining Australia's position as a trading nation. Australia cannot afford to have a zero risk policy, so consequent quarantine risks have to be managed.

The inquiry will now examine how well AFFA is managing the quarantine function in the light of the Auditor-General's recommendations in Audit Report No. 47 2000-01: *Managing for quarantine effectiveness*. The committee will also be seeking assurance that the significant additional funding provided by the government to counter threats such as foot-and-mouth disease is being well spent.

The committee will take evidence today and tomorrow from AFFA and the agencies which assist in delivering a secure quarantine border. The committee will also take evidence from individual stakeholders and stakeholder groups. Further hearings will be held in Brisbane, Sydney and Melbourne, before a final hearing in Canberra in September. As part of this gathering of evidence, the committee will be inspecting various quarantine operations, including those at international airports, mail exchanges, air and sea freight terminals, and the Northern Australia quarantine strategy arrangements in Queensland.

[10.08 a.m.]

**GREENSLADE, Mr Alan, Executive Director, Australian National Audit Office**

**MARCUS, Mr David Charles, Consultant, Australian National Audit Office**

**McPHEE, Mr Ian, Acting Auditor-General, Australian National Audit Office**

**MEERT, Mr John Emill, Group Executive Director, Australian National Audit Office**

**CHAIRMAN**—I welcome Mr Ian McPhee, Acting Auditor-General and other representatives from ANAO to today's hearing. Mr McPhee, we have no submission from you because we have taken as the basis for our inquiry your audit report No. 47 of 2000-01. Would you by any chance have a brief opening statement? You know what I mean by 'brief'; I do not need to explain myself.

**Mr McPhee**—Thank you, Mr Chairman. I do have a statement which addresses the committee's terms of reference, which I am happy to table. I would also like to make a few opening remarks. Overall, at the time of the audit, we found that the management of the department's quarantine operations had improved markedly since the report of the Quarantine Review Committee in 1996. It is important that we acknowledge that point. Nevertheless, we did conclude that there remained weaknesses in the management of the quarantine function which needed to be addressed to improve both operational effectiveness and quarantine outcomes. We found limitations in the management of risk, limiting AFFA's ability to ensure that resources and risk treatments appropriately address quarantine risks. Pre-border operations which seek to keep risk offshore as much as possible were not supported by clear directions, targets and criteria, and in some areas offshore arrangements were not reliable.

A major focus of the audit was on the effectiveness of border operations where we found that performance measures were of limited value. We estimated that most seizable material arriving by mail and with air passengers was passing the border undetected. We also found that the import risk assessment process had improved but considered that aspects of consultation warranted improvement to address stakeholder views in this area. AFFA responded positively to the report and to the eight recommendations we made.

Mr Chairman, as you have indicated in your opening statement, the government has made substantial increases in funding to AFFA, and AFFA's submission indicates that substantial change has occurred in both the scale and approach to administering the quarantine function. These changes appear to be consistent with both specific audit recommendations and the broader thrust of the report. Most submissions to this inquiry also appear to be supportive of the recommendations and conclusions in the audit report.

We have not done any further work in the area of quarantine effectiveness since the tabling of the report, but we are currently undertaking a follow-up audit of Audit Report No. 9 1999-2000: *Managing pest and disease emergencies*. This audit is expected to be tabled in the next couple

of months. My colleagues John Meert, Alan Greenslade and David Marcus are with me today at the table, and we would be happy to respond to the committee's questions.

**CHAIRMAN**—Thank you very much, Mr McPhee. I am well aware that your mandate does not include policy. Nonetheless, the Commonwealth has decided to spend extra funds to try to increase our border protection with regard to risk of plant, animal and disease incursions into Australia. On the international stage this week, we heard from Europe's trade minister Pascal Lamy. An article in the *Australian Financial Review* on Monday, 15 July states:

Mr Lamy repeated the European belief that Australia used quarantine rules and procedures as a form of non-tariff barrier, rejecting Mr Howard's claim in Brussels last week that this was more of a negotiating point than a concern deeply held by Europeans.

"It is no secret to anyone on this planet that Australia has strong and constant non-tariff market access barriers in this area, so I can understand why the Prime Minister would not want to overplay it," he said when asked about Mr Howard's remarks.

"We clearly have concerns that the quarantine measures are not proportionate with the sort of risk you have to cover, and don't have a significant scientific base ...

"It is a question of transparency of the process and the length of the assessment processes. If it was a developing country like Botswana that took that long with its procedure, then perhaps we could understand it."

Mr McPhee, is the Commonwealth spinning wheels? Are we wasting money on this quarantine function when the rest of the world says that it is not a scientific base that we use to exclude imports but some sort of emotional attachment to an original Australia?

**Mr McPhee**—I am sure Ms Stanton will be able to give you a more comprehensive response on that particular matter.

**CHAIRMAN**—I am sure she will.

**Mr McPhee**—I think it was on *AM* this morning that I heard similar comments being made, so it is obviously part of the negotiations on trade already under way. I can tell you what we looked at in the context of the particular question that you raise, which will let you know at least what the audit covered and what we can authoritatively tell you about what we found.

**Mr Greenslade**—Chapter 7 of the audit report addresses the analysis we undertook on the import risk analysis program. I think the point you are referring to there is a key determinant in that process—that is, Australia's appropriate level of protection. That is a policy decision for the government, as you pointed out, and we did not address that as such. What we looked at was how that whole process was administered, not at the setting of the policy of itself.

We did assess the processes in terms of the robustness of the science. I did note your comment in relation to the allegation that there was not a scientific base. We did address on page 107 of the report the management of scientific inputs to IRAs, and we found that on the whole the science was sound. That is what we looked at. The basis for that was that IRA decisions had not been rejected in the appeal process, and those stakeholders considered that the science was sound. Much of the rest of the work we did in looking at IRAs in that process was on the quality of communication with key stakeholders.

**CHAIRMAN**—How do you determine and how do you even audit whether or not we are, with our sample procedures, such as they are, finding the right sorts of things at the borders? How do you know what comes through?

**Mr Greenslade**—I think that was very much what the audit was about. It was about the quality of risk management and management information. Quarantine is very much the business of managing risk. The two key issues that the audit picked up were the quality and consistency of risk management and the quality of performance information and data available to make informed decisions. I think the audit was very much about the need to improve the quality of information in that area. We found that in some routes of entry there was very little information in order to assess how effective quarantine operations were in preventing seizable items coming in. We did do some work where we established that, in relation to airports and mail, the majority of seizable items were getting through the border.

**CHAIRMAN**—How did you determine that? What is ‘the majority’? Is it 50 per cent plus one?

**Mr Greenslade**—To answer that, I will start off by pointing the committee to some graphs in the report. Figure 19 on page 88 is a graph of our estimates of the extent to which mail items, for example, contained seizable material, the extent to which the operations actually detected and seized material, and the extent to which material escaped. The second bar on that graph shows packages less than two kilograms, which are reasonably sized packages. The blue part is the amount that we estimate was missed in the quarantine operation and the white part is what was detected and prevented from coming in. In answer to your question, Mr Chairman, in some areas the great majority of material was getting across the border. Coming back to your first question where you asked how we estimated that, there was limited data available in the department. It was not presented in this way, but they did occasionally run surveys where they checked what was coming into airports. They did a 100 per cent check effectively, and we took that information and essentially modelled it and extrapolated it to produce these results.

**CHAIRMAN**—Using your figure 19 and taking the example of packages less than two kilograms—and keeping in mind that the ANAO is always lecturing departments about value for money—would you say that our procedures demonstrate value for money? Wouldn’t it be just as well not to bother?

**Mr Greenslade**—I think that is probably a matter for the department to answer.

**CHAIRMAN**—But you are lecturing us about these issues.

**Mr Greenslade**—I think our point was that a detection rate that small clearly warranted management attention and review. The other point I would make is that, given the lack of data, it was not possible to do a full risk analysis—that is, the probability of a seizable item getting through. What that graph does not deal with is the consequence of that. It may be that a lot in that blue part of the bar is low risk items with little probability of actually creating a major problem. It may be that some are high risk. Our point would be that with that management information it would enable management to go away, review and analyse what the implications of that were.

**CHAIRMAN**—One of the risk profiling issues raised on pages 65 and 66 mentioned that limited data for commercial imports and shipping means risk profiles were unsophisticated. It is not realistic to expect that we could ever inspect a substantial percentage of containers coming into Australia, is it?

**Mr Greenslade**—Again I think that comes down to risk management. Taking the issue of containers, that is an area where there was very little data and we could form little in the way of a view. We could not do a similar graph, for example, for containers. Clearly, containers create a major challenge for a quarantine operation. The government is seeking 100 per cent intervention, so there can be intervention in terms of having a look at the container but then the issue becomes the quality and depth of the quarantine check. Is it an external inspection, is the door opened and the front of the container examined, is the whole container emptied or is somehow all the contents X-rayed? That is part of a risk management decision. I think risk analysis would say there is a risk in containers: try and get as much data as possible on the nature of those risks, and then profiles would attempt to determine the right sort of intervention.

**CHAIRMAN**—I thought it was fascinating that in examining the operations at airports, passenger movements, you found that the seizure rate for the red channel—where you have something to declare—is less than that for the green channel. You made the comment that, if you want to smuggle something, you are better to declare something and not declare what it is that you are trying to smuggle. Did you come to any conclusion as to why the green channel resulted in more seizures?

**Mr Greenslade**—I guess the short answer is again that we identified that as an area we thought warranted further attention by AFFA. The other point I make is that the red channel is anything to declare. It might be two bottles of whisky rather than the quota of one, so it does not necessarily mean that the people going through the red channel are declaring quarantinable items; it may be some other reason that they are going through the red channel.

**CHAIRMAN**—I understand that, but did you come to any conclusion? You have not answered the question, with the greatest of respect.

**Mr Greenslade**—I think our point was that those seizure rates warranted much more in-depth analysis, management review and corrective action by the department.

**Senator WATSON**—Do you specify how you can improve those seizure rates through the post?

**Mr Greenslade**—No.

**Senator WATSON**—It just seems to lack some recommendations as to how they could improve their performance. You say it is high, but you are not very helpful as to how it could be improved.

**Mr Greenslade**—In the analysis of mail, we pointed to some of the reasons why that would happen, that only some items were being examined. I think that came down to the functionality of the arrangements, the size of X-ray machines, how things were selected for X-ray. In terms of improving operations, I guess it would come down to the ability to very simply X-ray much

more, and I think that is certainly the way the department is going, as I understand it. They are looking for 100 per cent X-ray.

**Senator WATSON**—Is it just the size of the X-ray machines that is the limiting factor? These are things that I think would be useful for us.

**Mr Greenslade**—I think the department may be best able to answer that later this morning, in terms of the sort of equipment that is now available to undertake that role. There are certainly some very large X-ray machines around, as I understand it. There are now—and were at the time—X-ray machines that could certainly cope with, for example, the two kilogram parcel we talked about. Going back to my earlier point, I think it is hard for management to take corrective action if they are not aware of the need to take corrective action. In the case of the mail area, I think there simply was no management information that identified a problem in the first place. That was the role we fulfilled there, by drawing that to the attention of the department.

**Mr COBB**—Just over 12 months ago, during the foot-and-mouth problem in England I think the federal government put something like a further \$600 million into AQIS over three years. Have you not looked to see how that has been managed at all?

**Mr McPhee**—No, we have not been back since the audit report.

**Mr COBB**—I am a bit surprised that you have not because, knowing this was on and the extent to which the department's resources had been added to, why wouldn't you have looked at it?

**Mr McPhee**—We generally do not do follow-up audits until two or three years later, to allow the department to take steps to address the matters we raised originally. The funding came very closely on the heels of this audit report, and I think it is fair enough to allow the agency to consider both the audit report and the wider government requirements, and to take steps to implement changes, including the enormous change we have seen in X-ray equipment at airports and in mail centres. So it is really a judgment of priorities. The Auditor-General's view at the time was to allow the department to take the time to implement the recommendations and for us to do other greenfield audits in other areas.

**Mr COBB**—In terms of priorities, I am not sure what could be higher than this particular one.

**Mr GRIFFIN**—Really, it was too early to go back in; they would not have done anything yet.

**Mr McPhee**—Certainly, in our normal course, we allow agencies time to address the recommendations. If the committee felt very strongly about this point and wanted to ask us to get in there earlier, we would obviously listen to that; but certainly, following our normal practices, we do need to allow agencies time to implement. And implementation does not happen overnight in these areas: it is a very significant investment to upgrade the quality and it needs time.

**Senator SCULLION**—I am not really sure who to put this question to, but I am sure one of you will jump up. My concern has been in regard to the management of the import risk analysis and that process. As you mentioned earlier today, somebody wrote something for the *Financial Review* and we heard something on *AM* this morning, and every one of these import risk assessment processes is fraught with pressures from areas outside the scientific rigour under which these are supposed to be taken. The principal representatives of AFFA, because of the nature of the organisation, also attend WTO meetings and drive most of those processes at the WTO, yet they are the very same people who are providing this import risk assessment so they are under a great deal of pressure from the WTO to ensure that we are not creating non-tariff trade barriers. How have you audited how they are finding that balance between being really effective about preventing noncompliance in these areas and resisting political pressure? That is obviously something that is very critical in this process, and I wondered how you had gone about auditing their effectiveness in that area.

**Mr Marcus**—The guidance we took in what we expected to see were the principles and the policy framework established by the government following the Quarantine Review Committee's report, which set out that the IRA should be based on defensible science but also conducted in a transparent and open way. We review the processes that AQIS, at that time, and later Biosecurity Australia, had developed to implement that policy. We met with a range of stakeholders to get their views, including domestic industry stakeholders and foreign ones such as the US agricultural secretary here in Canberra. We also sought advice from specialists in the area of risk analysis, including a specialist adviser for the audit. So, ultimately, we assembled a package of evidence like that to assess whether the processes were based on science. Generally, there was clear evidence that they were and that the standard of work being conducted met the expectations of the government in that way. Nevertheless, we identified a range of issues where things could be improved and there was a series of four or so recommendations that we made to exactly address that. But, ultimately, the tests that can be applied are often only at the last resort in terms of how things go at the WTO, if you like.

**Senator SCULLION**—That does not quite answer my question, but all I really required was some more information, so thank you for that. When I look through the report, my concern is that we do not seem to have a process that establishes the levels of noncompliance we have, whether it is diseases or animals in products that are brought in in bulk or it is people not complying when coming through our airports. The difficulty I have finding it in a report like that is that noncompliance seems to be a function of compliance effort: if we have 10 Customs officers for every person, we have 100 per cent compliance, we have lots of things and we know all about it. It is very difficult to take those two things apart. How do you separate compliance effort and noncompliance to actually establish levels of noncompliance? How do you audit AFFA's capacity to actually measure that, apart from saying, 'We know that if we put in more effort then we will catch more people'? What efforts are they making to try to establish what that areas are where we have a lot of noncompliance?

**Mr Greenslade**—Obviously there is a clear relationship between resources put into the compliance effort and the extent to which AFFA detects seizable items and is effective. The recommendations we made, however, were not necessarily dependent on extra resources. The thrust was around two things: firstly, strengthening risk management so that whatever resources are available are appropriately targeted; and, secondly, having the information upon which to make those decisions. Without sufficiently systematic risk management and adequate data, it is

quite possible to have a fair amount of resources and not have them doing that job very well. Whereas, if it is based on well founded risk management and good information about where risks are and what should be targeted, it is possible to get far more effective results. Mail was mentioned earlier on, and a lot of the problems there were simply that some things were just not checked, the targeting was not that effective and the operations were not able to synchronise well with a well targeted effort.

**Senator SCULLION**—I have a supplementary question on the area of mail. Figure 19 on page 88 demonstrates quite clearly what we were speaking about earlier. You had the capacity to make a decision on this and to show us the trends, and you indicated that you did not have the capacity to do that with containers. It is quite evident why. This is based on taking a sample of the people coming in and searching every single person so we know exactly the levels of non-compliance of the sorts of materials coming in. I can see that you can then take some effective audit: if we expect X amount of people to come in over a period of time, we would expect them to have X amount of noncompliance when looking through them. So we know roughly where we are up to, which is what auditing is all about.

It would be of concern then if this is a one-off area. What sort of audit have you conducted about the capacity of AFFA to make that value judgment in a whole suite of other areas, including containers and frozen products—right across the board? Are they moving towards taking a sector and saying: ‘We’re going to do 100 per cent of these containers. We’ll look at every single one,’ just as you would to audit any sample? How are they going with that?

**Mr Greenslade**—Again, I am sure AFFA are better able to inform you on that than I can. But certainly from their submission it is my understanding that they are moving to collect the sort of information you saw in figure 19 for all modes of entry. It probably does not necessarily always mean a 100 per cent sample. There may be other ways to get the same information—page 81, for example, paragraph 5.10. Back in 1999, the Quarantine And Exports Advisory Council and AFFA agreed they needed this sort of leakage information; that it was ‘necessary to evaluate their effectiveness’. There is no question that it is recognised that those calculations are necessary to have effective operations. The situation we found at the time was that data was not being used to do that. And I think your point is perfectly valid: it is much harder in some areas than in others. Equally, I think there was often quite a bit of information on, for example, containers. It may be a matter of how it was marshalled and utilised to identify what information that gave about risks. One other solution would be to have a 100 per cent sample. I think the answer is that it is possible. There is data around in one form or another. It is always possible to better inform. That is the case for containers, where there was very little information that filtered through to do that sort of calculation.

**Senator SCULLION**—Mr Greenslade, I was going to the capacity of AFFA to make a decision on how well their compliance is working. I think we have established that you can only do that if you have a baseline of noncompliance in a certain sector.

**Mr Greenslade**—Yes.

**Senator SCULLION**—If they only have baseline noncompliance in some sectors—and a very small amount, as evident in your report—I would have thought that a major part of your report would have been to recommend, even when this report was written auditing someone’s

effectiveness in that area, and to highlight that we need to have baseline population samples taken of all those streams. I did not get that sort of feeling from the report. Perhaps you have moved on since then. But I feel that, in terms of evaluating their capacity, that really was not indicated, because I think it is chronic in its absence. That was not indicated in your report, and I wonder why.

**Mr Greenslade**—I entirely agree with your basic premise. In fact, recommendation 4 in paragraph 5.51 is aimed directly at the point that you make. In order to have that management of information and have the decision making, it requires establishing appropriate indicators for each point of entry. We make the point very clearly there that in order to manage effectively that basic information is needed. You are absolutely right on each of those areas.

**Senator SCULLION**—Thank you, Mr Greenslade.

**Ms KING**—One of the things that concerns me when looking through the submissions to this inquiry is the high level of duplication and the large number of agencies that are involved in this function, and that some of the agencies in particular only now seem to be developing MOUs to formalise that relationship. There was not a great deal in the report about duplication. Would you care to comment on that, please.

**Mr Greenslade**—The focus of our audit was very much on the effectiveness of quarantine operations and AFFA's responsibilities there. We did touch upon relationships with other agencies, such as Customs, where they impacted on effectiveness: for example, in 3.35 we look at how well the relationship with Customs enables higher risk passengers to be identified as they come into the country. We examined it to that extent. And with the IRA process, for example, we look at the quality of the relationship and MOUs between Environment and the department. In answer to your question, it was very much focusing on the quarantine operations and the extent to which relationships impacted on that. Again, our point is that essentially it was not a matter for us to determine exactly how relationships with other agencies should be established; the issue for us was the need to address the need for improvement.

**Ms KING**—I will not ask you to be specific, but there were some relationships that were of concern?

**Mr Greenslade**—For example, with Customs in the arrivals halls, we pointed out that there were issues there that I think have since been resolved. There are a number of points I can point you to in the report, if you are interested.

**Ms KING**—This is a general question that may be a bit difficult to answer, but it really goes to the heart of the science and how confident we are in that. Fairly early in 1996 there were a rather large number of redundancies within the Public Service, and a large number of our scientists left government departments at that time. We certainly have heard lots of reports about the brain drain in Australia. How confident are we about the scientific skills that rest within AFFA?

**Mr Greenslade**—You are right; it is a somewhat difficult question for us to answer, and I am sure the department will have some opinions on that. The key thing is that, in the scientific analysis for IRAs, the department does not necessarily just have available its own scientific ex-

pertise; panels are set up which can call in people from all areas. I think the department's responsibility is not necessarily to provide the scientific resource itself but to ensure that the process taps into the available scientific expertise, wherever that may be, and the processes are in place to enable them to do that.

**CHAIRMAN**—In chapter 2, on page 52 of your audit report you noted a marked rise in exotic pest/disease incursions from eight in 1996-97 to 26 in 1999-2000. You went on to advise that AFFA advised the ANAO—and I note that in your response you keep saying, 'AFFA told us this,' 'AFFA tells us that,' or 'You best ask AFFA'; I will ask you in a minute what Audit is supposed to do—that:

... it considered the increase in incursions to be the result of much greater emphasis on systematic recording and reporting of suspected incursions ...

Did you test that?

**Mr Greenslade**—No, we did not test that, Mr Chairman. Again, I think our point was that that rise, given that it was the key performance indicator for the department's outcome, would benefit from review in terms of understanding why it was rising and taking an appropriate response.

**Mr McPhee**—Mr Chairman, perhaps I could foreshadow your next question of me.

**CHAIRMAN**—The next question is: did you audit HIH?

**Mr McPhee**—I was not expecting that one. That is an easy one to answer: no, we did not. In doing audits, we have to make judgments about where we draw the line. On average, we spend about \$300,000, I think, doing an audit. In this audit we have hit on the key areas that need attention. The department agrees with us and most of the submissions are saying similar things. We could do more; we could double the cost. The question is the return for the additional resources that we put into it. I think that, in terms of the value for money question you touched on earlier, we have got a pretty good return for our investment in this particular audit. If the committee wants us to do more work—is interested in more detail—we could, but that would come at a resource cost which meant we would do fewer but larger reports. At the moment, as you would appreciate, we have to make those judgment calls every day of the week and, quite frankly, on this one I think we have got it pretty well right. The department has picked up the recommendations and is driving through with them in complement with what the government expects with the additional funding. I think it is a pretty good outcome—that is, the audit has been a good stimulus, the department is now responding positively and there is a good overall result. I do not want to be too defensive but we do have to draw the line somewhere.

**CHAIRMAN**—We understand that, but did the audit test the international experience at all?

**Mr Greenslade**—We did some international benchmarking. I think this is an area where it is quite difficult to get precise comparisons. For example, when we calculated the effectiveness rates at the border, we did the best we could to draw comparisons with New Zealand and to look at the experience in the United States Department of Agriculture by comparing our seizure rate with the seizure rate in the US. It was actually poorer in the US at the time. In our audit, we also

brought on board both Australian and international experts in quarantine to help us determine the relevance of some of our findings.

**Senator WATSON**—Is there a method of actually neutralising any plant material, to kill it with a particular ray? If you did that, you would not need all these other methods. If you had something that neutralised or killed anything that had the potential to be a living organism in your letters, surely that would be a better approach than just physically testing a number of them.

**Mr Meert**—That issue flows from policy, which again is your risk assessment. It is based on what is coming in, what you can allow in and whether you have to destroy it. I presume if you had something like that, you would destroy everything that came in, and maybe some stuff is allowed to come in. I do not know.

**Senator WATSON**—If some stuff is allowed in, it could have a different route other than through the general post or a particular container.

**Mr Meert**—Again, from an audit perspective that is an issue where you drive back through the methodology, where you ask what you want to detect or destroy through one area of entry into Australia, which is the mail.

**Senator WATSON**—Or you could have a container so that you could put all timber through a steriliser.

**Mr Meert**—If you read the newspapers, you will see that, following the anthrax scares, America has material that it subjects to a bombardment of rays. Again, as an auditor, I think you would say that is the sort of issue that you would expect someone like AQIS to look at.

**Mr Greenslade**—I think that is one of the things examined in an import risk analysis. Essentially, to bring something into the country at an acceptable level of protection, the issue that arises is how to treat whatever risk there might be—and it might be fumigation of timber, for example. Indeed, that is one of the things we examined in the audit report. I think it is part of the import risk analysis process to determine what treatments are acceptable, whether it is spraying, fumigation or whatever.

**Mr COBB**—Did you specifically look at offshore quarantine measures?

**Mr Greenslade**—In terms of addressing the risk before it comes?

**Mr COBB**—Yes.

**Mr Greenslade**—Yes. The whole of chapter 4 of the report is about the pre-border operations. For example, just picking up on the earlier question about treatments, on page 72 at paragraph 4.18 we examined the effectiveness of one of the pre-border measures, which is to fumigate timber before it comes into Australia. We examined how effective that was, and I think we found that it was not reliable.

**Mr COBB**—I was referring to the quarantine measures where imported animals have to be held offshore for some time, that sort of thing.

**Mr Marcus**—No, we did not look at offshore quarantine facilities for horses et cetera. No, they were not considered as part of the audit.

**CHAIRMAN**—We will have a short tea break. In saying that, I note that an article in the *Herald Sun* yesterday cited some research that indicated that, if you drink between three and four cups of coffee a day, your risk of getting Alzheimer's is reduced by 60 per cent. As you are still sitting there, Ms King would like to ask a quick question.

**Ms KING**—I think either the *Australian* or the *Age* today had a call from the Victorian Farmers Federation that penalties for minor breaches of quarantine laws were not a sufficient deterrent. There is no expansion on that issue in this article, but can you talk a little bit about breaches and deterrents? Are the Victorian Farmers Federation correct?

**Mr Greenslade**—First of all, I would probably need to see the full article before I would be able to form a view. The broader issue is that we see penalties for deterrence as being part of an overall systematic approach to risk management; it is part of our overall package of how risk is managed.

**Ms KING**—One of the statements I think AQIS has made is that there were 11,000 infringements from July 2001 to May involving offences usually entailing people inadvertently breaching regulations prohibiting the importation of certain foods and plants. So I assume they are referring there to possibly entry through airports.

[11.02 a.m.]

**BIDDLE, Dr Robert Richard, Deputy Chief Veterinary Officer, Product Integrity, Animal and Plant Health Group, Department of Agriculture, Fisheries and Forestry**

**CAHILL, Mr John, Executive Manager, Quarantine, Australian Quarantine and Inspection Service, Department of Agriculture, Fisheries and Forestry**

**GORRIE, Mr Geoffrey Charles, Acting Secretary, Department of Agriculture, Fisheries and Forestry**

**HARWOOD, Ms Mary Beatrice, Executive Manager, Biosecurity Australia, Department of Agriculture, Fisheries and Forestry**

**MORRIS, Mr Paul Charles, Executive Manager, Market Access and Biosecurity, Department of Agriculture, Fisheries and Forestry**

**ROBERTS, Dr William, Chief Plant Protection Officer, Department of Agriculture, Fisheries and Forestry**

**STANTON, Ms Meryl Annette, Executive Director, Australian Quarantine and Inspection Service, Department of Agriculture, Fisheries and Forestry**

**CHAIRMAN**—Welcome. Thank you for your submission and for coming and talking to us a few weeks ago about what you do. Do you have a brief opening statement?

**Mr Gorrie**—I do have a couple of remarks to make, if I could have the indulgence of the committee.

**CHAIRMAN**—Be very brief, please; otherwise we do not get questions. We prefer questions.

**Mr Gorrie**—I would not like to be responsible for that! Firstly, the committee would be aware that the Agriculture, Fisheries and Forestry Australia responsibilities for the quarantine function extend across a number of areas. You have seen through the introductions that we have the Market Access and Biosecurity group, of which Biosecurity Australia is a part; we have the Australian Quarantine and Inspection Service; and we have the Product Integrity, Animal and Plant Health group. Those three areas represent the main areas in the department that deal with the quarantine continuum from pre-border to post-border.

I also understand there has been interest in the decision taken nearly two years ago to form Biosecurity Australia from that part of AQIS previously responsible for the policy work. This was done to ensure that both policy and operational imperatives were fully focused and that the controversy sometimes surrounding the policy decisions on commodity access to Australia did not detract from the integrity of the AQIS brand name in certifying both imports and exports. That is all I would like to say in terms of an opening statement.

**CHAIRMAN**—Thank you very much, Mr Gorrie. I know that Ms Stanton was here earlier when we talked to ANAO. Were you here as well?

**Mr Gorrie**—I was here for part of that, not all of it.

**CHAIRMAN**—I quoted, from an article in Monday's *Financial Review*, the comments made by Europe's trade minister, Pascal Lamy. In essence, he said of the European Union:

"We clearly have concerns that quarantine measures are not proportionate with the sort of risk you have to cover, and don't have a sufficient scientific base.

Do you have some comments on that, please?

**Mr Gorrie**—As a general comment, we would dispute those comments quite vigorously. We certainly do put a lot of work into developing the science. It is the foundation upon which our quarantine policy is developed, and I think we have a very good reputation worldwide for that science. I will ask Mary Harwood to elaborate on the processes that Biosecurity Australia uses in developing the scientific basis for our arrangements.

**CHAIRMAN**—We have been briefed on that, so we understand those procedures. But my concern is that we have read statements in the press recently—I did not bother bringing clippings—from the United States when the Prime Minister was there and talking about an FTA with the United States, and more recently from Europe when he was talking about trying to open up agriculture at the next GATT Round in Europe. We constantly get these statements from the Americans and from the Europeans—I am not sure about the Canadians—questioning the scientific basis of what we do. Is it true that we are unique in the world? You said in your submission to us:

The quarantine legislation confers powerful regulatory and associated investigative and prosecution capabilities which are not as evident in other countries except for New Zealand which has a similar, relatively favourable agricultural pest and disease status.

We believe that we are doing the right thing spending all this money on border protection, but the rest of the world thinks we are using it as a deterrent barrier to trade. What can you do to help us convince them that what you are doing is scientifically based and absolutely invaluable to the future of our agricultural industry?

**Mr Gorrie**—In relation to the sort of system that we have, I am not sure that 'unique' is quite the right word to apply; there are other processes in other countries that have similar sorts of scientific underpinnings. Certainly New Zealand is a country that has a very similar system to the one that we run. We have to get out and be up front. We are very transparent in those processes, and so the whole world can see exactly what we are doing. I do think that some of those claims about the credibility of our science are, if you like, political game-playing in terms of discussions that might be coming up to gain access or to pressure Australia into a particular line of acceptance of a view from either the EU or the US. We have tackled those accusations and attacks on our credibility front on, and I do not think we have lost too much in terms of those sorts of arguments. We run a very strong line that you keep the science separate from the politics so that you are not trading-off quarantine and sanitary and phytosanitary issues for trade issues, which I think is what the EU and the Americans are trying to get to.

**CHAIRMAN**—One of the things that interests me in the audit report is international mail. You say:

Intervention levels have increased for the classes of mail—

I do not know what you mean by ‘the classes’—

and are currently running at between 79 per cent and 100 per cent, depending on the class of mail.

What do we find in the mail? One of the things that fascinates me is that we are moving towards examining 100 per cent of mail coming into Australia. I could probably bring in a nuclear bomb or a thermos flask of ebola virus in a container and really make a mess of this country. And the chances of getting through would be pretty good, wouldn’t they?

**Ms Stanton**—No, I do not think they would be. I will hand over to Mr Cahill in a moment; he can give the precise figures. We have moved fairly quickly to 100 per cent intervention in mail. As was intimated in the previous session, we have been able to do that, partly as a result of the extra resources that have been received. It is the government’s view that we should move as quickly as possible to 100 per cent intervention.

The classes of mail are those types mentioned in the last session: letter class, packets and so on. We find all sorts of things in the mail. We find such things as high-risk foods—including salami and so on—seeds, plant materials and wildlife. Some of this is due to ignorance and some of it is intentional smuggling. When it comes to containers, we have done what we can as quickly as we can. We have attained 100 per cent intervention in terms of the external contamination of containers: dirt, insects and so on.

**CHAIRMAN**—Do you mean you look at the outside of the container?

**Ms Stanton**—We look at the outside of the container, where there is a risk of foot-and-mouth disease contamination. Do not forget we are looking at quarantine risk, here. In terms of the inside of containers, we are increasing our risk profiling, risk management and sampling. At this stage, we are not inspecting the entire contents of 100 per cent of containers.

**CHAIRMAN**—How many containers come through our borders every year and how many containers would it take to contain all the international mail that we are 100 per cent checking?

**Ms Stanton**—Mr Cahill, you may be able to answer the first question; you probably cannot answer the second.

**Mr Cahill**—I think there are about 9 million containers a year. I do not know how much mail translates into a containerful.

**CHAIRMAN**—Could you find out for us?

**Mr Cahill**—Over 160 million letter class articles come into Australia each year. As Ms Stanton says, we have now moved to 100 per cent intervention across the mail classes. So we have improved further on the information we provided in our submission. Our effectiveness

levels are increasing, as well. Some of that is not sustainable until the infrastructure changes have been made to mail centres, and we are working closely with Australia Post and Customs to achieve that. Our effectiveness levels have improved dramatically since the audit report. That was certainly a wake-up call for us in relation to mail.

**CHAIR**—I just had a very quick look at your annual report, for which we have some responsibility. I am interested in cost effectiveness. It concerns me, with regard to container traffic—and perhaps I am being illogical or something—that we are examining all of the incoming external mail for things like seeds, so that we do not bring in seeds, but that we could bring in millions of times as many seeds in various spots in various containers as we are ever likely to find in envelopes. I look at your annual report:

Overall effectiveness indicators:

Australia's agriculture and food industries human health status is protected

Indicator:

Zero increase in the rate of exotic/pest disease establishment attributable to breaches of quarantine

Technically sound quarantine policy advice:

No new exotic pests and disease detections attributable

You do not give us any indicator. It goes on:

Effective quarantine operational services

Indicator:

Number of prohibited goods intercepted at the border

It does not say 'percentage of likely incursions actually detected and stopped'. You say the indicator of a good quarantine is how many bad cases we find. Is that reasonable information to provide us with in your annual report? You wrote it, and so I guess you like it.

**Ms Stanton**—It is outdated information in that the government has, in the course of the increased quarantine intervention program and the increased funding, given us new performance indicators which relate to intervention levels and effectiveness levels, as Mr Cahill was mentioning. My answer is that it is outdated in terms of the sorts of reporting that we now do. That is the annual report for 2000-01, I think.

**Ms KING**—In the IRA process, how do you manage the issue of perceived risk as opposed to actual risk?

**Ms Harwood**—The documents we prepare are directed at the best estimate of actual risk that we can provide. In communicating the pest and disease issues that we identify as of concern, we try and do that in a way which makes really clear the quarantine risks that the process has identified, and the nature of those risks. We are trying to essentially make it clear, and it has to be based on a scientific assessment of the real risks associated with the import.

**Ms KING**—I seek a legal clarification. Your submission says that there is an MOU with states and territories and that state and territory governments are required to consult with the Commonwealth before implementing any sanitary or phytosanitary measures that would inhibit trade. Are states and territories liable under WTO action? I am not sure that they are.

**Ms Harwood**—They are obliged. Australia is a party to the agreements. The states are bound as well, essentially. The obligations flow through to them.

**Ms KING**—Who would the action be taken against, though? Would it be the Commonwealth, or the states and territories?

**Mr Morris**—A good example of that is the salmon case—

**Ms KING**—Yes. That is what I was thinking of.

**Mr Morris**—where specific rulings were made in the final determination by the WTO on that, suggesting that the Tasmanian arrangements were not consistent with the SPS agreement. That was eventually settled by an agreement with the Canadians that the Commonwealth government would make moves to try and get the Tasmanians to lessen the restrictiveness of their arrangements. That is where it was let lie. But, yes, potentially the whole of the Commonwealth and its territories and states are bound by those agreements.

**Ms KING**—Can you tell me where the MOU that is being developed between Biosecurity Australia and Environment Australia is up to?

**Ms Harwood**—We are still in the process of settling the text of that but there have been very constructive discussions between the two agencies as to how to have a close working relationship where the environmental aspects of quarantine risk are addressed early in the process. We seek their comments, their involvement and their engagement in the process so that those risks are identified early and dealt with in a way that is satisfactory to both parties.

**Ms KING**—What are some of the tensions that you have had to work through in that process?

**Ms Harwood**—Earlier on there were tensions in relation to the connections between the Quarantine Act and the Environment Protection and Biodiversity Conservation Act and matters relating to referral and triggers for action, but they have been less to the fore of late. The other aspects are not so much tensions as trying to come to a common understanding as to the best way to look at and assess environmental aspects of risk—that is, risk to native flora and fauna.

**Mr COBB**—Ms Stanton, in your estimation what is our biggest risk area in terms of exotic diseases? Is it people bringing things in at airports? Is it the coastline? Is it shipping?

**Ms Stanton**—That is a very difficult question to answer. The fact that we have a specific quarantine strategy for northern Australia indicates that the government sees high-risk pathways in northern Australia because of our proximity to other countries to the north and so on. But each pathway has its own inherent risks. Certainly airports have their own risks. The risk there is mostly an inadvertent risk. They are probably used as smuggling pathways occasionally, but it

is really a matter of travellers often not being aware of what the rules are, so the things we look for there are slightly different. Again, in relation to the mail we know that a lot of that risk—and we are finding a lot in the mail—is inadvertent. But some of it is deliberate and we are also finding, as we clamp down on mail and increase our intervention, that we are starting to see things coming in through similar sorts of pathways like the high-volume, low-value courier trade. The coastline—yachts, shipping and those sorts of things—presents a different set of risks. Often, in relation to cargo for instance, there is not only a quarantine risk but also a peak amount of customs risk. That is part of the reason why we have different strategies for the different areas and the different pathways.

**Mr COBB**—Quite correctly in my view, a lot of money was made available some 12 months ago to increase our ability to deal with it. Obviously most of that went to your organisation. How did you allocate that money? At that time we had an obvious problem of people coming in from the UK and Europe. I am sure that is where a great amount of it went and I have to say that I thought AQIS responded well to that problem. But, over the last 12 months or so, how have the most recent incursions of pests and diseases that you have detected been coming into Australia?

**Ms Stanton**—Let me go back to the first part of your question. You commented about the \$600 million in the previous session. It is important to note that that went to several agencies: AQIS itself got about \$280 million over four years. In terms of how we allocate that, in a sense it was preallocated. The process of obtaining the funding was based on what we would do with it, which was to increase our intervention, particularly at the main entry points into Australia. That was what the government asked us to do with the funding and that is what we have proceeded to do. We are now a bit over a year into that four-year program. Extremely few incursions have occurred in that time. I will defer to my colleagues from animal and plant health.

**Mr COBB**—With all due respect, you have not answered my question as to where the greatest risk is. If we look at how pests and diseases have got in, perhaps we can narrow it down. At the moment, you are being very kind when you say that one of the greatest risks comes from people doing things by accident. I think the greatest risk by far comes from people doing things knowing damn well what they are doing. I am having trouble getting hold of where you think the greatest risk is.

**Ms Stanton**—I indicated to you that that is a difficult question. I do not have an answer as to where the greatest risk is. AQIS has a risk management project on at the moment, which we picked up out of the ANAO report, where it is analysing those risks. There is no doubt that the risks vary according to the pathway. At the moment I cannot answer the question of where the greatest risk comes from. Mr Cahill may like to talk a little more about the measures that we are taking at the moment to try to analyse risk in a more sophisticated way than we have been able to in the past.

**Mr Cahill**—If we presume that the risk of quarantine material approaching the border, across the whole of the border, is equal, the question becomes: what resources do you need to deploy in particular areas to manage that risk? For example, it is not easy to compare the importation of a commercial cargo through containers with the mail system. You cannot look at it at a moment in time and say, ‘Are you opening and inspecting the contents of all of those containers?’ When

you are doing that with mail, you are putting it through a high, very intensive screening and X-ray process. Part of the reason for that is that you need to look at the system as a whole to see what mechanisms are in place to manage the risk. For example, if you are looking at commercial cargo coming in, by and large people are required to make declarations about the nature of that cargo. There are systems in place to look at both the external and the internal parts of the container, where we judge there is a risk. That might be through the profiling arrangements that we use both electronically and physically to make some kind of intervention.

Declarations that passengers make at airports are on the incoming passenger cards. They are screened at the primary line by Customs, so we look at those declarations. There are additional systems in place through the system before they leave the terminal building to manage the risk that is presenting itself. It is a highly intensive process physically—you need a lot of people there to operate dog teams and X-rays and to physically open baggage—so you need more people there. The question that must be asked as to how those resources are deployed currently is: what does it take to get 100 per cent intervention across the whole of the border and what resources are involved in that? The government made some conscious decisions that it would pursue 100 per cent intervention across the whole of the border recognising that there were particular limitations at airports during peak hours—which is why it was determined that we would pursue an intervention level of 81 per cent. The resources that were allocated flowed from that target to achieve 100 per cent intervention across the whole of the border. So that is what we are pursuing. We are one year into a four-year program and we have high levels of intervention across all of those border entry points now.

**Mr COBB**—The recent changes to legislation made it far more expensive to be caught making a commercial importation. Who makes the decision that it is a personal or commercial importation—you, Customs or the Australian Federal Police?

**Ms Stanton**—There are protocols that help make that judgment. It is a combination, depending on the product, of the judgment that we, the police and the DPP might have.

**Mr Cahill**—It is essentially a legal question as to whether the elements of an offence exist to enable a prosecution under those provisions. That has not occurred as yet.

**Senator SCULLION**—I have just been speaking to witnesses who appeared before you from the audit office. I was able to establish that their difficulty is in being able to benchmark the effectiveness of your compliance. Ms Stanton, when asked by Mr Cobb, ‘Which is the worst stream of potential input?’, you responded, ‘That is going to be very difficult.’ I can understand that. From my reading of the audit report and your report, it is clear that the only area in which you have been able to benchmark any effectiveness has been in the mail area, for whatever reason. You took a large sample, 100 per cent, looked through everything and said, ‘Out of that area we have X amount. With our compliance benchmark we should find out about that amount and then put compliance up or down.’ My concern is that outside the mail area that is where your benchmarking ends. I cannot put my hand on a document that demonstrates that we have done the same with the other strands—for example, the different types of containers and the different materials we find in containers, whether it be baggage or suitcases. I assume that there is where you are heading in order to establish this. What sort of time frame are you working on? Are there some significant strategies you can put in place to go down that line?

**Ms Stanton**—Mail is not the only area where we have done that. We have done it in airports and in a couple of other areas as well, but airports and mail would be the main areas. As was pointed out, we originally had very little data when it came to some of the import clearance areas. We have now built up a process for getting that data, and that is now under way. Mr Cahill will be able to talk about that in more detail. We are hopeful that over the four-year period we will end up with good data on all the pathways, not just on mail and airport passengers.

**Senator SCULLION**—The other issue associated with compliance is obviously our capacity. We might say that every person will have a Customs and quarantine officer standing next to them and that full body searches will be conducted. That is obviously the right thing to do and the outcome will be that we have got absolutely everything. Technology moves very fast. We know that the equipment we are using to detect noncompliance today will be vastly improved in five years time. When going through international airports you can look at the name of the manufacturers of the X-ray machines—machines that are used to detect goods in the green line. Not one has the name of an Australian manufacturer, so one would assume that there is a lag time between the technology being available and Australia taking it up. How do you ensure that we get the appropriate detection technology as soon as it is available?

**Mr Cahill**—We work very closely with Customs in terms of the technology that we are able to deploy at the border entry points and we use common systems to do that. Together with Customs and the other agencies involved—for example, Australia Post—we are constantly looking at technological developments that are occurring in other places. An illustration of that is that in the last week we had Australia Post and Customs officers in the United States looking at technologies that they are now applying to the mail system, as a result of the various threats there, to see what application they might have in our circumstances. We are continuing to monitor that with Customs in particular.

The equipment is obviously used not just to detect items of quarantine interest; other border protection issues need to be managed. Some of that equipment is useful for various purposes—for example, the very large X-ray equipment that can take whole cargo containers and what that might tell you about not just issues of law enforcement concern but also quarantine issues. We are working closely to try to make sure that we get the best application of the available technology. We are also talking to the companies, because most of the developments that have occurred with X-ray equipment and so on have been directed at purposes other than quarantine issues. There is a question about whether something can be done to better tailor some of that technology for quarantine purposes. We are talking to companies about those sorts of matters.

**Senator SCULLION**—Would you say that we are now using world-class leading-edge technology in our detection process?

**Mr Cahill**—I believe so. The equipment that we have deployed as part of the increased quarantine intervention is a result of a tender process that we went through with Customs within the last 18 months or so. That is certainly the best equipment available on the market for that purpose at the moment. I should add that there is an underlying presumption in relation to the intervention levels at airports, for example, that sets the target for us at 81 per cent intervention at the moment. The underlying presumption is that, as technology improves, we will get to 100 per cent intervention in airports.

**Mr COBB**—My question comes back to your comments, Ms Stanton, about people bringing things in unwittingly. Would it be fair to say that anybody at an airport today—and, I suppose, coming off a ship—no matter what their nationality, could not claim that they did not have the opportunity to hear or see warnings about what they were possibly bringing into our country?

**Mr Cahill**—In answer to that, I could give you a good illustration of a case recently where a largish family was coming through an airport and they had made declarations about what they had in their baggage. They said they had no items of quarantine interest. The detector dog alerted an officer to the bags and there was further questioning of the parents by the quarantine officer about what they had. They said, no, they did not have anything, but we put the bags through the X-ray and there was certainly something there. There was a physical inspection of the baggage and it turned out that the children had squirrelled away all sorts of things in the bags that the parents did not know about. There is a real question about what you do in that circumstance. Do you prosecute on the basis that that is some sort of deliberate attempt? Do you hit them with an on the spot fine on the basis that there is a false declaration, which may have been unintended, or do you provide some sort of education to them for the next time? In that particular instance, 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.

**Ms Stanton**—That sort of example was the reason for my hesitation. I think it is very hard to have a blanket statement like that. We still have a lot of people visiting. Even though we provide information in other languages, I think there is sometimes a language barrier. Given that, for instance, particularly Asian and European travellers within those continents do not strike the sort of quarantine messages that we have, sometimes there is still a problem with unfamiliarity with what we are on about.

**CHAIRMAN**—Let us go back to interventions. You have stated in your submission:

Intervention levels climbed significantly during 2001 for inspections of cargo including sea and air containers and high volume low value (HVLV) airfreight documents. Intervention levels are currently running at 100%, 98% and 82% respectively.

Is it not highly misleading to say that you have a 100 per cent intervention level with sea containers when in fact all you do is look at the outside of it?

**Mr Cahill**—I do not believe it is.

**CHAIRMAN**—I certainly find it misleading.

**Mr Cahill**—Intervention takes various forms. As I mentioned earlier, it is important to look at the system as a whole. The system as a whole includes processes of electronic and physical screening as well as the physical intervention of opening containers.

**CHAIRMAN**—What percentage of containers are actually opened and X-rayed?

**Mr Cahill**—The containers themselves are not X-rayed.

**CHAIRMAN**—No, the contents.

**Mr Cahill**—The sea containers are not X-rayed.

**CHAIRMAN**—What percentage of containers are opened and the contents X-rayed and/or opened and checked?

**Mr Cahill**—About 10 per cent.

**CHAIRMAN**—Ten per cent?

**Mr Cahill**—Ten per cent of the containers coming into Australia.

**CHAIRMAN**—And the boxes inside?

**Mr Cahill**—Ten per cent of containers are tailgated. They hit a profile or there is a judgment made about the likely contents and the risks that they present, so they are referred to a depot for some sort of tailgate inspection. They are physically opened and a quarantine officer will look at the contents of that container. With personal effects that come into Australia there is, I think, 100 per cent inspection. It depends on the nature of the contents and how the profile sits in relation to those contents as to whether or not they are physically inspected.

**CHAIRMAN**—With respect to incoming air passengers, do we inspect the personal effects that are in the hold of the aircraft?

**Mr Cahill**—Yes, almost certainly.

**CHAIRMAN**—Are they X-rayed?

**Mr Cahill**—Almost certainly. It depends on the time of arrival, because we are not doing 100 per cent. Again, it is a combination of the system at work. When you come into Australia through an airport, you make a declaration, you hit the primary line and you go through the primary line. You may have some referral attached to your incoming passenger card and, on the basis of the declarations you make, you pick up your bags. There is surveillance under way in the baggage halls, there are detector dogs operating and there are X-ray machines at the secondary line that pick up most of the baggage coming through, but not in peak times at the major airports at this stage. There is continuing risk profiling going on as well. For example, if there are a lot of passengers in the terminal building—

**CHAIRMAN**—We know; we have been there.

**Mr Cahill**—then there are other issues we need to take account of in terms of how we are processing those passengers. So the risk profiles continue to apply in those circumstances. We look at the higher risk passengers in terms of where they have come from and what that might represent.

**CHAIRMAN**—Why is it that the red channel generates more fines? According to the ANAO, your inspections reveal more improper import of potential disease carrying items or imports that are illegal in the line where people are declaring things and you find fewer things in the line where people are not declaring things.

**Mr Cahill**—At the time the fieldwork was undertaken for the audit we did not have the 100 per cent intervention target in place, we did not have the resources deployed that we now have and we did not have the modifications made to some of the terminals that we now have, so the green channel processing was more heavily dependent upon the risk profiling that was going on. We certainly had dogs deployed and X-ray machines and so on, but not in the same quantity that we have now. There has been a substantial strengthening since the fieldwork was undertaken, so the likelihood of you arriving at an airport now and being put through an X-ray in the green channel is probably over 80 per cent.

**CHAIRMAN**—That still does not answer the question of why you find more improper imports in the green line than in the red line. That is what the audit report said.

**Mr Cahill**—The green channel is about people who do not believe they have anything to declare. The screening and intervention arrangements that we now have in place are such that we do find a fair amount of material that people have not declared but, as Ms Stanton says, they have not done so deliberately; it is mostly inadvertent, and the story I told is an illustration of that. That is not atypical of passengers arriving in Australia who are not aware that they are carrying material of interest to us.

**CHAIRMAN**—In order to test that theory have you, for instance with a random sample at the airport through the red line, tested every piece of luggage that the person came in with?

**Mr Cahill**—Yes, we are doing surveys every 21 days across the red and green channel.

**CHAIRMAN**—And what has that data told you?

**Mr Cahill**—It is telling us that that is a basis for the effectiveness data that we provided in attachment 11 in our submission. That is the measure of the quarantine items that we are detecting. The leakage rates are very low and the effectiveness rates are fairly high, but still building.

**CHAIRMAN**—Without trying to find it quickly, the audit report said that you said that might likely be because people in the red line reported an extra bottle of whisky or perhaps more customs dutiable goods. I wonder whether people use that as a device to miss more intensive screening in the green line.

**Mr Cahill**—The processes that passengers experience in the red channel and the green channel now are quite similar. They come forward with a declaration and they are in the red channel because they have something to declare of customs or quarantine interest, or they have been referred at the primary line or by a detector dog team. The process of how they then move through the red or the green channel is very similar now. Essentially, the red and the green channel are now really about there being two ways of getting through: one is through a process that involves

items that you have declared and the other process is where you have not declared anything. But the actual systems that are in place now to process passengers are very similar.

**CHAIRMAN**—Figure 5 on page 52 of the audit report entitled: ‘Reported incursions 1996-97 to 1999-2000,’ shows a dramatic increase in reported incursions. According to the audit report you advised ANAO that you considered the increase in incursions to be the result of:

a greater emphasis on systematic recording and reporting of suspected incursions, due to increased attention to surveillance flowing from the Government Response to the QRC Report.

We asked ANAO if they had audited that, and they said no. How can you convince us that that is in fact the reason for the increase?

**Dr Roberts**—I might pick that up. I can table for the committee a print-out of our publicly available web site which shows new plant pests and diseases recorded within Australia since 1996. Attached to that you will find a whole lot of notes. I have just done a quick count, and the table lists 13 plant pests and diseases in 2001. What happened with the quarantine review report—the Nairn report—was the establishment of my office: Office of the Chief Plant Protection Officer. I now have staff of about 15 people. That has been running since the government responded and provided extra resourcing—I have just forgotten the date.

Most of what we do is early detection of and response to reports of pests and diseases in Australia. We maintain an internal incident database that captures all of the reports we get and the way we respond to them. The table, which I can give the committee, is an extract of that database. Examination of that database shows that there is really no detectable change in rate of incursions—that is, per year—over the last 20 years to 25 years. That is exactly the same conclusion that the Nairn report arrived at when it commissioned independent work.

**CHAIRMAN**—There is no change in the rate?

**Dr Roberts**—That is no detectable change. You will find that the data is very lumpy. Some years you will have 10 or 15 incidents that you will classify as incursions of plant pests and diseases and other years you will have two or three. But over time you do not find trends that suggest that the trend is upwards or, for that matter, necessarily downwards. It is very lumpy data. The problem is that the data is confounded with a lot of problems. For example, in this list is a fungus called castor-oil fungus. It was first detected in July 1999. Speaking to the experts, they believe it was probably in Australia for 20 years or 30 years; it is just that it was first reported and properly identified in 1999. You will find, for example, on this list that there are four thrip species. That resulted from the very fact that a thrip expert took a trip through Northern Australia. It was the first time that thrips had been collected in Northern Australia and he found four species. They appear at a certain date on this list. They look like new incursions. They could probably go back 100 years, maybe even 150 years. We do not have that data. All you can do with the data is look at it over time and look at trends. Everyone that has done that—my office, work commissioned by the Nairn review committee and some work done separately by the CSIRO for Plant Health Australia—has more or less come to the same conclusions: that you cannot detect trends, up or down, in the data. You have lumpy years; you have problems in interpretation of the data.

My belief is that what we are dealing with in terms of material coming through the border and leading to the establishment of pests and diseases is that we are subject to a reasonable flow of biologically risky material—and that, of course, is what AQIS are working to stop and they have increased their intervention rates et cetera—but the actual event that results in the establishment of new pests and diseases in Australia is a very low probability event. So we are subject to a lot of attempts, if you like, in terms of material coming through but have very few successes. That is why it is extremely difficult to extract trends or make general conclusions about even the nature of pests and diseases that are appearing in Australia.

The other point I will make just before I close is that a lot of these pests actually have come in by natural means. Sugarcane smut, for example, almost certainly blew in from South-East Asia and established in the Ord. There are a whole lot of insect pests that have appeared in the Northern Territory. Every year we get exotic fruit fly blow onto our northern islands in the Torres Strait. Indeed, we have a standing eradication program that operates from about December to May each year intended to make certain that they do not permanently establish in those areas.

**CHAIRMAN**—Wouldn't we get better value for money and increased effectiveness by merging Customs and AQIS? Don't everybody rush to answer!

**Ms Stanton**—The issue of whether or not there should be a single border agency has been raised from time to time. Our view, and we understand that it is also the view in some of the other submissions that have been made to this inquiry, is that Customs and AQIS have quite different purposes. Yes, it perhaps could be under the umbrella of border security, but underneath that they are really very different organisations with different purposes, and they operate in different places and in different ways. There are quite different cultures in those organisations. Basically what we have done is concentrate very much on making sure that where there are similarities, where we are involved in similar operations—an airport would be an ideal example of that—we are working very closely together so that the processes are as seamless as they possibly can be. It is my understanding that both organisations believe that that way they are operating at their peak performance and that they are taking advantage of the synergies of any similarities.

One of the things mentioned in the submission, and I think also in the Customs and Immigration submissions, is the fact that the heads of the agencies, the secretaries of AFFA and of Immigration and the chief executive of Customs, have regular meetings to make sure that everyone is on the same track and that those synergies are taken particular advantage of. I think the Olympics was an example of where that really came together and worked very well. Really there has been very little attention paid since then to the concept of a single border agency.

**CHAIRMAN**—I will go back to what Dr Roberts was talking about in saying that the establishment was very low. Two very high-profile issues that we read about in the newspapers all the time are, firstly, Tasmanian salmon and Tasmania declaring that we should not import any salmon from North America even when it is dead—I do not understand, incidentally, how you can transfer risk from a dead piece of fish to live fish in Tasmania—and, secondly, the importation of apples. There are heaps of countries around the world that will say that we are using both the salmon issue and the apple issue as a non-tariff barrier. Can you give me any comments on

those? If in fact Dr Roberts is right, why do we bother stopping them at all, if it is unlikely anything is going to happen?

**Ms Harwood**—On the apple one, there are quarantine pests and diseases of concern that Australia does not have. Some of this tension arises because our pest and disease status is more favourable than many other countries and we have an industry health status that we want to protect, so we are looking at what pests and diseases are entailed regarding those seeking to export commodities to us and the risk of those entering and establishing in Australia. It is a genuine science based process which is very transparent. The scientific path that we tread in assessing those risks and saying what risk management we consider to be necessary is very open. The recipe is available. The process is accessible and so anyone who has an issue with our science can challenge it. Essentially that is the process we do, and it is a deliberately transparent one that makes very clear how we get to the scientific conclusions we do.

**CHAIRMAN**—Is Dr Roberts wrong when he says that the chances of establishment are very low?

**Dr Roberts**—Can I qualify that: that is per event. The other way you can look at the data is that, over the last 25 years the number of people coming through our borders has gone from under two million to close to eight million—7½ million at the moment. The number of containers has gone from zero, because it did not exist 25 years ago, to seven million.

**Mr Cahill**—The number of containers is about 1.2 million, actually. I just need to correct that. I think I had revenue on my mind when I said nine million.

**Dr Roberts**—So the pattern of movement and risk has changed dramatically over the last 25 years, yet Australia has managed to keep the number of pest and disease incursions to a very low rate. I might add that, when I deal with some of my overseas colleagues and have a similar discussion, the impression they give me is that in their countries—in the US, for example—it is going the other way. They definitely feel their incursion rate has increased dramatically over the last 20 to 25 years. But in the data from Australia, as far as you can analyse it, you cannot find an increase.

**Ms KING**—I would like to hear a bit more about peak periods at airports. You made a comment in your submission that, due to decreases in demand, differences in passenger flows and changes in Melbourne and Adelaide airports, you are having trouble maintaining intervention levels. Can you comment on what you are doing to manage that at the moment.

**Mr Cahill**—When we embarked on this program, we ramped up our intervention levels as rapidly as we could. From day one we were endeavouring to achieve 100 per cent intervention. So that has been a progressive ramp-up. We achieved a lot of that on the basis of goodwill from airport operators, passengers and our own staff in the expectation that we would make infrastructure changes at the airports; the terminal buildings would be modified to accommodate the additional resources that we were deploying—X-rays, people and dogs. That has been a progressive thing. I said earlier that we are one year into a four-year program.

Fairly substantial modifications have been made to Sydney airport and Brisbane airport, and modifications are under way at most other airports. We are achieving intervention levels of over

80 per cent nationally, so we are achieving the target that the government set for us. To make sure that is sustainable and that we are also able to achieve the effectiveness levels that we have been set, we do need to still make some modifications to the other airports. Most of those are in train. We are still in discussions with Melbourne airport about precisely what modifications will be made there and, similarly, at Adelaide airport.

**Ms KING**—You said that the intervention rate is 80 per cent nationally. Where would your lowest rate be?

**Mr Cahill**—The intervention is over 80 per cent nationally. I do not have with me the levels for individual airports, but each airport will be achieving over 80 per cent now. Some airports are achieving 100 per cent all the time, but we are not achieving 100 per cent at peak times—for example, at Sydney airport and certainly at Melbourne airport.

**Ms KING**—You may not be able to answer this; I might ask Gail Batman from Customs when she comes. In terms of passenger flows, where are the bulk of passengers coming through? Would it be fair to say Sydney and Melbourne would be the largest?

**Mr Cahill**—In very broad terms, around half come through Sydney, probably about a third of the balance come through Brisbane and Melbourne, and the rest are spread through the other airports.

**Mr COBB**—My question is to both AQIS and AFFA. Are you totally confident that you employ enough veterinarians and biologists to do your job? My question to AFFA would be more its role if there is trouble, I presume. Do we have enough vets on tap, educated about what to do, to go to work once we do have a problem?

**Dr Biddle**—Assuming we are talking about responding to a disease event—

**Mr COBB**—Firstly, simply to do your job in an import role.

**Ms Stanton**—Yes, we have sufficient people with the qualifications that we need, including vets.

**Mr COBB**—And in terms of when we get into strife?

**Dr Biddle**—Yes. In that regard, we have plans in place to draw on expertise from the states and territories, from the private veterinary sector in this country and from other areas of expertise to assist with the prosecution of disease response plans. There are a number of skill sets required. Veterinarians are important for dealing with animal diseases, but for a range of pest conditions and logistics and other factors important to the response phase, a whole range of disciplines and skill sets, some not so skilled and some highly specialised, are required. The plans envisage how these services might be contracted in or redeployed from existing employment in the states, territories or the Commonwealth. As a contingency measure, there are also plans to bring in from overseas particular expertise either on a loan basis from other governments or through the process of contracting in services.

**Mr COBB**—Are we in the position now where we have all that in train or are we in the process of doing it? I am not being critical; I just want to know.

**Dr Biddle**—We are well advanced in our planning. The adequacy of plans is to be tested in a national simulation exercise. We have an approach of continuous improvement; we like to learn from our mistakes and refine our systems progressively.

**Mr COBB**—But I presume we have learnt a lot from what happened in Europe recently, because I would imagine that a lot of the vets you would have to use outside your own jurisdiction would require some form of training or bringing up to speed. Is that in train? Are we bringing vets around Australia up to speed to be able to deal with it?

**Dr Biddle**—Yes, we have training programs that position people to discharge functions under our emergency plans. Veterinarians have access to special training programs for particular disease types like foot-and-mouth disease so that they are ready to play a role in the event that those skills are required. We sent quite a number of people to the UK—veterinarians from state and territory governments and from the Commonwealth—to get direct FMD experience in their recent events there.

**Mr COBB**—You say it is available but are they actually doing it? Are these vets on a list? Are they actually saying, ‘Yes, we will help in such a situation; yes, we are partaking of the learning?’ If we have an outbreak in 12 months time, we do not want to suddenly find out that we have a lot of people on a list who have not actually done the training.

**Dr Biddle**—Private sector veterinarians, particularly, who have travelled overseas or who have attended weekend training courses in this country or other forms of training—for example, at the high security laboratory at Geelong—are highly motivated. Subject to the contingencies of their own businesses and personal affairs at the time of an emergency, we would expect them to be available to come forward. We cannot compel them to do that but we have set about training a large cross-section of people, so we have a high degree of confidence that we can activate our plans in the face of a disease event, whenever that might occur.

**Mr COBB**—I am not concerned about the vets but I must admit that I am concerned that you cannot identify more precisely the major areas of risk for us. That does worry me.

**Ms Stanton**—I can identify the major areas of risk. You asked me what was the highest risk area, which is a different question. The question I cannot answer at the moment is: what is the very highest risk area? We have data on what are the highest risk areas. Some of it is referred to in the submission. We can certainly provide more information on what we perceive as the highest risk areas. What I cannot do is identify what is the area of very highest risk.

**Dr Roberts**—I would like to make a comment on that, too. The complexity, particularly in the plant area, is astonishing. A quick count suggests that there may be 300 or 400 agriculturally important plants grown in Australia. That is not counting the native flora. Each of those could well have 10 pests or diseases that are exotic to Australia—not already present in Australia—and that would be of significance in terms of an agricultural production problem. That is 3,000 combinations just looking at agricultural plants at a minimum, so there are the risks for you. And just one of the difficulties that we face in managing the plant area is the complexity.

**Mr COBB**—But surely that is a control situation. You know they are coming in—that is an import situation.

**Dr Roberts**—We do not, because a lot of them can come in naturally. Others come in accidentally. Some of them, presumably, get smuggled through illegal entry and so on.

**Mr COBB**—Do you know how many are coming in?

**Dr Roberts**—No, we do not.

**Mr COBB**—I thought you said you did.

**Dr Roberts**—No.

**Ms KING**—Today in the *Melbourne Age*, the Victorian Farmers Federation have called for the fines for minor breaches of quarantine laws at airports to be increased from \$220 to \$1,000. I just wondered what your comments were in relation to that as a possible deterrent.

**Ms Stanton**—You may be aware that earlier this year those fines were doubled from \$110 to \$220. We are looking at the moment at the impact of that. With the increased intervention as well, we are certainly getting more people who are subject to fines. Part of the research that we do on a regular basis is the impact that various means of education and compliance—whether it is advertising, whether it is fines—have on various sections of the community. We will be evaluating the effect of the doubling of the fines that has taken place already and drawing a conclusion from that. But at the moment we have not got that information.

**Mr Cahill**—It is worth noting that with on-the-spot fines people can choose not to pay them and be prosecuted. Bearing in mind that a lot of passengers coming into Australia are not necessarily here for a very lengthy time, that presents quite difficult challenges in getting passengers into court. The fine amount is comparable to those fines that exist in the US and New Zealand, so there are similar levels in both countries. It is important that there is a balance struck between the level of the fine and the capacity to extract the money at the time. We do not, in a sense, want to have our quarantine officers engaged in lengthy debates with passengers about the fine that they are being hit with. We would rather them get on with the job of managing the quarantine risk.

**Ms KING**—You are saying that more people choose to go for a prosecution as opposed to paying on-the-spot fines. What proportion would that be?

**Mr Cahill**—It is a matter of judgment as to where you hit that point of diminishing returns, I suppose. The judgment that we have made is to look at the other countries, see what their experience is and rest on the experience of our own quarantine staff. That is the reason we have struck the amount that we have.

**Ms KING**—Sorry, I meant in terms of follow-up prosecutions as well, the percentage of people that you get the money from in the first place. I am trying to find out how much of a deterrent it is if most people are ending up not paying it.

**Mr Cahill**—The majority will pay the fine now. A very small percentage, probably less than five per cent, choose not to do so.

**CHAIRMAN**—Senator Scullion, I need fast questions and answers because we are past time.

**Senator SCULLION**—One of the biggest issues that we face is as a single jurisdiction, which we do not actually have not only in terms of barrier control but also in dealing with some sort of incursion. I point specifically to a couple of comments that you and Dr Richards have made in regard to low levels of incursion. Perhaps in a terrestrial sense that may or may not be the case. But I can guarantee that, in a marine sense, anybody you speak to with any authority in this matter will tell you that we just do not know.

You will all be aware of the outbreak of *Congeria sallei* in three marinas in Darwin in the Northern Territory and its potential to wreak probably one of the worst marine devastations. In the Northern Territory now, I understand, a very comprehensive border control protocol has been put in place. Every vessel that comes in has the potential and is dived on. It is user pays. We should all be very confident, except Queensland and Western Australia do not do that. What is happening in that area in terms of the resolution of this jurisdictional stuff?

**Ms Stanton**—I do not have those details with me. I do know, though, that certainly work is going on through the relevant ministerial council. Indeed, there are meetings within the next week or two of that ministerial council, where the Commonwealth and the states together will be trying to work out the best approach to control possible incursions of marine pests. What you say is true in the sense that it is an area that is getting increasing attention.

**Mr COBB**—There is a concern here, Mr Gorrie, that Australia is dependent upon overseas supply for anthrax vaccine.

**Mr Gorrie**—In any of these situations, we have to put in place procedures which guarantee quick response. The fact is that it is an imported vaccine that we rely on and we need to have procedures in place in advance of any outbreak so that we can guarantee that those supplies would be met, and that is what we try to do.

**CHAIRMAN**—Ms Stanton, several years ago, in examining AQIS in a multi-agency review of some audit report or other, AQIS told us how great their cost recovery program was and how accurate their costing was, so we advised the Auditor-General that an audit of your cost recovery programs was a priority for this committee. They did that audit and, to put it simply, they found that you were not as good as you said you were. Could you advise this committee where you stand now in terms of implementing any more accurate cost measurement system in order to have a more accurate cost recovery system?

**Ms Stanton**—Certainly. We have now piloted an activity based costing process. That was a process where we received advice from KPMG. It is a very similar process to the one that is conducted by the Australian Customs Service. It was designed and trialed, some modifications were made and it was then piloted. We are expecting full implementation next month. It is based on a snapshot approach so that we will gradually build up that data and be able to give the ANAO and the JCPAA the sort of information they were keen to have.

**CHAIRMAN**—Are you still going to use sampling, not time sheets?

**Ms Stanton**—We are using time sheets but it is on a sample basis. It is one month out of three.

**CHAIRMAN**—If you have any further information, we would be pleased if you could provide that. If there is anything you promised to tell us that you have not told us so far, could you follow that up. Would you also agree to answer any further questions that we might have through correspondence rather than get you and your line-up of advisers back here at the table? The cost worries me. Are you happy to do that?

**Mr Gorrie**—We are most happy to cooperate on that basis.

**CHAIRMAN**—Thank you very much.

[12:24 p.m.]

**BATMAN, Ms Gail Jennifer, National Director, Passengers and Information Technology, Australian Customs Service**

**GRANT, Mrs Marion Estelle, National Manager, Border Operations, Australian Customs Service**

**CHAIRMAN**—I welcome the Australian Customs Service appearing at today's hearing. We thank you for your submission and for coming to talk to us today. Do you by any chance, Ms Batman, have a very brief opening statement?

**Ms Batman**—Yes, thank you, Mr Chairman. As we indicated in our submission, we work very closely with the Australian Quarantine Inspection Service to achieve border integrity. Although AQIS has the primary responsibility for quarantine matters, border processes involving customs and quarantine risks are integrated in a way that maximises the use of each agency's expertise, without any unnecessary duplication.

Customs is usually the first contact point for both passengers and cargo entering Australia, but this role is undertaken with a significant input from a range of client agencies including AQIS. AQIS provides alert lists and profiles to Customs and makes extensive use of Customs electronic systems for reporting targeting and management of movements of quarantine interest. During the initial Customs processing, officers also keep a lookout for items of quarantine interest. If items of quarantine interest are detected during an exam or if cargo or passengers trigger an alert or match a quarantine profile, Customs refers those matters to AQIS for specialist response. At airports, where processing is generally on the spot, Customs provides a range of administrative and specialist services to support the processing of quarantine breaches.

Since the introduction of new government measures for increased quarantine intervention announced in May 2001, AQIS assessment of passengers and goods that have not been selected previously by Customs has included X-ray of almost all the baggage, international mail and high volume-low value air cargo. For Customs, this represents a safety net for the detection of items of interest for Customs additional to the intended benefits of improving quarantine border integrity. Also, because AQIS uses the Customs IT platform, there is only one point of interaction for industry for cargo reporting.

**CHAIRMAN**—Have you got many more pages?

**Ms Batman**—No, just a very small number. I just wanted to cover the breadth of the interactions that we have. I was just going to mention that the Coastwatch and marine functions also support the quarantine operations as part of Australia's civil maritime surveillance and response, and that we work closely with AQIS at Thursday Island and in northern Australia. Thank you, Mr Chairman. That concludes my opening remarks.

**CHAIRMAN**—Considering how closely you work with AQIS, why don't we merge the two agencies? Wouldn't that be cost effective?

**Ms Batman**—At bottom, that is a matter of government policy and these are the current administrative arrangements that we have, but I agree with a lot of what Ms Stanton mentioned before. I will make another comment as well: when you are working a range of complex functions, what you need to do is get your coordination, cooperation and priority setting working together. It does not much matter whether you are in one agency or several agencies; those things can work well or they can work badly. There are a number of instances where, even in one agency, there are a lot of conflicts and not much cooperation. What we have achieved in working together with AQIS is quite the opposite. We work well together. We can share resources, we can cooperate with each other and we can help each other—we do that. Where we have specialist functions that might take us in different directions, then we use different sets of expertise and knowledge to do that. Ultimately, we have a very efficient and effective way of working together, and I do not think it would change greatly being in one agency or several.

**CHAIRMAN**—You mentioned Thursday Island. I am sure you are aware that we did an inquiry in the last parliament on Coastwatch. We went to Thursday Island then and we are going back with this inquiry. One of the things we learned on Thursday Island that I do not think we knew before we got there was that there was a route from Papua New Guinea through the Torres Strait to North Queensland for low-level drugs, typically marijuana in small amounts in very small boats. Leaving the drug question aside because we are concentrating on quarantine now, have we made any progress in intercept of that trade route, and does it also pose quarantine risks?

**Ms Batman**—I am not sure.

**Mrs Grant**—The situation that you have described, Mr Chairman, continues to this day, with the movement between Australia and New Guinea, and the ease of movement that the traditional inhabitants of that area have. So, of course, there is always the potential for the movement of goods of interest to both Customs and Quarantine along that route. From the Customs perspective, that is probably one of the most intensely surveilled areas. We have one of our highest level of response capabilities in that area with Coastwatch assets, the system of aides we have around the islands of the Torres Strait and the fact that the Customs service has provided response vessels to particular aides on islands. We have the capability to intercept and respond to possible incursions.

**CHAIRMAN**—But the quarantine incursions probably pose more risk to Australia than even the drug running, don't they, from that direction?

**Mrs Grant**—That is really a question for Quarantine to assess the risk in that area to them.

**CHAIRMAN**—Fair enough. I gather from our discussions with AQIS that we do not yet have the combined machines that some airports in the United States have that both X-ray cargo baggage and personal effects and test it for explosives, including plastics. Have we looked at them, and are we considering buying any?

**Ms Batman**—You are right, Mr Chairman: we do not use those combined machines. Essentially the detection of explosives is really an outwards function. You are looking at explosives being put onto aircraft, and so that sort of screening happens at the departure point. When you are looking for risks in relation to quarantine, drugs, currency and things like that,

you are more likely to be looking at arriving cargo and passengers. Essentially they are at different points of the process, and we use different sorts of machinery.

**CHAIRMAN**—In your submission, you said that goods of quarantine interest are also referred if they are found during a customs examination. The reverse happens if AQIS officers find goods of customs interest during AQIS inspections.

**Ms Batman**—That is right.

**CHAIRMAN**—What cross-training do the two organisations have, to allow that to be effective?

**Ms Batman**—It is a reasonable level of training. I can speak predominantly from the Customs point of view. We have a six-months training course for new customs officers, and quite a proportion of that relates to Quarantine interests as well as Immigration and Customs interests. Both groups get training in reading X-ray images that might be organic matter, narcotic or other sort of matter. We have a general exchange of information on the job, where officers working together at the same airport or at the mail exchange would take an opportunity to point to an image on an X-ray screen that was unusual—that sort of thing. It is enough to be able to recognise each other's interests and to hand them over.

**CHAIRMAN**—One of the responses to this inquiry was from Mr Bennett, a current Customs officer, who has stated in his submission that Customs officers are prevented from adding Quarantine relevant materials to the Customs system. Is intelligence information truly shared between Customs and Immigration? Is Mr Bennett wrong?

**Ms Batman**—I have not found any instruction that has said that—when I read his statement I went to have a look. We certainly have quarantine things on our national intelligence system. We have mandatory reporting on it, as well as optional reporting. The quarantine goods are optional rather than mandatory, because Quarantine have their own system. When you are reporting an item, there are mandatory fields, and one of those fields that you can take from a pick list is a quarantine item. It has got a lot of subcategories about whether it is wood or plant material and so on. I checked and found that something over 4,000 of our intelligence system information reports have got a quarantine category against them. So, as far as I can tell, that statement is not right.

**Ms KING**—How does your agency balance the allocation of resources between the quarantine function, your drug detection function and your other functions in relation to currency?

**Ms Batman**—We perform functions for a large number of agencies, and essentially they come from the same sort of process. We put the majority of our effort onto the incoming cargo or passengers rather than the outgoing, although we do look at exports and outgoing passengers. We have one process that we hope covers all of the risks through it, rather than having to segment that process. For example, at an airport at the primary line, we have an incoming passenger card that covers all of the agencies' questions. It has questions from Immigration, Customs, Quarantine, Health, the AUSTAC questions about currency, and so quite a range of questions are covered by that card. We use it and ask supplementary questions around

declarations that people make, and then we stream passengers for examination after that point. If it is a quarantine exam, we will pass those people on to Quarantine officers. Otherwise, Customs officers will do the examination for other agencies. The process is essentially the same, even though we are looking for a large number of risks.

**Ms KING**—What about resource allocation between entry points—say, airports versus cargo? How do you determine those?

**Ms Batman**—We have a fairly detailed risk assessment process that helps us rebalance. It comes from trying to deal with the volumes and have enough officers to be able to process the risk against the volume, facilitating both passenger flow and trade flow. We start from a base and move from it historically against growing or diminishing risks. Sometimes we are lucky enough to get additional resources for specific purposes, as we have in the last couple of years for quarantine risks.

**Ms KING**—I am not sure if you can comment on this, but do you think the current coastal surveillance system is adequate?

**Ms Batman**—Neither Mrs Grant nor I have come from that area of Customs. I mainly look after passengers, and Mrs Grant looks after the border operations. We did not bring someone from the coastal surveillance area of Coastwatch with us but, as a representative of the agency, I would have to say yes.

**Ms KING**—Thank you.

**Mr COBB**—I suppose my question could equally have been asked of AQIS. With respect to the amount of commercially imported illegal goods that you discover, is it discovered because of process or mostly because you have been tipped off?

**Ms Batman**—Maybe we could both speak from different aspects on this. In the airport environment, it is predominantly our process and risk assessment, profiling and targeting. We do not get many tip-offs in relation to passengers, although we do have an alert system where law enforcement agencies can tell us about people of interest. But, essentially, I think it is mostly process and risk assessment.

**Mrs Grant**—In the cargo environment we have various methods to target high risk consignments—I am talking of Customs interest here, so I am talking about things like narcotics—that are a combination of work that Customs does on its own. I would not call it process; it is all risk identification and intelligence analytical work. That is how we try to select our targets. Quite a reasonable number of the seizures we make do come from joint agency operations. It could be that we work with, say, the Australian Federal Police, the National Crime Authority or state police forces. I suppose you could say that some of that comes from tip-offs.

**Mr COBB**—But proportionally?

**Mrs Grant**—It varies each year. Sometimes we have what we would call ‘cold hits’ from our own targeting and selection processes, where there is no information from other sources in-

volved. In some years, big seizures will result from source information that has been worked up between the agencies. It is not a consistent proportion and it will change over time.

**Mr COBB**—Would it always be that half of it comes from prior knowledge—or a quarter or 20 per cent or 10 per cent?

**Mrs Grant**—I do not have those figures with me.

**Senator SCULLION**—The Chairman actually touched on this question, but perhaps you could expand on it a little more. The interaction between Customs and Quarantine goes both ways. Sometimes Quarantine will obviously have a wider brief and, at times, so will Customs. Clearly, in the marine sector, Customs often find themselves with just Customs officers. In terms of being able to apprise themselves of quarantine risks, they are probably the area in the marine crews that would be more likely to find themselves in those sorts of situations. I notice that part of the information that you provide to AQIS goes to things like ‘noticeable change in feral animal populations’ and ‘sightings of dead animals’—quite significantly.

One would think that across the north coast of Australia that would be more predominant. An appreciation of the work—say that, because there is no-one else there, they have to take from dead animals some samples that would perhaps be of value to Quarantine—would mean that an appraisal of pathology, plants and some basic entomology would be of value to those Customs officers. I understand that Quarantine actually run a fairly low-level appraisal of that, particularly for indigenous communities. Have Customs identified sectors within Customs—rather than the entire customs sector—who could benefit from that; for example, the marine crews on those boats?

**Mrs Grant**—I actually have responsibility for the Marine Unit within Customs. The work that the marine crews do is on behalf of client agencies, and Customs is one of those client agencies. If they were to sight some of these issues that you have identified, they would first of all refer it back to the client agency. So if it were AQIS, they would go back to AQIS and say, ‘This is what we have found on a patrol; what would you like us to do about it?’ and will act on the instructions given.

There is always a need for those marine officers to have training in the functions they are performing on behalf of the client agencies, and the needs of the client agencies determine the amount of training. For example, in relation to some work we do on behalf of Environment Australia, they actually have to be trained as wardens under that legislation, so that is quite a reasonable degree of training provided by Environment Australia. We work through with each of our client agencies how much training they wish us to undertake.

**CHAIRMAN**—I know that you would never rat on or criticise a colleague, but you were here when AQIS told me that approximately 10 per cent of sea containers—and I understand that 1.2 million of them now arrive in Australia per year—are completely checked. That is to say, the goods are taken out of the container and X-rayed and then put back into the container. Would you agree with that sort of proportion?

**Ms Batman**—I do not know; I certainly could not comment on that. I do not know whether Mrs Grant has any knowledge of that. If so, she may wish to comment.

**Mrs Grant**—When cargo comes into the country, it is profiled against electronic profiles in the customs systems profiles that are inserted by both Customs and AQIS for our different purposes, and also by any other agency who might wish a profile to be in those systems. If cargo matches one of those profiles, it will be held and subject to either a Customs examination or a Quarantine examination, and sometimes cargo needs an examination from both agencies. Customs only keeps stats on the examinations we undertake on our own behalf, and so I could not comment on the statistics that the quarantine service provided to you, because they were the quarantine examinations, not the customs examinations.

**CHAIRMAN**—So do you work separately in that area?

**Mrs Grant**—In the sea cargo environment, Customs has a much lower level of interest, given that the potential breaches of our legislation in the total population are smaller than Quarantine's when we are looking for prohibited imports—narcotics, weapons and other prohibited items. So, out of a total cargo population, the incidence of that sort of behaviour is less. I imagine that the potential breaches within that same cargo for Quarantine would be greater, in that even the packing materials used can present a quarantine risk. So there is a greater need for Quarantine than for Customs to look at some of the cargo. We try to do joint examinations where possible, so we have cross-trained. For example, if we were deconstructing a complete container for a Customs interest and it also had a Quarantine stopper on it, we would look to see what the Quarantine interest was in that and refer it on to Quarantine so that we would not both, one after the other, be unpacking the container. We certainly eliminate duplication there, but I think the response that was given indicated that a lot of the examinations undertaken by Quarantine occur at the unpack depot, where Customs would not be operating.

**CHAIRMAN**—Could you advise the committee what percentage of incoming sea containers are fully inspected by Customs?

**Mrs Grant**—That is a very low percentage, at this point in time.

**CHAIRMAN**—I suspect that you are right, but can you advise us in writing of the number?

**Mrs Grant**—Yes. We can certainly take that question on notice and come back to the committee with the answer.

**CHAIRMAN**—Okay.

**Mrs Grant**—We are about to introduce a new facility—the first one is coming online in Melbourne in about September this year—to X-ray complete sea cargo containers. That will significantly increase the percentage of cargo that will be examined by customs for both Customs purpose and—

**CHAIRMAN**—What will that X-ray tell you?

**Mrs Grant**—That X-ray will give an image of the contents of a sea cargo container. It will be similar to the image you would see on a screen for, say, a suitcase going through an X-ray, but it will reflect the complete contents of the container.

**CHAIRMAN**—Let us say I had a box of Colombian cigars in metal tubes and I replaced a few of the cigars with plastic explosive. Would the X-ray know that?

**Mrs Grant**—No, the X-ray would not know that it was explosive. The documentation describes the goods in that container, and the X-ray can show us that there is a box in there that has an image that is aberrant, that does not fit the description of those goods, and so we would then select that for further examination.

**CHAIRMAN**—If I wanted to import plastic explosives, I could make them into the shape of cigars, put them into metal tubes and legitimately ship cigars from Colombia, and I would probably get the plastic explosives through the X-ray. Is that right?

**Mrs Grant**—The metal tubing might be a bit of a giveaway.

**CHAIRMAN**—I do not think so. Most Colombian cigars come in metal tubes.

**Mrs Grant**—Well, there you go—my ignorance on cigars!

**CHAIRMAN**—You will advise us with regard to intervention?

**Ms Batman**—What percentage of containers we physically examine.

**CHAIRMAN**—Yes. You are putting in an X-ray machine in Melbourne?

**Mrs Grant**—The first one is coming online in Melbourne, followed later in the year by one in Sydney, then Brisbane and then Fremantle.

**CHAIRMAN**—We will be there on 3 September, and so we will have a look. As there are no further questions, thank you very much for your submission and for coming today. You will get back to us, I am sure, on questions you could not answer. If we have further questions, you will not mind if we put them to you in writing rather than asking you to come back again?

**Ms Batman**—Certainly, Mr Chairman.

**CHAIRMAN**—Thank you.

**Proceedings suspended from 12.52 p.m. to 2.02 p.m.**

**BARRETT, Mr Ken, Manager, Border Agency Program, Australia Post**

**GROSSER, Mr Chris, Group Manager, International, Australia Post**

**McCLOSKEY, Mr Michael, Corporate Secretary, Australia Post**

**CHAIRMAN**—I now welcome representatives of Australia Post appearing in today's hearing. We thank you for your submission and for coming today to talk to us. Mr McCloskey, do you have a brief opening statement?

**Mr McCloskey**—I do, it is really with the purpose of bringing the committee up to date on developments since we submitted our original submission.

**CHAIRMAN**—That will be fine—very brief though, please.

**Mr McCloskey**—As indicated in our submission, Australia Post is cooperating with AQIS and Customs to implement the government's May 2001 decision that 100 per cent of incoming international mail be screened by the border agencies. To assist with the cost of achieving that 100 per cent screening objective, including the provision of new gateway facilities and equipment, Post is being provided with Commonwealth funding of some \$49.4 million over the four-year period from 2001-02 to 2004-05. The specific goal, as detailed in the funding deed, was for the target inspection rate to be lifted to 100 per cent by November 2002. Once achieved, it is expected that that level of screening would be sustained throughout the period of the funding deed.

It is pleasing to be able to report that in March this year 100 per cent screening of incoming international mail was achieved for the first time. Screening has been maintained at that level since then. This was made possible through the tripartite cooperation of Post, quarantine and Customs in planning, designing and implementing operational system and accommodation changes at existing international gateways. However, to sustain 100 per cent screening levels over the longer term, new facilities are required at the primary gateways of Sydney and Melbourne.

In Melbourne, a new international gateway facility is to be constructed by Post at Melbourne airport. We expect this facility to open in the second half of 2003. The cost of the land, construction and fitout of the building is expected to be in the vicinity of \$20.5 million. Of that amount, some \$15.6 million will be met from the funding deed. While the new facility is under construction, screening operations will continue at the existing Melbourne air transit centre at Tullamarine. Modifications are being made to this facility to allow 100 per cent screening to be maintained until the new facility commences operation.

In Sydney, 100 per cent screening is currently being achieved through operations at the Sydney parcel centre at Clyde and the Qantas mail handling unit at Sydney airport. However, the arrangement is not sustainable. Consequently, Post has been searching over the past year for a suitable site or facility near Sydney airport in which to house all international mail processing and screening. Unfortunately, that search has not been successful. As a result, Post has now

decided to refit the existing parcel centre at Clyde as a dedicated international mail processing and screening centre and to reconsider arrangements for express processing, where that is required, at or near the airport.

The other gateway facilities at Adelaide, Brisbane, Perth and Darwin have already been modified to achieve 100 per cent screening in those centres. New facilities will not be required at those locations for the period of the funding deed. In closing, may I thank the committee for the opportunity to contribute to this review. We would be happy to answer any questions that the committee might have.

**CHAIRMAN**—Thank you very much, Mr McCloskey. This committee visited Clyde about 3½ years ago. We had an inquiry into Internet commerce and, as part of that inquiry, we visited your facility at Clyde. We were fascinated to watch the procedures and how people were trained to read the X-ray machine and so forth. None of my colleagues here today was with us then, so I am only speaking for one. Can you tell us what these new facilities mean and what 100 per cent screening means?

**Mr McCloskey**—I might defer to my colleague Mr Barrett. He is an operational expert and will be able to describe the facilities in some detail.

**Mr Barrett**—Post was committed to 100 per cent screening of inbound international mail as part of the funding deed with the Commonwealth. One hundred per cent screening means a combination of detector dog inspection—that is, canines—

**CHAIRMAN**—Do you mean that we sniff every letter?

**Mr Barrett**—The process is that all mail that comes into Australia is broken up into five different categories. Those categories are letters, the express mail service, registered and insured letters, parcels and then what is referred to as the small letters and the small parcels from some countries. When that mail is broken up into those five categories, the Australian Customs Service detector dogs sniff the mail at our facilities to see if there are any prohibited goods within the mail. After that, we run our speed service mail firstly through a screening process that involves putting it through an X-ray—that is, all EMS mail is X-rayed—

**CHAIRMAN**—All what?

**Mr Barrett**—Our express mail service mail.

**CHAIRMAN**—Please do not use jargon; we do not work with you.

**Mr Barrett**—Okay. All our speed service, our express mail, is X-rayed. That mail which, in the view of Customs and Quarantine, may have something in it is taken away to a second inspection area, where Australia Post staff open the articles in question. The articles are then either examined by Customs or Quarantine or are referred between the two agencies. After the inspection is complete, we put those articles back into the mail stream. All mail categories that come into Australia undergo this process: first, Customs detector dogs; second, X-ray and/or physical examination; and then, at the last point, AQIS canines. We are, I would think, unique

in the world in that small letters, large letters and plastic-wrapped magazines are all subject to this process.

**CHAIRMAN**—When we were at Clyde, I recall that small parcels—not letters—were unloaded at the unloading dock and eventually fed onto a conveyor. Because the trucks come and go, you build up a stockpile from which you then feed the conveyors. An intervention occurred when we were there. An inspector stood there and decided whether to divert a parcel, based on where it was from or some particular risk profile that they had. If diverted, it went down one chute leading to the X-ray machine, and the rest of the articles went on. Are you telling me now that every parcel that comes down the conveyor belt goes through the X-ray machine?

**Mr Barrett**—Yes.

**CHAIRMAN**—And the conveyor stops for every parcel to be viewed by an inspector?

**Mr Barrett**—All parcels and all letters that go through the Sydney parcel centre, as I have indicated, are X-rayed, opened or sniffed by two sorts of dogs. That occurs with every one of them, and it has meant that we have had to work really hard with Customs and Quarantine staff to ensure that all the processes have been reworked. As you would recall from being in Clyde, a very complex set of machinery carries bags around the area there. There has been a lot of hard work done in making sure that nothing slips through; I am very pleased to say that now it does not. All mail coming into Australia is inspected by a combination of those three.

**CHAIRMAN**—Are you telling me that every letter, every ordinary letter, goes on a conveyor belt and through an X-ray machine?

**Mr Barrett**—Yes. However, the letters that come in bundles we sit into a letter tray so that at least they are in a form that can easily go through an X-ray machine. We do that mostly out at the Qantas mail handling unit in Sydney or in Melbourne at the Melbourne air transit centre. The letters that go through the X-ray are put into trays face-up so that they can be sorted by machines after they have been cleared. We put parcels, both small and large, magazines and journals through the X-ray machines.

The only items that come into Australia that are not X-rayed or subject to the sniffing of detector dogs are the very small—I would not know what the exact percentage it is, but it would be far less than one per cent—packets or parcels that are seized by Customs, under section 90T of the Postal Services Act. That is done where Customs have a reasonable belief that there may be drugs contained within those packets or parcels. Normally, on those occasions, Customs are looking for drugs and they take those parcels and packets away. We have no idea where they are from or what the end result is. Other than that, if need be, it would be followed up through our postal security service. So the fact that we make sure that everything is screened has been a very good result for the postal service in Australia.

**CHAIRMAN**—You may consider this question to be inappropriate and, if so, I am sure you will tell me. Without us going to the minister to find out or asking cabinet, which would not be appropriate, can you tell us why the government decided to go to 100 per cent screening?

**Mr McCloskey**—I think that resulted from the outbreak of foot-and-mouth disease in the UK and other parts of Europe early last year. As part of the budget process, government took the policy decision that, among other things, because of the perceived risks associated with mail, 100 per cent of it should be screened.

**CHAIRMAN**—I do not understand how we would get foot-and-mouth disease through a letter.

**Mr Barrett**—Whilst our quarantine colleagues would be the better ones to answer this question, I understand that they are looking mainly for plant material that may be coming in from the UK. As I understand it, around Saint Patrick's Day there are four-leaf clovers coming through the mail for Irish descendants in Australia, and that presents some sort of risk.

**CHAIRMAN**—I have got one on my jacket, but it is made out of gold.

**Mr Barrett**—However, Post has been requested to present all mail for screening—and present all mail we do. I repeat: it has been a fantastic effort with Customs and Quarantine in pretty adverse circumstances, given some of our facilities, to achieve what we have so quickly. It has been very, very pleasing.

**Mr Grosser**—Perhaps I should also add that here, this morning, I think Quarantine mentioned in their comments that they have found salamis and meat products in the mail. It is a possibility that even processed or poorly processed meat from a source that contained foot-and-mouth could introduce foot-and-mouth disease into this country. So there is this possibility that the mail could be the vehicle for a disease like foot-and-mouth entering the country.

**CHAIRMAN**—It would be pretty unlikely, I would have thought.

**Mr Grosser**—It is still a possibility.

**CHAIRMAN**—We have also established that it is possible to X-ray a container in which there is a box of Colombian cigars poked into metal tubes, with some cigars having been replaced with plastic explosives. But we trust that is not happening every day.

**Ms KING**—With the 100 per cent screening—perhaps this is difficult for you to say—are you detecting quite a substantial amount of post that does not comply with, or that falls outside, our quarantine guidelines?

**Mr McCloskey**—Australia Post's role really is to facilitate the screening by the border agencies, by Customs and Quarantine. We, ourselves, do not conduct the screening, and we do not record any levels of intervention or discovery of items that should not be there. That really is a matter for the border agencies.

**Ms KING**—Your performance indicators are around the amount of screening you do as opposed to detection rates, and so only AQIS or Customs can tell us whether it is an effective detection measure.

**Mr McCloskey**—Yes, that is right. Our obligation is to cooperate with Customs and Quarantine to ensure that they are able to screen 100 per cent of all incoming international mail.

**Ms KING**—When are the facilities you are building or upgrading likely to come online?

**Mr McCloskey**—It is expected that the Melbourne facility will come online in the second half of next year, late 2003. As regards the refit of Clyde, I think that will be completed over the next two years.

**CHAIRMAN**—Where are you building in Melbourne?

**Mr McCloskey**—At the airport—on the airport, in fact. We have just leased the land from the airport authority.

**Senator SCULLION**—I also want to get this 100 per cent screening absolutely clear in my mind, Mr McCloskey. Please bear with us. I heard earlier today that there was 100 per cent intervention when, in fact, that involved just looking at something. That perhaps is part of the reason why we are a little peculiar about this particular issue. Let me understand this. You say that the customs dogs are the first dogs on the line. I assume that the reason for this is that customs dogs are different from quarantine dogs in that they are trained to detect different sorts of things. Is that correct?

**Mr McCloskey**—I believe so.

**Senator SCULLION**—So a parcel comes in and goes past the customs dog. If that article is found to be a priority, does it then get put aside, X-rayed, opened and examined? Does each layer take something out? Or does each parcel go through the customs dog and, irrespective, get X-rayed and examined and then go past quarantine? Or is there a trigger between the customs dog, with or without his detecting something, with the detected articles being sent off to have something extra done to them? How does it work? Are you telling me that every single parcel goes through every single layer?

**Mr Barrett**—I will go through the process slowly, if I may. When mail is received in Australia, it comes in bags, air cans or sea containers. When the sea containers or the air cans are decanted—that is, emptied out—Customs have requested that they have first hit of the mail that is received. So, in the case of a bag of mail that is within an air can, Customs may have their dog sniff it. That is because the pressure change in aircraft allows whatever substance there is to get around, with the dog being able to detect it easily. They may put the dog's nose in the air can or run their dog over a bag. But mostly they prefer, when the bag is emptied, to have their sniffer dogs run over the parcels when they have been laid out on a belt and are ready to go through the X-ray machine. If the customs dog detects something, that parcel is taken away to the second inspection area, where it is inspected by Customs. If nothing is detected by Customs, that parcel will then proceed down a belt to an X-ray machine. Customs have what they call a target selection officer. Just prior to it going through the X-ray machine, that officer's role is to look at the documentation on the outside of the parcel: where it may be from and the address it is going to. At this point they may—and I say 'may'—take a parcel away, under section 90T of the Postal Services Act, because they have a reasonable idea that it may contain drugs.

If the parcel has not had drugs detected within it by any of the means up to this point, it then proceeds through the X-ray machine, which is set up in dual mode operation. Customs will be looking at one screen of the X-ray and a Quarantine officer will be looking at another. If anything is seen that raises the suspicion of Customs or Quarantine officers, such parcels are then diverted down an inspection chute into an area where they are opened. If going through the X-ray machine nothing is detected, the parcel will proceed further to the next belt where a quarantine dog will run a second check over it. Customs has not had a hit with their dog, nothing has been seen by a Customs target selection officer and nothing has been detected in the X-ray; however, we are just going to make sure that, at the final point, all articles of mail, including parcels and small letters, are gone over by the quarantine dog. It is quite an exhaustive process. The issue that we have at this stage within Post is to make sure that everything runs down these lines and that nothing is missed, which is the 100 per cent objective placed on Post.

**Senator SCULLION**—At the moment, clearly we are looking at the effective needs of the quarantine processes. Obviously, a Quarantine screen is an X-ray that particularly targets organic material, rather than a Customs one that targets—

**Mr Barrett**—As I understand it, yes.

**Senator SCULLION**—So we have a quarantine X-ray and, effectively, a dog that is trained to detect certain substances. Let us face it, by the time the article reaches that point, the first dog may not be sniffing cabbages but, in any event, probably something else. I think it is reasonable to assume that.

**Mr Barrett**—Yes.

**Senator SCULLION**—The Customs man on the other side probably has nothing to do with the process either, because of the nature of the substances he is looking for.

**Mr Barrett**—Correct.

**Senator SCULLION**—Perhaps this is a question I should put to someone else. Do you know what the percentage of detection is for organic materials: firstly, for the dog; and, secondly, for the organic X-ray machine? If you do not know, I will understand. Perhaps we may ask the question of someone else.

**Mr Barrett**—I am sorry, but that is a question that should be directed to Quarantine.

**Senator SCULLION**—That will eventually give us whether it is 100 per cent or not. We can take those sorts of things into consideration.

**Mr Barrett**—Yes.

**CHAIRMAN**—Paragraph 3.1 notes that currently you are drafting a MOU with Customs and AQIS. How is that going?

**Mr Grosser**—Yes. It is advancing very well. We are in the final stages of that MOU drafting. We expect to have it completed this month. We have already set a tentative date in late August for the signing of the MOU between the three parties. In our book, it has reached a conclusion.

**CHAIRMAN**—Very good. Are most of the major and even minor items that need attention in the MOU already being undertaken?

**Mr Grosser**—Yes. In fact, most of those items explain the processes and provide the environment or the framework for the interoperation of the three parties.

**CHAIRMAN**—For instance, would they describe what your responsibilities are in delivering the mail for inspection and what their responsibilities are to you in getting it back in the stream again?

**Mr Grosser**—Indeed, you are quite correct. We are looking at two things here: our obligations in regard to meeting the responsibilities and obligations of Customs and AQIS but, at the same time, their reciprocal responsibilities in trying to achieve our objectives of getting the mail delivered on time and to standards that we prescribe to other postal administrations.

**CHAIRMAN**—How much has the 100 per cent screening slowed you down?

**Mr Grosser**—We have not been slowed down to the extent that we originally thought.

**CHAIRMAN**—That does not answer the question.

**Mr Grosser**—Let me add that initially we thought 100 per cent was going to be a great burden.

**CHAIRMAN**—I would have thought so.

**Mr Grosser**—Indeed, in relation to the facilities, you have already heard from Mr McCloskey that we have difficulties in both Sydney and Melbourne. The facilities are not suitable, and we are looking for new facilities. In achieving our standards and ensuring that mail is still delivered on time, yes there are items that are taken out of course by Customs and AQIS but other items continue on their way, so the process has not impeded our capability in meeting our standards.

**CHAIRMAN**—Good.

**Mr Grosser**—It was designed to do that.

**CHAIRMAN**—Can you return some of the money to the budget?

**Mr Grosser**—The money from the budget side was certainly there to do new things in the cooperation between Post, AQIS and Customs, I think in full recognition that our existing facilities were not capable of providing the environment for our staff and for Customs and AQIS staff to carry out all those functions.

**CHAIRMAN**—Was all that money for capital or was part of it for operating costs?

**Mr Grosser**—It is a combination of operating and capital. But you will see that, by the time that we reach the end of the four-year cycle, the larger portion of it will be spent on capital and the new equipment refit of Clyde. But there is an operating component for Australia Post, yes.

**CHAIRMAN**—You talked about operational methodology being adapted to maximise the opportunity to incorporate emerging technologies such as bar coding, laser scanning, voice recognition and electronic reporting. How does that fit in with quarantine inspections? I am a little confused.

**Mr Grosser**—It is an interesting comment and it is one about which you would have to say that in the longer term all of these are new directions for capabilities in sorting which do not necessarily fit into the whole environment of quarantine.

**CHAIRMAN**—You will not expect, all of a sudden, a letter saying: ‘Ooh, I have some plant seeds in me’?

**Mr Grosser**—No, not at all. But in the future there might be a capability for some of the things done manually, particularly in regard to the inspector moving things between lines, to be done in a more sophisticated fashion with voice activated systems, with appropriate headphone controls attached to officers who can then talk about the lines that these go to and just give the voice commands.

**CHAIRMAN**—So he can just tell the shutter to move left or right.

**Mr Grosser**—Exactly.

**CHAIRMAN**—Fascinating. I understand that Tasmania considers itself to be in a unique situation concerning quarantine because it thinks that it needs to protect itself from the introduction of pests and diseases from mainland Australia. Has there been any pressure on you to screen the mail between the mainland and Tasmania?

**Mr Grosser**—There has been some pressure from the state authority in Tasmania to screen mail entering Tasmania. We have taken a position internally that mail is covered under the federal act—the Australian Postal Corporation Act—and, as such, is not bound by the decisions of a state government. In regard to the case that you are citing, we have taken a view that we will not bow to the pressures placed upon us to submit items for inspection at the Tasmanian border. Tasmania is not an international port for Australia Post in the sense of our operations. Our international ports are based on the mainland. Items are cleared on the mainland and are then passed through to Tasmania.

**CHAIRMAN**—I would have thought that the Constitution would have prevented you from doing it in any case.

**Mr Grosser**—Prevented us from submitting the items to the Tasmanian authorities?

**CHAIRMAN**—Yes.

**Mr Grosser**—From the Constitution you have the rights—yes, correct.

**CHAIRMAN**—We do have free trade between the states.

**Mr Grosser**—We do have free trade between the states.

**Senator SCULLION**—Clearly, the intent of quarantine is to prevent the spread or introduction of diseases that affect plants and animals in Australia. Quarantine at a state level does attempt to prevent the movement of plants or diseases associated with them. Whilst I understand that the legislation may allow Australia Post not to comply with the wishes of Tasmania or that sort of pressure, do you understand why they would wish to? Do you understand where that pressure would come from, from a quarantine point of view, since Tasmania is an island and it has a capacity—as Australia does—to be even more cautious about protecting its natural environment and its primary producers?

**Mr Grosser**—I can fully understand the position on the part of Tasmania. I should add, by way of a supplementary comment, that while I have expressed our current position, the view I have expressed is one that is still subject to further considerations between ourselves and the federal department responsible for AQIS. There are discussions going on on this matter. I can only give you the current position that stands and, quite clearly, there are still continuing views that are being expressed on the matter. So I do understand it, yes.

**CHAIRMAN**—Gentlemen, thank you very much for coming along and helping us with our inquiries. I understand we will visit Clyde again. It will be fascinating to see the changes. I am certain you are right, but we will look forward to seeing it with our own eyes.

[2.36 p.m.]

**DELAHUNT, Ms Anne-Marie, Assistant Secretary, Wildlife Australia, Environment Australia**

**EARLY, Mr Gerard, First Assistant Secretary, Approvals and Legislation Division, Environment Australia**

**RUSSELL-FRENCH, Ms Alison, Assistant Secretary, Marine, Coasts and Wetlands Branch, Environment Australia**

**CHAIRMAN**—I now welcome representatives of Environment Australia appearing at today's hearing. Thank you for coming and thank you for your submission. Mr Early, would you by any chance have a brief opening statement?

**Mr Early**—Yes, I do, Mr Chairman. Environment Australia has a significant and ongoing interest in Australia's quarantine function. There are three areas of primary importance identified in our submission: the development and application of import risk analysis; the import and export of wildlife and wildlife products, including new species for live import; and the protection of the Australian environment from introduced marine pests. In relation to these areas of activity, issues of concurrent operation of the Environment Protection and Biodiversity Conservation Act 1999 with other legislation such as the Quarantine Act 1908 may occur when dealing with specific quarantine matters.

In terms of import risk analysis, Environment Australia continues to work constructively with Biosecurity Australia to ensure that relevant environmental information and expertise is made available to support the work of Biosecurity Australia in preparing import risk analysis. Both agencies are continuing to work towards formalisation of these working arrangements through the development of a memorandum of understanding which is very close to finalisation. Under the new arrangements set out in the MOU, environmental considerations are appropriately taken into account through enhanced consultation between our agencies, with a particular role for Environment Australia in the import risk analysis assessment process.

In terms of import and export of wildlife and wildlife products, the EPBC Act controls, among other things, the import and export of wildlife and wildlife products into and out of Australia. The regulation of such imports and the treatment of illegally seized specimens can involve the concurrent operation of the EPBC Act and the Quarantine Act. Environment Australia, AQIS and Biosecurity Australia are giving attention to these issues where overlapping requirements exist and where opportunities may occur to streamline and harmonise the activities of our respective agencies.

In this context, I would like to clarify a statement in our written submission. At page 2, under the heading 'Risk analysis for new species for live import', we drew attention to the procedural differences between the EPBC Act and the Quarantine Act and noted that costs could be involved in the import risk analysis of proposed live imports. We did not mean to imply that a difference in procedure would itself give rise to additional costs. Such costs would arise for the

applicant and the Commonwealth only if an unnecessary procedure were undertaken, and we are working strongly with Biosecurity Australia to ensure that streamlined approach. For example, where an applicant is required to be approved under both the EPBC Act and the Quarantine Act, it may be preferable to consider an application first under the EPBC Act and, should the application not succeed, an applicant may decide not to pursue the matter further under the Quarantine Act. This would save the applicant and the Commonwealth considerable resources. We certainly recognise clear benefits in working closely with agencies such as AQIS, Customs, the Federal Police and Biosecurity Australia to develop joint Commonwealth procedures that will integrate the operations of both the EPBC Act and the Quarantine Act, particularly in the areas of border protection and the management of illegally imported specimens.

In relation to the accidental introduction of marine pests, the identification and management of risks to Australia from the accidental introduction of marine pests is of particular concern to Environment Australia. Many non-native marine organisms, if accidentally introduced into Australian waters, have the capacity to displace native species and take over native habitats and inflict severe economic losses to our aquaculture and fishing industries. At present, AQIS operates a management regime for ballast water carried by international shipping, which is a major vector for introducing marine pests. It is noted in our submission that there currently exists no national system of border protection in Australia from marine organisms that are introduced from fouled hulls and other shipping and boating equipment. It is Environment Australia's view that, consistent with the current direction of national reform of introduced marine pest prevention and management, a single regime should be developed for managing the risk posed by entry to Australia of marine pests transmitted through shipping. In order to achieve this single management regime for all marine pest vectors, we believe a combination of state and territory legislation and Commonwealth legislation will need to be relied on, including the Quarantine Act. It is our view that, in all its areas of quarantine interest, there is a need for the Commonwealth, state and territory governments and agencies, as well as the private sector, to work effectively and efficiently together if Australia is to remain relatively free from imported organisms that may have the potential to cause a significant impact on Australia's natural environment. We would be happy to answer your questions.

**CHAIRMAN**—You talked about developing the MOU, which is not quite done but close to it, and for the need to work closely with other agencies, including both Customs and AQIS. Wouldn't it be more cost-effective for the Commonwealth to merge the three—and perhaps fisheries as well? I could think of a couple more.

**Mr Early**—In terms of the three activities we identified in our submission that I spoke of, while our responsibilities for environment protection have synergies with those other agencies, I do not think there is particular merit in putting them all together.

**CHAIRMAN**—Why?

**Ms Delahunt**—Let me expand. In relation to what Mr Early said, in questions of particularly the legal import of live specimens, the relationship we have with Customs and the relationship we are working towards with AQIS mean that those agencies act as agents on behalf of Environment Australia. In effect, they are the same as we are in terms of our obligations under the legislation. There is a fairly efficient and smooth relationship between all the agencies

involved, which means there is no overlap between the responsibilities we have and they have, and the significant presence that those two agencies have at the border is utilised in the most effective way to achieve our outcomes.

**Mr Early**—In terms of import risk analysis, for example, the vast majority of those do not involve environmental considerations. We have arrangements to ensure that, when they do, there is adequate consultation and that Environment Australia has proper input. But we certainly would not want to be involved in every single case. So we actually add a bit of value to the small number of cases in which environmental considerations need to be taken into account.

**CHAIRMAN**—But if AQIS took you over, we would say it is a management cost, wouldn't we?

**Mr Early**—I guess we could have one Commonwealth department and it would save more! But I am not sure there are sufficient similarities between the core work of AQIS and the core work of Environment Australia to warrant that.

**CHAIRMAN**—You say that the framework of the import risk analysis provides for the involvement of Environment Australia at the beginning of the import risk assessment process to ensure that environmental considerations are addressed. Could you expand on that.

**Mr Early**—Those are essentially the arrangements we have put in place through what is now a draft MOU but will shortly be the final MOU. Basically, we have what is called the Biosecurity and Environment Liaison Team, which was set up by Biosecurity Australia and ourselves, where we actually go through all the processes that are subject to import risk analysis. We are involved at the very beginning in identifying those ones that we have an interest in. For the ones that we identify in that way, we are involved essentially all the way through the process in providing advice on the technical issues as well as providing advice in relation to experts best placed to deal with the environmental issues. For some of them obviously we do not have experts within our own agency, but we can identify the experts and we can make sure they work well with Biosecurity Australia to make sure the environmental issues are covered.

**CHAIRMAN**—I am interested in why it is that you are unable to provide some of the expert personnel. You talk about additional consultative arrangements, and then you say that while Environment Australia advises on general aspects of environmental management it is unable to provide the detailed biological analysis that is required to support import risk assessments in all cases. Why is that, Mr Early? Can you give us some examples?

**Ms Delahunt**—The issues that often are addressed in the import risk assessment require the expert involvement of people like plant pathologists. Our department does not engage or employ the full range of botanical or zoological expertise that is required for that level of understanding. Basically, what the import risk assessment is doing is trying to ensure that the species do not provide a potential vector for disease or pest importation. Whilst our department has a very strong interest in those matters we do not employ the full suite of specialists, so we work with the other agencies, including AQIS, to identify those specialists that are available within the country to provide that type of expertise.

**CHAIRMAN**—Further, you say when you were talking about import and export controls on wildlife and wildlife products that you are responsible for administering the Environment Protection and Biodiversity Conservation Act 1999, which controls the import and export of wildlife. You also say that the 1999 act may be required to operate concurrently with the Quarantine Act 1908 in specific quarantine matters. Can you explain that? I am a little confused. Perhaps it was late at night when I marked that section.

**Ms Delahunt**—And perhaps not, too; it is slightly confusing. The interaction is in relation to specific species that are coming into the country, where the Quarantine Act, as I understand it, manages the import of species into the country and sets up the risk assessment activities they undertake. The EPBC Act has a list of species that are permitted entry into the country and a list of species that are permitted controlled entry under certain conditions. In order for a species to be put on the EPBC Act, there is required to be an assessment of the impact of that species on the Australian environment, which is what is undertaken by our department through that part of the legislation. It is quite possible that for some species that are proposed to be brought into the country—an example I can think of is a species that is going into a zoo—an import risk assessment could occur under the quarantine part of the legislation, and we would also do an assessment of that species, looking for different matters.

Obviously the expertise of AQIS is particularly focusing on the disease and pest vector. We are particularly focusing on pests but also the potential of a species to impact on or invade the Australian environment. So, although the questions are similar, they do have a different approach. In work that we have been doing in recent times since our legislation was enacted on the trade side at the start of this year we have been working very closely with Biosecurity in particular to make sure that any individual import agency is receiving a combined approach from both of our agencies so that the efforts that they need to go to to import a species are done in the most streamlined fashion.

**CHAIRMAN**—How did we manage to import cane toads?

**Ms Delahunt**—That is a very good question, but it did precede the operations of the EPBC Act by quite some decades. It is hoped that in the future neither our agency nor the quarantine legislation would permit such an import to occur.

**CHAIRMAN**—Could we export them?

**Ms Delahunt**—We would be able to, but I would not need to control that because they are not native species and so they would not require a permit from our department.

**Ms KING**—You spend a fairly substantial part of your submission talking about marine pests and clearly you have some concerns about the lack of a system on hull fouling. Do you think we are actually doing enough in this area?

**Ms Russell-French**—It is a fortuitous question because actually today in Melbourne we have a planning group working in a workshop to discuss all areas of interest relating to biofouling. It is an area of difficulty for us because you are looking at shipping vessels that range from large commercial vessels down to very small recreational vessels, plus a range of vessels in between. That is one of the areas in which we need to develop an approach, which I think we can do

effectively. That will be part of the national system we have been looking at for the whole question of introduced marine pests.

**Ms KING**—In looking at that system, will you be looking at the costs that the shipping industry, and particularly the Australian shipping industry, may incur as a result of any measures you put in place?

**Ms Russell-French**—We have been working very closely with the shipping industry, the port industries and a number of relevant non-government interests, and they will certainly be part of that process. The question of funding is obviously going to be one we will have to look at in detail from a number of perspectives.

**Mr COBB**—I see that you have an arrangement with AQIS on how you manage illegally imported live specimens. I guess that means wildlife. In the current situation, is that actually under the control of AQIS but your act brings you into it once they are found? How does that actually work? My point is this. Would I be right in assuming you have nothing to do with those animals or whatever they are until such time as AQIS has determined that they have absolutely no risk attached to them?

**Ms Delahunt**—On the issue of the relationship between our department and AQIS, I suppose it is better to put it as the relationship between our department and what happens at the border. At present we have an agreement with Customs so that they are acting explicitly as our agent at the border in relation to the import of live specimens of wildlife. We have international responsibilities under the Convention on Trade in Endangered Species and we need to manage the border for that reason, and we also have the questions of the impact of those species on the environment more broadly.

As you know, Customs and AQIS work extremely closely at the border. Sometimes one agency makes the discovery and at other times the other agency makes the discovery. In terms of live wildlife specimens, they have direct communication with my officers and we work through with them firstly about the identification of species. Environment Australia, Customs and AQIS have close relationships with a number of zoologists who are easily accessible to our major entry ports, and we ensure that we identify the range of species that comes in. If it is a species of certain conservation categories, we need to be careful about whether that species is destroyed or repatriated and what our choices are. We work that through closely with the people at the border.

**Mr COBB**—I am very pleased that you are aware of your international responsibilities et cetera, but I am far more concerned that before that animal is moved or anything is done with it AQIS determine whether or not it poses a risk. Is that what happens; do AQIS have first look at that particular animal, species or whatever it might be to determine that before you take control of it?

**Ms Delahunt**—We do not take direct control of the animals. We arrange the handling and the control of the animals with both AQIS and Customs, if the animals are found at the border. Certainly there is no potential for the concerns of Environment Australia to override AQIS's concerns at the border, if they have management of the border, but we do work closely with them in order to identify the species. Usually, with illegally imported species, there is a question

as to which of the 300 species of turtle has been smuggled in or something of that nature. We have to work cooperatively to ensure that we know what we are talking about, and obviously the species is the vector of concern for AQIS as well as for us.

**Mr COBB**—I would take it that whether or not that animal posed a risk would be the No. 1 concern rather than what animal it might be. I realise you have to identify it, but I would take it that the fact that it might be threatened in another country would be a secondary consideration to whether or not it posed a risk to us?

**Ms Delahunt**—Certainly my understanding is that the first concern for AQIS and Customs is to make sure that these specimens they find are contained and that they are not able to be at risk of being released into the environment, and there are quarantine facilities available for that purpose.

**Senator SCULLION**—I have three areas I would like to cover with you roughly at the same time. They are very closely interlinked. I note that you said that you now have a MOU with AFFA to effectively participate in the import risk assessments. I understand there have been over 100 IRAs conducted over the years, and I take it that prior to now you really have not been very much involved?

**Mr Early**—It has been a bit patchy in the past. I think that is part of the reason for having had discussions over the last year or so about getting that right. It partly came about when the Environment Protection and Biodiversity Conservation Act was enacted in 1999. Since that time, we have been working with AFFA and the two agencies to make sure that the systems meld together and we know what each other is doing.

**Senator SCULLION**—Clearly, actually joining and going to the effort of making a MOU is a positive thing, so it has added to that. That is tremendous. Prior to your involvement, how do you think it has worked; how do you think the IRA has worked in protecting the environment?

**Mr Early**—It would be a bit difficult to make a blanket—

**Senator SCULLION**—Have a crack at it.

**Mr Early**—There is one notable example on the record where we were at odds with the AFFA portfolio, and that was in relation to the first IRA on New Zealand apples. I am not aware of any ongoing problems. That was one specific example that actually raised in the various agencies the need to get it right. Before then, we did not have in place the processes to enable us to work well together. It was not necessarily anything terribly sinister; it was just that we did not have the processes properly in place. I think we have that in place now.

**Senator SCULLION**—In Environment Australia, one of the things you are expert at is managing natural environments and biospheres, and you have a great deal of experience in that. I understand that one of the terms you use and one of your major processes is the precautionary principle, which you use to effectively ensure that if something is a risk and if we do not know what will happen, we do not do it. That seems to me, on the face of it, to be pretty good. When you look at the import risk assessment, now that you are involved in it, do you see yourself

applying what seems to be a very rigorous environmental principle to the import risk assessment?

**Mr Early**—We are in the process of going through import risk assessments at the moment, under this new arrangement, none of which have been concluded. Certainly, we will be looking at the precautionary principle, but we need to do that in the context of Australia's international obligations under the WTO et cetera, so we have to be careful that we make proper use of the precautionary principle in giving advice.

**Senator SCULLION**—The reason I mention it is that it has been put to me that it probably has not been applied in the past. You mentioned the Environment Protection and Biodiversity Conservation Act and obviously that clarified your role in this regard. I have just focused my mind on it today. We have heard from a number of jurisdictions that have some activity in this process of quarantine. Customs and Quarantine have relationships in other countries and we work together to ensure that we do not send nasty animals over there and they do not send things over here. We work in that sort of relationship.

It is interesting that Environment Australia, under the Environment Protection and Biodiversity Conservation Act, principally ensures that we are not doing anything nasty to our native creatures. To ensure that that happens, we do not actually allow any export. That is the principal punitive measure, I understand. With your involvement in this import risk assessment when we are importing and looking at the risk of an import, will you be ensuring that you look at the environmental impact that that may be having on the country it is sourced from? Will you be ensuring that that is part of the import risk assessment?

**Ms Delahunt**—The obligations that Australia has in relation to the conservation of species in other countries are embodied in our responsibilities under CITES. There is a fairly intense international agreement which has a fairly high level of regulation in relation to native species in all countries. If species are listed on a CITES list and they are proposed for import, my officers are engaged in the assessment of those imports. If it is a commercial operation from another country and the species is on that list, we would be required under our legislation to be satisfied that the nature of that import is such that the species' conservation status is not adversely affected and that the industry is highly regulated.

**Senator SCULLION**—Perhaps I should be a little clearer. Whilst I understand the aspects of CITES, the nature of CITES and how it works, I was saying that there is an opportunity here. We have said to all Australians, 'We are not going to export any animal unless it comes under a rigorous management plan that demonstrates sustainability.' You have just been given an opportunity, because you are now going to be involved in the IRA process, to ensure that other countries are not doing nasty things to their wildlife outside a sustainable management plan. In this new world of international relationships, are you going to do these other countries a favour to ensure that they are not importing products that come from a nonsustainable use? That is really what I am getting at—outside the CITES arrangements, which are very clear and which we have in place.

**Mr Early**—I am not an expert on the Quarantine Act, so I could not profess to know what the Quarantine Act provides for. But in terms of the Environment Protection and Biodiversity Conservation Act, unless it is covered by CITES or some other international agreement, we

would be looking at the impacts on the Australian environment. We would be advising on the import risk analysis. If we were asked by some other agencies that had responsibility in that regard—I suspect they probably do not, but, to be honest, I do not know—we would obviously be able to provide advice, but we would be advising on the impact on the Australian environment.

**Senator SCULLION**—So with these filleted giraffe fish that we know are the last of the species—but they still have not managed to go through CITES because it is a six-year process—were you still going to allow them to import them? Environment Australia has a very clear mandate and agenda. You are now being involved in this process. We have a series of processes that are very clear in this country and that have wide benefits. Are you telling me that you are not going to apply those same issues to imported product that we apply to exported product?

**Mr Early**—I do not think we have the responsibility or, in fact, the power to do that. The Environment Protection and Biodiversity Conservation Act—

**Senator SCULLION**—You are having an input into the import risk assessment, Mr Early. You might be able to say to them, ‘Listen. From an environmental point of view and from my global responsibility, that is a very risky business.’ Aren’t you going to be telling them that?

**Mr Early**—If the circumstances were as you describe, we might give some gratuitous advice to other agencies. But whether or not they have the capacity to take that advice into account is a matter for their legislation. To be honest, I am not familiar enough with it to know that.

**Senator SCULLION**—I would like to move briefly to the issue that has been touched on about the marine framework. I understand that you have made a recommendation. It seems very clear in your submission that the National Taskforce on the Prevention and Management of Marine Pest Incursions and the national system for preventative management are things that you are now going to be involved with. As you said, there has been a discussion in Melbourne. I will read to you briefly a paper written in 1996. It is recommendation 100 from the Nairn report. It says:

The review committee recommends that the Department of Primary Industries and Energy through the Chief Veterinary Officer and the Chief Plant Protection Officer take a leadership role to ensure appropriate contingency plans are available for major exotic pests and diseases that threaten animals, including aquatic animals.

Recommendation 101—I will not read it again—says exactly the same thing but also talks about the development of a national contingency plan. In view of the fact that that was seven years ago but we are still only talking about forming a contingency plan, can you give me some confidence that this is not just going to be another gabfest, that something is going to come out of this? In your response, from EA’s point of view, perhaps you could look towards why we have not had much success in the past in getting somewhere on this issue.

**Ms Russell-French**—We do have a contingency plan to deal with emergency arrangements for pest incursions. We have had three so far this year, as you may be aware, in Northern Australia. That mechanism is working very effectively in terms of pests that are discovered. I think what you are referring to is more the single national management regime for vessels, and that is being worked through with the states and stakeholders. The task force report that came out in 2000 quite clearly outlined the component elements of a national regime.

A body was set up for a two-year interim period to oversight the recommendations in that report and move them forward, and we did a stocktake on those recommendations quite recently. Most of them have been set in place or are being worked towards. There are some issues that we are still in the process of resolving between the Commonwealth and the states. There is another meeting this week to look at some of those issues that revolve around roles and responsibilities. I am not in a position to say where that is going to come out, because that would be pre-empting a discussion that has yet to take place.

In terms of a commitment from state, Commonwealth and industry perspectives, there is a genuine desire to have this single framework in place so that we can deal with this problem. But, in saying that, it does not necessarily disguise the difficulties of what we are trying to do, because in many respects the issues are complex. How we put in place mechanisms or arrangements to control biofouling particularly will be very difficult, but we see ways forward in doing that. There is certainly a genuine commitment to achieve the task force report recommendations and to see that all in place within the next six to 12 months.

Certainly, the aspects dealing with preborder and border controls of ballast water, as you have no doubt heard from AQIS, are well in place, and they have been in place since July last year. We will be interested to see how that process is working, in terms of efficiency. There are other aspects we have yet to resolve as to how we fully control movements around jurisdictional waters, and that is one of the issues that we will be looking at in the next few weeks through meetings. It is fair to say that there is a strong commitment to have this put in place, given the history that has existed about the lack of or the failure to put that sort of framework into place.

**CHAIRMAN**—In your submission you say:

... ballast water accounts for only 15-20 per cent of the invasive marine species found in Australia ... Hull fouling may account for up to 60 per cent of past IMP—

introduced marine pest—

introductions to Australia.

I was quite surprised to see that. What sorts of impacts has that had?

**Ms Russell-French**—I am sorry, I am not quite clear what your direct question is.

**CHAIRMAN**—Your submission says, ‘Hull fouling’—you know what that is—

**Ms Russell-French**—I do.

**CHAIRMAN**—‘may account for up to 60 per cent of past IMP introductions to Australia.’ Now that we are trying to do something about controlling ballast water, I would assume that hull fouling might now be 80 per cent of introductions. What sort of effect has that had on the marine environment?

**Ms Russell-French**—We can point to certain species—

**CHAIRMAN**—I know what effect it has on hull speed, but I had no idea that it would have any effect on the marine environment.

**Ms Russell-French**—From hull fouling? Indeed it can. There are species that, through their introduction and fortuitous settlement, can displace native species. One species we found in the port of Cairns, which was a tube worm, actually does not appear at this time to have potential environmental implications, but that is because we have not noticed any. It does have well-established economic ramifications because it is a fouling pest. By way of contrast, one of the ballast water introductions, *Asterias*, which is in the Derwent estuary and in Port Phillip Bay, is now well recognised to be a major environmental problem. It is so well established in Port Phillip Bay that it is potentially removing a lot of native species there, because it is quite an active predator. The situation is the same in the Derwent estuary.

**CHAIRMAN**—That is ballast water; that is not what I asked you. So far I have not heard any real evidence that hull fouling has introduced marine pests, other than one worm, which have had an economic impact.

**Ms Russell-French**—Potentially, the black striped mussel that was discovered in Darwin would have had significant impacts, economically and environmentally. That was one of the ones that were cleaned up very quickly because it was discovered and it was in an area which could be contained and dealt with fairly quickly.

**CHAIRMAN**—I would like you to take that on notice, if you do not mind.

**Ms Russell-French**—I will. I am still not quite clear what you are driving at.

**CHAIRMAN**—You have said that ballast water has created introduced marine pests.

**Ms Russell-French**—Yes.

**CHAIRMAN**—But ballast water is only 15 to 20 per cent of the problem. We have worked on ballast water; you are obviously not doing anything about getting the hulls scraped or checking them before they come through the heads into Sydney Harbour or Port Phillip to see what the bottom of the hulls look like.

**Ms Russell-French**—That is true.

**CHAIRMAN**—You then go on and say that hull fouling may account for up to 60 per cent of introduced marine pest introductions. What marine pests? I wish you would take it on notice and come back to us.

**Ms Russell-French**—We will take that on notice.

**CHAIRMAN**—If it is that significant, we ought to know what they are. I found it quite surprising.

**Mr Early**—We will take that on notice.

**CHAIRMAN**—You say in the submission:

Consideration of preventative regulation systems for hull fouling is at a preliminary stage, with legislative options being evaluated.

Well, good luck to you. I do not know that you are likely to get anywhere internationally very quickly; I would be surprised, anyhow. You say that a single management regime for ballast water is likely to be feasible; that state and territory legislation may be relevant to help; and that the Quarantine Act 1908 does not allow for regulation of the entry of biofouling pests, thus a means would need to be found, through Commonwealth and state and territory legislation, to regulate such pests. You go on to say:

... a single management regime for all vectors will need to rely on a combination of State/Territory legislation and Commonwealth legislation, including the *Quarantine Act 1908*.

Are you aware of what other countries are doing in this respect?

**Ms Russell-French**—I probably need to call on my AQIS colleagues. I do not think there are any other countries doing this to the extent we are. I think we are unique in this context.

**CHAIRMAN**—You don't think other countries are as concerned about the marine environment as we are?

**Ms Russell-French**—No, I did not say that. I said that I did not think they were putting in place the sorts of mechanisms we are putting in place.

**CHAIRMAN**—Because of the number of vessels that come here—compared to, say, Chesapeake Bay—I would have thought that our marine environment was less subject to risk than others. Do you get involved with the issue of salmon?

**Ms Russell-French**—No.

**CHAIRMAN**—Nobody can tell me about salmon. Thank you very much. I would appreciate it if you would follow up on those matters, Mr Early. If we have further questions, do you mind if we put them in writing rather than ask you to come back?

**Mr Early**—No, that is fine.

[3.18 p.m.]

**INGLIS, Mr Andrew Robert, Deputy Chairman, Quarantine and Exports Advisory Council**

**KRTSCHIL, Mr Hartmut, Member, Quarantine and Exports Advisory Council**

**ROGERS, Mr William Murray, Chairman, Quarantine and Exports Advisory Council**

**CHAIRMAN**—I welcome representatives of the Quarantine and Exports Advisory Council. Thank you for your submission and thank you for coming today. Mr Rogers, do you have a brief opening statement?

**Mr Rogers**—I have a few brief comments. I have only been the chairman for a little over seven months. I followed Professor Nairn. Both gentlemen on my right have been with QEAC for some time, and Mr Inglis participated in the Nairn report so he is well versed to cover these issues. The submission that we sent to your committee was the result of work by all of the people on QEAC. We encourage your work and we are ready to answer any questions you might have. I must also say Professor Nairn put a lot of work into that report before I replaced him so we cannot take that away from him.

**CHAIRMAN**—Thank you very much. You state that you are an independent advisory body but that you work closely with AFFA and AQIS, and then you go on to state that, however, this submission has been compiled independently of both those organisations. Is it that your statement to us is independent or are your views already well known by your colleagues?

**Mr Rogers**—As the committee would be aware, both AFFA and AQIS have senior representatives on QEAC but they were also putting in a separate report, and I think both reports are complementary to each other. They follow a similar track. So I thought it was necessary to make the point that they are represented in other reports. There is no sinister issue there—it just needed to be recorded.

**CHAIRMAN**—I did not mean to imply that there was anything at all sinister. In your ‘key messages’, you state:

Australia’s situation is unique in several aspects, particularly in its position as a major food exporter combined with a low pest and disease status, providing a significant market advantage.

Could you expand on that?

**Mr Rogers**—Yes, I believe I can. I think we are uniquely placed as a nation. Having had a business career built on that particular area, I can tell you that it was very advantageous, in a previous life, to be able to do business on an international basis, knowing that we are relatively pest free. It is something that needs to be very strongly recognised.

**CHAIRMAN**—Yesterday, there was an article in the *Australian Financial Review* by Lenore Taylor that quoted Europe's trade minister, Pascal Lamy. She wrote:

Mr Lamy repeated the European belief that Australia used quarantine rules and procedures as a form of non-tariff barrier—rejecting Mr Howard's claim in Brussels last week that this was more of a negotiating point than a concern deeply held by Europeans. "It is no secret to anyone on this planet that Australia has strong and constant non-tariff market access barriers in this area, so I can understand why the Prime Minister would not want to overplay it," he said when asked about Mr Howard's remarks. "We clearly have concerns that the quarantine measures are not proportionate with the sort of risk you have to cover, and don't have a significant scientific base ..."

You are telling me that we have an advantage as an exporter because we have a low pest and disease status and we tell everybody to keep their stuff like apples and salmon out. What is going to happen when we turn around and try to negotiate free trade agreements with the United States and portions of Europe and portions of Asia?

**Mr Rogers**—There are a few different points that come to mind there. I did read that article. I think it would be pretty obvious that various people in the international area would make statements like that, going into negotiations. It is a pretty good statement to make. I also thought Minister Vaile's reply was very good in that the issues that have been taken to the WTO have been basically turned down. I think it is a trade tactic. I sat in this morning and listened to the process. I think our appeal mechanism—our IRA mechanism—is very open, it is very robust, it is based on science not politics and I think it stands up very well. That is part of the context of keeping our country pest and disease free.

**CHAIRMAN**—Again, under 'key messages', the last dot point reads:

Monitoring and surveillance within Australia for breaches of the quarantine barrier.

You said:

Government should support the outcome of audits of animal and plant health skills and resources.

Could you expand on that?

**Mr Rogers**—Yes, I could expand on that comment. I was interested in a question, through you, Mr Chairman, that came across the table this morning in regard to the capacity of our vets. I was lucky enough to chair the working group on foot-and-mouth and mad cow disease—the national management group. We found that there has been a fall back or a cutback in some state facilities, not necessarily at the vet level but at the analytical type areas for work to be done. I think that situation is under review right now and an audit is being undertaken I think by both Plant Health Australia and Animal Health Australia. I think that is necessary and needs to be supported.

**Mr Inglis**—Can I just add to that. In relation to the plant sector, the report on the current status of human resources in diagnostics, which is obviously a fundamental part of our capacity to audit animal and plant health, particularly from the point of view of monitoring and surveillance, has been just released as of last week. It indicated that, whilst we have some areas of concern—namely, in nematology and bacteriology—generally speaking, our resources in the public sector are adequate at the moment. I might add that that study has been substantially

funded by a Commonwealth budget initiative of the budget before last. So what the key message says is actually being applied.

I might add, though, that the importance of monitoring and surveillance should not be overlooked. We have had a number of examples in recent times where incursions have been discovered and those incursions are thought to have been in Australia for some time. A case in point is the red imported fire ant. It is believed that it was in Australia for perhaps four or five years before it was discovered. The importance of monitoring and surveillance from the point of view of QEAC is that it is something that has to be kept at a very high level and requires both a state activity, because it is really within the province of the state, and a Commonwealth responsibility.

**CHAIRMAN**—Mr Rogers, you have mentioned both mad cow disease and foot-and-mouth disease. We have been told today that one of the reasons that we are now 100 per cent screening international mail—that is, letters and small parcels or parcel post—is the incidence of foot-and-mouth disease in England and the fear that we could wind up with it in Australia. How on earth would we transmit foot-and-mouth disease through a letter?

**Mr Rogers**—Not being a scientist, I find that pretty difficult to answer. It would probably be a very small risk, but it could be a risk and I think that is why it was taken into consideration.

**Mr COBB**—Mr Rogers, you probably heard me today question Environment Australia about its role. Quarantine is an issue that quite rightly belongs with AQIS and with a couple of other agencies that have a role there as well. Environment Australia seems to have a totally different role. Would you have any concerns, from your position as an adviser to the minister, that Environment Australia's role could hinder in any way the role of AQIS, which is simply keeping disease out rather than being too concerned about which particular endangered species exists in any one place? I realise that is not exactly the situation, but I think you get my drift.

**Mr Rogers**—I get your question and I was listening with interest when you asked it this morning. I will ask Mr Inglis to follow me. Basically, from my observation in a short period, the two agencies have a good working relationship and I think that is an extremely positive thing. They are developing a memorandum of understanding, but I think that understanding was probably there anyway. It is probably only being consolidated by a piece of paper. Both agencies probably rely on each other very heavily in the work that they do. I have the job of chairing any appeal against an IRA. We have just been through one on sweet corn imports. I am impressed by the steps that have been taken to get to that stage. I do not see a risk there of those two agencies not working properly together. Andrew, you might like to comment.

**Mr Inglis**—Yes. One of the recommendations from the Nairn review was, in fact, that the responsibilities of the Quarantine Act be extended to cover the environment. One of the very significant areas is, in fact, the whole issue of weeds. It is one area where quite often an incursion can have a very substantial environmental impact. That is an area where the responsibilities of quarantine and the interests of the environment do actually meet. It is important that there is a good working relationship, certainly from the observations of the Quarantine and Exports Advisory Council. We have not seen any indication that there is a disconnect between environment and quarantine.

**Mr COBB**—So you are confident that the primary issue for quarantine is that AQIS are not hindered in any way by that merging of areas of responsibility?

**Mr Inglis**—I do not believe we have seen any indication of that. We have previously had a person with an environmentalist background on the Quarantine and Exports Advisory Council. So we have had an input from the environmental sector into our council's thinking.

**Mr COBB**—Thank you. I think this is very much your role. Would you always make certain in your advisory role that you were aware of the opinions of the various bodies around Australia be they agro bodies or farm bodies? I give you an example that, late in 2000 or early in 2001, the protocols were changed for the importation of camelids from South America from being offshore to onshore quarantine, totally against the wishes of all the farm bodies involved. Would you make sure that you talk to all the people before an issue like that, from your point of view, was forwarded to the minister?

**Mr Rogers**—I believe that we have a dialogue with those groups, and not just that side but also the food and grocery manufacturers. We try to cover right across the spectrum. It is both formal and informal. Those of us in agribusiness usually know how the grapevine works and how to go about getting information. To answer your question, I think we would be wise enough to know if there was something wrong. I also think people at Biosecurity Australia would dig pretty deep when they come through assessing that.

**Mr COBB**—I think that is before Biosecurity actually got set in. The point is the morale of people who have the most to lose out of having any introduced pest species as well as what the scientists might call their belief in what we need and these two issues need a balance.

**Mr Rogers**—Yes.

**Mr Inglis**—I think the particular instance you are referring to was in relation to alpacas and llamas, particularly alpacas. There is an industry consultative committee process in place. There are 13 industry consultative committees, which are consulting with AQIS. In 2000, QEAC, along with AQIS, conducted a review to see whether there were any industry sectors that were not being adequately represented and involved in that industry consultative process.

As a consequence of that study, there were some changes made to the industry consultative process, but the review very substantially came to the conclusion that there was a good level of consultation albeit that there might be occasions where there are issues such as the one that you have instanced where perhaps industry felt they were not completely and adequately consulted. One of the problems is that occasionally some of the industry representative organisations do not have a totally comprehensive or common view on some of these issues. It is not always necessarily the consultative process between AQIS and industry but an issue within industry itself.

**Mr COBB**—I do understand how the process works. In that particular case, industry did not like the fact that science were given the nod ahead of them.

**Mr Rogers**—To add to that, a QEAC member attends each consultative council, so we maintain a good feel for what is going on. This is reported back to the next council meeting and that is part of the formal side that I was mentioning.

**Senator SCULLION**—Mr Rogers, between Mr Inglis's and your own comments about the importance of some diagnostic mechanism to examine these things and also your experience, particularly in the appeal process of the IRA system, perhaps you can give me a response to this question. If I could draw an example I know a little bit about—and it may have been before your time. I am not sure if you are aware of the IRA on imported prawns, which was pretty contentious and voluminous. One of the biggest challenges there was our capacity to demonstrate to an importing country that we did not already have something here. Perhaps I will also put this question to AFFA at another time—it has just come to mind. Is there any move to establish a benchmark, particularly in the virus and pathology areas, or to have a library, if you like, of what exists in our natural environment at the moment so we can say, 'It is not here. We have done this sort of work'? If that were done then we would not have to worry about having that argument at the WTO rather than here. Has there been some work done on that?

**Mr Inglis**—I can address that from the point of view of the plant industry, not the animal or fish industries. The plant industry has, as recently as May this year, established an online plant pest database. It is a virtual database, and we are progressively adding to that database all of the known pests and diseases that might threaten Australia's plant industry. I believe the animal industry has a similar process. There is a process to ensure that we have identified all of the pests and diseases that we have in Australia. I need to point out that that is not just from the point of view of a quarantine benefit; it is also very significant from the point of view of a market access benefit so that we can demonstrate to potential markets elsewhere in the world that we in fact do not have a particular pest or disease.

**Senator SCULLION**—Mr Inglis, obviously your area of expertise is plant pathology. In that area there are a number of pathogens that we know are exotic to Australia. Are you confident that we have the testing regime in Australia to demonstrate whether that pathogen is, in fact, that pathogen or not?

**Mr Inglis**—We may not necessarily have the testing regime. Often in the event of incursion it requires extremely specialised expertise. If I recall correctly, in the case of the claimed incursion of fire blight into the botanical gardens in Melbourne and Adelaide—which was a remarkable coincidence—there was some international expertise needed to determine the nature of that pathogen. Another issue we are looking at in the plant industry is whether or not we have the expertise or the capacity within Australia or, alternatively, where in the world we can draw on a resource.

**Senator SCULLION**—Broadly, where do you think we should go with that, Mr Inglis? Do you think it is acceptable to outsource some of that work or do think it is worth developing in-house some of these procedures and tests and the human resource training that we need to accomplish that? I would be very interested to hear your general views on this matter.

**Mr Inglis**—I think there is a very pragmatic and realistic view and that is that the pests and diseases that threaten the animal and plant industries, particularly the plant industries, are so diverse and complex that it is not realistic to expect that we would have all the scientific

expertise available within Australia. Furthermore, using world-best international expertise actually adds even more credibility to any argument where we are having a dispute with one of our trade partners.

**Ms KING**—You have recommended that a centre of excellence be established for quarantine risk management. Do you not believe that AQIS currently has the capacity to undertake that function?

**Mr Inglis**—Again, it is a question, really, of the complexity of risk analysis. Internationally, it is recognised that it is an extremely difficult area, and it is one of the reasons why there are disputes between trading partners over the scientific basis of a decision on an application for a commodity to be traded. The United States, Canada, New Zealand and Australia have all been doing further development work in all aspects of risk analysis, risk assessment, risk management and risk communication. The US has a centre of expertise in the Centers for Epidemiology and Animal Health in Fort Collins, Colorado and, I understand, a centre of excellence is being developed at Raleigh, North Carolina.

The Nairn review—the Australian quarantine review of 1996—recommended at recommendation 47 that a centre of excellence be established within Australia to ensure that Australia continue to take a lead in this area. Certainly we do have areas of expertise within AQIS, within Biosecurity Australia, within various divisions within the CSIRO and within other areas that have a biological interest. I might point out that risk analysis is of course a discipline that applies more widely than just to the quarantine and the animal and plant health areas. One of the reasons we believe we should have a centre of excellence within Australia is that the expertise we have needs to be drawn together. Many of the organisations have components of expertise, but it is a very difficult area to deal with, particularly where, apart from qualitative assessment, efforts are being made to actually quantify the level of risk, which is a very difficult area to attempt. We believe that it is such a difficult, important, comprehensive area that it is very important that we maintain the world leading position that we have had in the past in this area.

**CHAIRMAN**—In your submission you said:

Risk determinations done by Biosecurity Australia, whilst utilizing the growing expertise, could, due to a lack of full understanding of the process, be misinterpreted as a ‘closed shop’ approach.

Would you like to expand on that?

**Mr Rogers**—With some of the stakeholders, there may be an element of ignorance of what the total process really is. Sometimes it is impossible to get to everybody with everything. I think there is a need to continue to highlight how open that process is to make sure that everybody understands it.

**CHAIRMAN**—That is consistent with a number of recommendations you have made regarding, essentially, advertising—that agencies make what they do better known throughout the community and throughout the world. That would be consistent with your belief that our approach to quarantine be science based rather than trade based. I can understand all that. But, more controversially, on page 15 you said:

... the social and economic impact of IRA decisions on specific Australian industries and regional economics and communities, needs to be given greater attention by Government.

You have recommended that we mix up this business of import risk analysis and the economics of keeping out some threat or other. Doesn't that, once we have put the economics in with the import risk, start to look more like a trade barrier than a scientifically based approach?

**Mr Rogers**—My two colleagues might like to correct me or add to this, but I think we are basically saying that if an IRA is done on some particular thing, there may well be an impact on some part of a community in Australia. We are not saying in there that we should not do it, we are saying we should highlight the fact that there may be an economic impact by doing it. Once again, that is a good reason for the science to stand up and be counted and be done correctly. My colleagues might like to add to that, but we think it is something that needs to be added to an IRA that is done.

**Mr Inglis**—My interpretation of what we are saying in our submission is that we are recognising that, as you rightly point out, the economic impact of the introduction of a new commodity into the Australian market is not something that falls within the ambit of an IRA. Nevertheless, there is an economic impact, in many cases, that needs to be dealt with in a different area, other than in the quarantine or import risk assessment area. As I interpret what we are saying, we are really identifying that there is an economic impact, but I certainly would not argue that it should be part of an IRA process because then, quite clearly, we would be contravening the WTO rule.

**CHAIRMAN**—It seems to me that with Mr Cobb, Ms King and the good senator as well representing rural interests as they do, their constituencies' emotive arguments might just as well be considered if we are going to consider the economic impact rather than have a pure scientific basis for the quarantine decisions we make. We might just as well listen to the Victorian Farmers Federation who want to increase the fines on everybody for minor breaches of quarantine.

**Mr Inglis**—Taking into account, in a different manner, the economic impact is really dealing with the consequences of accepting a product into Australia, providing it meets the IRA process on a scientific basis. That does not alter the fact that there could then well be some impact on a particular industry.

**CHAIRMAN**—Mr Inglis, the economic analysis might also go the other way. If, all of a sudden, we allowed apples to be imported, we might find that apples were less expensive to the consumer in the Australian market. Is that not true?

**Mr Inglis**—That is true, so it may well be that the net benefit to Australia of a particular commodity coming into Australia might be positive. That does not alter the fact that there would be a sector that may well be disadvantaged. I am saying that that is not an issue that should be wrapped up in the IRA process but an issue that governments have to deal with separately.

**Mr Krtschil**—We are talking about post-IRA decisions.

**Mr Inglis**—Yes.

**Mr Krttschil**—We are not talking about the economic and social issues being taken into account during the IRA decisions.

**Mr Rogers**—I should have added the word ‘post’ when I was talking.

**Mr COBB**—Mr Rogers, I should have congratulated you earlier; I think some of the recommendations here are great and I am very pleased you are where you are for the whole committee, if I can put it that way. I think the idea of an independent centre of excellence to make some decisions about management would be a damn good idea. The trouble with some of these things is that they can go the wrong way. Would you see the precautionary principle as being the overriding rule in this situation? I think if it is not applied we could run this thing too close to the bone, and I hope that we would err on the side of caution rather than err on the side of science.

**Mr Inglis**—The precautionary principle is not in the language of the SPS.

**Mr COBB**—I realise that.

**Mr Inglis**—If I remember correctly, it came out of Montreal; it was one of the other international agreements. We are quite clear in our submission that the IRA process has to be consistent with SPS and WTO arrangements or rules and that the process has to be transparent and science based. To go down the route of the precautionary principle, whilst that may well be popular in some agricultural sectors, might be very unpopular in other areas when our trading partners adopt a similar precautionary approach.

**Mr COBB**—I am talking not so much about where it happens to be an intervention of trade but about normal quarantine measures on our borders whether it be through airports or whatever. I would hope that precaution rather than exact science is where we set our targets. I am not really talking about particular industry items.

**Mr Inglis**—So you are talking about the application and operation of quarantine rather than the IRA process?

**Mr COBB**—Yes, I am.

**Mr Inglis**—Once again, a cautious approach is obviously something that is desirable where you are dealing with unknowns, but it should be within the limits of our resources. For example, being so cautious that we inspect intensely every item that comes into Australia would be ultimately, I would suggest, beyond our resources. That is why we believe very strongly in the need for a very high level of expertise in the area of risk management and risk analysis: we do ultimately have to target our resources. It is just a reality of the total capacity that we can afford in this country.

**Mr COBB**—My point is that you are the only group we have spoken to today who are not employees of the government, if I can put it that way. You probably would have better reason than most to realise—not suggesting they do not realise—the disasters Australia can face from

not doing it properly. One of the things that worries me is that sometimes, much as they obviously do their job and do it well, bureaucracy does not always realise, because they do not live it on a day-to-day basis, just what is at stake—an awful lot.

**Mr Krtschil**—By and large you will find that AQIS errs on the side of caution in making assessments, and that is why it is so absolutely essential to maintain the skill levels that are currently in the organisation. AQIS does not only operate at the airports and the seaports; it goes a lot wider. It should also be appreciated that the message has well and truly gone out to industry that it is a shared responsibility, and there are a lot of industries. The barrier clearance industry, for instance, is highly trained in AQIS issues, and is actively participating in the task.

**Mr COBB**—Is it also in your advisory role to look at procedures, should we have an outbreak?

**Mr Rogers**—We can be called on by the minister to look at anything. The department secretary is one of our council members, and he is not afraid to get this council to do some work for him in particular areas. Sometimes he has very fixed opinions on some things, and we have vigorous debate about that, but I think that is very healthy. We are there to be used—that is what we are saying.

**Mr COBB**—The issue—I asked about it earlier today—is whether or not we have a sufficient number and quality of veterinarians to deal with what may happen in the future, but which we hope will not. It is an issue that a body like yours needs to really acquaint itself with, if you have not already.

**Mr Rogers**—As I country, I think we are going to learn a lot from the simulation that is going to happen in September. My heart is in that from the FMD role that I played. We are going to find out a bit about that then but, as Andrew said earlier, there are some audits under way—the plants audit is here already and animal health is coming as well. We will learn then where we stand as a country.

I would like to make one other comment; it is an observation and, as I am the new kid on the block, I can probably make it. Since coming into this role, I have spent quite a bit of time getting around the country meeting some of the AQIS people. Whether it was in Darwin, in East Timor, up in the Torres Strait, in Cairns, in Melbourne or in Sydney, I have been impressed by these AQIS people—right across the board. To your comment about the precautionary principle—maybe Ms Stanton can answer it later—AQIS did a survey recently of AQIS employees. Eighty per cent of them, I think—I am not sure what the figure was, but it was very high—will tell you that they are doing this job for the good of Australia. I think that is a pretty fine thing to be saying. I do not think we should underestimate that feeling transport going forward as to what they believe that they are doing it for.

**Mr COBB**—They do a very good job, especially last year.

**CHAIRMAN**—Mr Inglis, you talked about weeds. Who gave us the Scotch thistle?

**Mr Inglis**—Having originally come from Scotland, I hope it was not the Scots.

**CHAIRMAN**—You can be sure it was.

**Mr Inglis**—They do not give away much.

Resolved (on motion by **Mr Cobb**):

That submissions Nos 23 to 28 and exhibit No. 6 be accepted as evidence to the review of Australia's quarantine function and authorised for publication.

Resolved (on motion by **Ms King**, seconded by **Mr Cobb**):

That, pursuant to the power conferred by section 2(2) of the Parliamentary Papers Act 1908, this committee authorises publication, including publication on the parliamentary database, of the proof transcript of the evidence given before it at public hearing this day.

**CHAIRMAN**—Thank you for coming and talking to us today. If we have further questions, I will put them to you in writing and I am sure that you will be willing to get back to us. I thank the other participants, my colleagues, the secretariat and, last but definitely not least, Hansard.

**Committee adjourned at 3.57 p.m.**