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SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT
LEGISLATION COMMITTEE

Reference: OIE audits in relation to foot and mouth disease

FRIDAY, 12 AUGUST 2005

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SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

Friday, 12 August 2005

Members: Senator Heffernan (*Chair*), Senators Ferris, McEwen, McGauran, Milne and Sterle

Participating members: Senators Abetz, Allison, Bartlett, Mark Bishop, Boswell, Brown, George Campbell, Carr, Chapman, Coonan, Crossin, Eggleston, Chris Evans, Faulkner, Ferguson, Field, Hogg, Hutchins, Lightfoot, Ludwig, Lundy, Sandy Macdonald, Mason, McLucas, Nettle, O'Brien, Payne, Robert Ray, Santoro, Stephens, Watson and Webber

Members in attendance: Senators Ferris, Heffernan, McEwen, Milne and Sterle

Terms of reference for the inquiry:

OIE audits in relation to foot-and-mouth disease.

WITNESSES

**MURRAY, Dr James Gardner, Executive Director, Product Integrity Animal and Plant Health,
Department of Agriculture, Fisheries and Forestry..... 2**

WONDER, Mr Bernard, Deputy Secretary, Department of Agriculture, Fisheries and Forestry..... 2

Committee met at 12.12 pm

CHAIR (Senator Heffernan)—I declare open this public hearing of the Senate Rural and Regional Affairs and Transport Legislation Committee. The committee is hearing evidence from officers of the Department of Agriculture, Fisheries and Forestry regarding OIE audits in relation to foot-and-mouth disease. I welcome everyone here today. This is a public hearing and a *Hansard* transcript of proceedings is being made. The committee has authorised the recording, broadcasting and rebroadcasting of these proceedings, in accordance with the rules contained in the order of the Senate of 23 August 1990 concerning the broadcasting of committee proceedings.

Before the committee starts taking evidence, I place on record that all witnesses are protected by parliamentary privilege with respect to submissions made to the committee and evidence given. I remind witnesses that parliamentary privilege does not extend to statements repeated outside the committee's proceedings. Any act by any person that may disadvantage a witness on account of evidence given by him or her before the Senate or Senate committees is a breach of privilege.

While the committee prefers to hear all evidence in public, the committee may take evidence confidentially. If the committee takes confidential evidence, it may still publish or present all or part of that evidence to the Senate at a later date. The Senate also has the power to order production and/or publication of confidential evidence. Before taking such action, the committee would consult the person whose evidence the committee was considering publishing. I also draw your attention to the continuing resolution relating to claims of commercial confidentiality. Under the resolution, a claim to withhold information on the basis that it is commercial-in-confidence can be made only by a minister and it must include a statement setting out the basis for the claim, including a statement of any commercial harm that may result from the disclosure.

[12.14 pm]

MURRAY, Dr James Gardner, Executive Director, Product Integrity Animal and Plant Health, Department of Agriculture, Fisheries and Forestry

WONDER, Mr Bernard, Deputy Secretary, Department of Agriculture, Fisheries and Forestry

CHAIR—Welcome. Do you wish to make an opening statement?

Mr Wonder—I would like to make a brief opening statement. I am conscious that you have only an hour for this hearing. I know that Dr Murray wants to say a few things, which he will do after I have made my few points.

CHAIR—Please proceed.

Mr Wonder—I will try to be brief and succinct. In the context of the letter I have received, I have an awareness of the background to this inquiry. To help the committee, I will quickly track through the key developments from the time of the committee hearing on 15 February to the dispatch of the letter that you have responded to in terms of the inquiry.

CHAIR—How long will this take?

Mr Wonder—It will take two minutes. Looking back at the transcript of the 15 February hearing, there were five occasions when the question of OIE assessments came up. The first two are by the late Dr David Banks at pages 46 and 48 of the transcript, where he referred to audits by the OIE and Dr Murray's expertise in the area, given his status as Australia's representative on the OIE. The third at page 62 is also by Dr Banks, indicating Australia's reliance on OIE audits in response to a question from Senator O'Brien. The fourth, also on page 62, is by me. As the deputy secretary and senior departmental officer at the table there, I sought to clarify the nature of the audits as including on-the-ground assessments. But I qualified my statement at the time with the comment 'as I understand it', in the expectation that this would be clarified by departmental colleagues. The final intervention came from Dr Gardner Murray at page 73 of the transcript, where he clearly and authoritatively indicated that the OIE audits are a desktop exercise that are reviewed in November every year based on country reports. Dr Murray went on to indicate that, should the need arise, OIE is empowered to try to verify actual statements. That language you will find in the transcript.

Having heard Dr Murray's evidence, I believe that the committee on the day was advised clearly of the situation regarding the nature of the OIE audits. I had the opportunity to check my evidence in the draft transcript—as one normally does—when it was circulated for comment and I believe that it accurately captures the events of the day on this matter.

Following the hearing, the OIE audits next came to my attention when Dr Murray and Mr Cahill, the Chief Executive of Biosecurity Australia, were interviewed for the upcoming SBS *Dateline* program which was screened, as you know, on 3 August. Dr Murray and Mr Cahill recorded those interviews on 22 July or thereabouts. I was not interviewed for that program. I spoke to Dr Murray and Mr Cahill and it became apparent to me that it was not at all clear how the February hearing would be reported by the *Dateline* program. Given that uncertainty, I thought it would be beneficial to write to the committee, having assembled the various elements of the February hearing relating to the OIE issues. That is the background to my letter.

That brings me to the letter itself, very briefly. I think you all have copies of that letter; I have spare copies here, if you need them. Looking at that letter, if you have it in front of you, you will see that it follows logically from the evidence that I have just given. The first paragraph refers to my interest in clarifying the evidence concerning the audits undertaken by the OIE following the discussions I had had with Dr Murray and Mr Cahill. The second paragraph refers to the first two interventions made by Dr Banks at pages 46 and 48 that I canvassed earlier. A third paragraph outlines Dr Banks's answer to Senator O'Brien's question concerning the views attributed to the Cattle Council, as well as my additional comments seeking to ensure that the committee had access to any further details that could be provided on the subject. I again refer to the 'as I understand it' comment on page 62.

The fourth paragraph outlines Dr Murray's advice regarding how the OIE does its assessments. It makes clear, as did Dr Murray at the 15 February hearing, that the assessment is a desktop exercise supplemented in November every year by report on disease status. Then my letter finishes with the conclusion that I do now understand that there is no on-the-ground audit conducted by the OIE as an essential part of the desktop assessment. There may well however be on-the-ground input data provided by the country seeking the

assessment of disease status. I am also aware that it is open to the OIE to determine the veracity of any information it might receive and, indeed, make whatever inquiries it considers appropriate in assessing the disease status of a country or of a zone within that country.

CHAIR—I think that will do us.

Dr Murray—I am happy to make a statement on the OIE process and to document some papers. Would that suit you?

CHAIR—Yes, as long as it does not take you too long.

Dr Murray—By way of background, in May 1995, member countries of OIE—there were over 150 at that time—agreed to allow OIE to assess dossiers that would give them status in terms of FMD freedom of a country or a zone. Foot-and-mouth disease was the first cab off the rank. It was followed by three other diseases: BSE or mad cow disease, rinderpest or cattle plague and contagious bovine plural pneumonia. So four diseases were handled. If a country wishes status, it submits a dossier to OIE on the basis of a scientifically developed questionnaire prepared by OIE. That is step No. 1.

Step No. 2 is that a scientific commission, which is elected—it is a standing commission of three years—of OIE undertakes reviews. The scientific commission in turn often sets up expert working groups—this happens with FMD and BSE—who advise. On the basis of that advice, a recommendation goes to what is known as a general session of OIE every May, where members can vote for or against. The scientific commission can, if it wishes, seek additional information. It can reject or progress an application. That is the process.

The issue of on-the-ground assessments has been raised on many occasions. As I have indicated and as is clear on the OIE web site, there is scope to do on-the-ground assessments, but none has been done for three years. To the best of my recollection, only one was done many years ago under very specific exceptional circumstances.

As a result of the international committee agreeing to a status, countries can accept that status and trade on that basis; or, because they perhaps have foot-and-mouth disease already, they may not need to accept that status; or a country could say, 'We don't accept that status under SPS obligations and we will audit.' Basically, that is the process. I have a brief statement on that process for the committee. I thought it might be useful to table the kinds of codes that OIE uses. It is all on the web site, but this may be useful.

CHAIR—Does it have any pictures in it?

Dr Murray—It has some pictures. I thought it might be useful. There is the questionnaire and something on OIE. One of the many submissions by Brazil has a lot of pictures. If you want me to, I am happy to table this.

Senator FERRIS—Can I clarify? You are Australia's representative on OIE. Are you a member of the international committee?

Dr Murray—Yes.

CHAIR—That process is a catastrophic failure, as has been clearly demonstrated. I presume we are a signatory to the OIE process and we ticked that off in the case of Brazil. Would that be a fair statement?

Dr Murray—We are a signatory, yes, to the OIE.

CHAIR—So we approved the certification process that allowed us to import, under licence, meat from Brazil?

Dr Murray—Do you mean OIE?

CHAIR—Yes. OIE was the certification or the tick-off that we took as the standard to allow it to happen. As it turns out, OIE did not go and have a look.

Senator FERRIS—Early evidence was that you believed they had, wasn't it?

Dr Murray—Let me go back a step. OIE, through a rigorous process, allows countries to submit and have those documents evaluated. OIE does not do on-the-ground assessments. The risk management is up to individual countries.

CHAIR—I think whoever was behind this should be sacked. The Cattle Council and the NFF should be sacking people, because they all said, 'This is a good process and we tick it off and agree to it.' It turns out that it could have been a catastrophic mistake for Australia. Even their vaccination program is a hillbilly set-up. I congratulate *Dateline* on their efforts and on spending the money to go to Brazil to have a look—a picture

paints a thousand words. How the hell could all the wise heads that we have in Australia not ask the most basic question—and it was the first question I asked, whenever it was: what is their traceability program? I got some lopsided dead-headed answer back saying, ‘We’ve been down and inspected the abattoir, which traced the cattle from the unloading ramp to the freezer.’ What are we to learn from this? This is a catastrophe of an agreement.

Senator FERRIS—Is that a question?

CHAIR—No, it is a statement of fact. I am disgusted at the lack of coverage that has been given to this across Australia—and I am damned if I know where all the farmer organisations are. To that end, to add to that, I would like to say why I think someone in your department should be sacked. I received yesterday a copy of an email sent by the Cattle Council to all its members. Today I have had discussions with a number of members—and I will table this document—about the SBS Television program. I also have a copy of what I would call an ‘arse-covering’ letter. It sets out some legitimate concerns about protecting AQIS and our biosecurity in global terms, and I agree with all of them.

Then there is a letter from Mr Allen Grant—somewhere down in AFFA—to Scott Mitchell, which says: ‘As discussed, here are some notes you may find useful in responding to your constituents and others. We’re not intending to get on the front foot with this, but we’ll wait and see if there is much further action in other parts of the media’—in other words, ‘We all hope it goes to bed’—‘in response to media reports. Here are some notes for you that may help you with your constituents.’ One of the notes said that the imported meat was certified to be disease free, that it did not come from an FMD area and that the shipment posed no risk to the disease-free status of the Australian animal herd. That is a complete lie.

I condemn the Cattle Council and the NFF because they have swallowed this hook, line and sinker in their desperation to downgrade the whole issue. You cannot say that there was not a risk because there is no foot-and-mouth free zone in effect in Brazil. It is a bloody farce. To say that it was certified disease free is a farce, because they have no livestock traceability in Brazil and no-one would know where the cattle had come from. We googled that for you fellows one day and discovered that they are going to have livestock traceability in 2008. So there are a lot of lessons to be learned from the mistakes you have made about this, and I think some people should get the sack. It says down here, ‘I understand I was talking to John Laws’ and ‘We’ll forward a summary’. This is an arse-covering exercise. I am disgusted, and I think that everyone stands condemned. Dr Murray, have you seen this document?

Dr Murray—Yes.

Senator FERRIS—Did you approve it?

Dr Murray—No.

CHAIR—I rang Mr Allen Grant yesterday—I apologise for ringing him directly—and, for starters, he could not remember it. Is this something that was dreamt up as speaker notes in the department and he just put his signature under it?

Mr Wonder—I am aware of the conversation.

CHAIR—I apologise for that.

Mr Wonder—That is all right. I understand that I am aware of it. Obviously, I have only just become aware of it; I was told of it last night. To put things in context, we have come here today and we have probably worked our way through some of what you have wanted to work through in terms of where my letter came from and the background to it. Having said that, I was aware of your conversation, as I say, and I have the talking points right here in front of me. I can say a little about them, although I obviously have to temper how far I can go, because I am not an expert in this area and—

Senator FERRIS—Can you just clarify whether Allen Grant is an expert? Who is he?

Mr Wonder—Allen Grant is a departmental officer.

Senator FERRIS—In charge of what?

Mr Wonder—Allen has recently returned from being our agricultural councillor in Japan. He is an SES officer in the department.

Senator FERRIS—So he is very senior.

Mr Wonder—He has been undertaking projects across the department—mainly since his arrival back in our Fisheries and Forestry Division. More recently, he has been assigned the duty of working on our preparations for the upcoming appeal in respect of the pig meat case and related issues.

Senator FERRIS—Does he have any expertise in quarantine matters, or would he have got this information from someone else? If you were aware of it, Dr Murray, did you provide some of the input?

Mr Wonder—Can I say a little more before Gardner answers that, if that is helpful. I was just going to say that what Allen has done here is provide some talking points. I do not think Allen would have prepared these talking points. He has provided some talking points that the department has prepared—and I am not sure where exactly in the department they were prepared; I just have not had the opportunity to chase that down. Nevertheless, they are talking points that we have prepared because—we will obviously have some difference on this point—we saw that, should the contingency arise where we have to engage publicly on this matter, these would be the talking points. So we did prepare these talking points. Allen has accessed those talking points and has obviously made them available, as you have suggested.

CHAIR—I would not say he has made them available to me.

Mr Wonder—No, but they have come to you.

CHAIR—Yes. I believe there is a really easy solution to all of this. I said to him yesterday—and I apologised for ringing him direct—in sort of a ‘talk your way around in code’ exercise, ‘This is a catastrophic cock-up and we should just all own up to the fact that this is a cock-up and we are never going to let it happen again and I would hope we never ever believe the OIE again.’ That they could give that certification and not go and have a look at the ridiculous conditions under which that foot-and-mouth free zone allegedly is preserved is sick.

Senator FERRIS—It is a road with no fences between two countries.

Dr Murray—I just want to make a point about OIE versus risk management in the field. The OIE process is not established to conduct audits because it is up to the individual country—

CHAIR—But that makes it worse for us.

Dr Murray—If I may continue. What the OIE is trying to do is to get countries, via a vigorous process, to try and understand and get across the issues that they need to to move on the FMD line.

CHAIR—That is fair enough.

Senator FERRIS—Which is commendable.

Dr Murray—It is not trying to say country A is free. It is trying to say that, on the basis of evidence presented and as assessed, this country looks as though it has this status, but it is up to individual countries themselves to form that view. OIE is a small organisation.

CHAIR—But what does that say about us?

Senator FERRIS—Hang on. There is a very interesting point to be made here. If OIE are simply the overarching body—and I looked at their web site last night and I can see the role they play, but I will look at some of this material—why would we have accepted that set of interpretations without having gone there ourselves and actually looked at the area before we decided to go ahead with the imports?

Dr Murray—I cannot answer that in a historic sense but I can answer that in a future sense by saying that on-the-ground audits will be done under those circumstances in the future. Why it was not done before, I honestly cannot answer.

CHAIR—We really want to get to the bottom of it.

Senator FERRIS—We really need to know.

CHAIR—I condemn the NFF, and we invited the Cattle Council here today and they have declined.

Senator FERRIS—Refused.

CHAIR—Sure, it was short notice. The purpose of the OIE is commendable, but it is almost at odds with us in that it is set up for a purpose which is commendable, to identify and educate countries on what they have to do. But, if that is the case, how the hell could we make the decision to allow beef in here from a country within whose borders there is foot-and-mouth, a country which is surrounded by countries with foot-and-mouth, which has no border protection and where, as we saw on the telly, the vaccination program is an absolute farce?

Senator FERRIS—Without ever going there. I do not have a problem with us trying to help these countries, not at all. But I cannot believe that we were led to believe there had been an on-the-ground study done by OIE, and it is absolutely amazing that it has come out that there was not.

CHAIR—I want to know who to sack.

Senator FERRIS—But what I find extraordinary is that you did not know that, Dr Murray. You did not know that the OIE do not do on-the-ground studies and had not on this occasion.

Dr Murray—Of course I did.

Senator FERRIS—How was it that we went ahead on the basis that it was acceptable?

Mr Wonder—No, let us be clear. I want to go back to what I said in my letter and what I have said earlier in this hearing. I made it abundantly clear, and you will see in my letter that Dr Murray gave evidence on 15 February. It is on page 73 of the transcript—

Senator FERRIS—Additional conditions apply.

Mr Bernard—Before that, he said that the OIE does its assessment ‘on the basis of its desktop exercise’.

Senator FERRIS—We knew that it was not an on-the-ground one; we knew it was a desktop one.

Mr Wonder—But Dr Murray gave evidence it was a desktop one. He never said that it had an on-ground component.

Senator FERRIS—Okay. I apologise for that. But I do not understand why, if we knew it was only desktop and we knew that this was a country where foot-and-mouth was prevalent in the region, shall we say, we just accepted a desktop study as the basis for making the importation.

Dr Murray—As I say, I cannot say why people did not do it, because it is not under my area of jurisdiction.

CHAIR—You have already answered that. Before I go to Senator Milne, could I ask you: if you were in charge, would you sack someone who had made that decision? I definitely would. You do not have to answer that either. This is amateur stuff.

Dr Murray—I am not here to talk about that, but I will make a comment that under awkward circumstances I would always review a country’s situation. It acts in many other ways as well. I have mentioned BSE.

CHAIR—I am coming to that.

Dr Murray—Okay, but I was talking about the OIE status. That is an issue, in my view—you may disagree—where OIE giving us a status is terribly important for a disease-free country like Australia.

CHAIR—There is no question about that.

Dr Murray—There is no trouble with countries coming to Australia to audit our processes. That is the other side of the coin.

Senator MILNE—What I want to get at here is the middle step. We all understand that the OIE is there to establish some framework and to give us some desktop studies of what disease statuses in the countries are on the basis of those desktop studies. You went on to say that it is then up to each individual country, in looking at the OIE, to determine what they do. That is the issue I want to pursue with you now. If the OIE says, based on a desktop study, that a country is foot-and-mouth disease free, surely it is then up to the biosecurity or the quarantine agency of that country to look at the OIE but also to make any other determinations it wants to. So what I am trying to understand here is what Australia does, apart from looking at the OIE, when making a decision to allow the import of any product from anywhere—for example, in relation to an import of fresh meat? We look at the OIE. What else do we do, or is that the only thing we do?

Dr Murray—Can I make a general statement first. Every country has a sovereign right to make its own decision—

Senator MILNE—That is right. Exactly.

Dr Murray—and the OIE is mandated under the SPS—sanitary and phytosanitary—agreement. So what OIE does, one might say, is a first step that people can use as the basis for decisions.

Senator MILNE—That is right. That is what I am saying—

Dr Murray—and you went on to the next issue.

Senator MILNE—but what is the next step?

Dr Murray—Let us use Brazil as a case in point. If Brazil makes an application, Australia will from now on in review in a very comprehensive way the on-ground activities.

Senator MILNE—But this is the point that I am making: there is the OIE, which serves an information role to every sovereign government and every state party, including Australia. The fault here seems to be that Australia, as a sovereign nation, failed to have another step apart from looking at what the OIE might say and to make its own assessment of the OIE information and any other information that there might have been. Who makes that decision between what the OIE might say and the decision to tick off on an import certificate?

CHAIR—This is the person we are looking to see.

Senator MILNE—This is what I am trying to get to.

Mr Wonder—The nature of the process, whether it be for this or more generally, is that Australia receives applications for receiving imports from another country. In the case of this product, OIE happens to be active in the area and is doing assessments of one kind or another, in response not only to what we are interested in but obviously to what all their members are interested in. The responsibility in our portfolio for making what is called the policy regime in the first instance lies with advice from Biosecurity Australia. Under the quarantine legislation we have a director of quarantine. The director of quarantine receives advice—I am talking generally now—from Biosecurity Australia and makes a decision about the policy regime. That decision is conveyed to the service deliverer, which is not Biosecurity Australia but the Australian Quarantine and Inspection Service. They are then responsible for administering that regime.

Senator MILNE—I understand. The person I am getting at is the person who is assessing the risk or assessing the whole—

Mr Wonder—Biosecurity Australia

Senator MILNE—Once they have taken the OIE advice, who makes the assessment that they will recommend to tick off on the import given their assessment of the situation?

Mr Wonder—I do not have a name, but it is someone in Biosecurity Australia. Bear in mind we are going back to 1998.

CHAIR—Let me assist you. I know who the president of the NFF was at the time. Whoever the people were in the NFF that were part of the government's advice on this—

Mr Wonder—Or part of the consultation process.

CHAIR—are dopes. It is no more complicated than that—they are bloody dopes. Wouldn't it have been Mr Taylor?

Mr Wonder—No, Mr Taylor was not in our department at the time.

CHAIR—Can you provide us with a name?

Senator FERRIS—To back up what Senator Milne is saying, can we have the paperwork that shows how that process was done? For example, it seems as if Brazil applied to bring some uncooked meat into Australia. We know that OIE was part of the initial assessment process. Then there was another step which Biosecurity took which involved looking at other issues as part of the process to make the decision.

Mr Wonder—It is a little more complicated. I told you I would get to the edge of my knowledge, and I am getting close now.

Senator FERRIS—You might need to take it on notice.

Mr Wonder—My point is that, and Gardner might have a better understanding than I do, I think the policy we are talking about here was actually general, not just Brazil specific, and it related—

Senator FERRIS—It would be a process of some sort.

Mr Wonder—to FMD-free areas with vaccination. One of those areas, according to OIE, was Brazil. You said that Brazil applied, but I think Brazil applied much later, when it would have been interested in sending meat into Australia. But they did so against the background of the more general regime that had been determined back in 1998-99. I would want to check all of that.

Senator FERRIS—There must be some steps. Dr Murray might know what they are and the ingredients that go into the decision-making process. Are there three, five or more ingredients, of which OIE is one? I would like to know what goes into that mix and who—

Senator MILNE—Who makes the decision on the basis of that?

Senator FERRIS—comes out the other end with the stamp and the tick so that we can understand how that process works, because that is clearly where the issue lies.

Mr Wonder—I have outlined the process in broad terms, but I am happy to have that documented for you.

Senator FERRIS—I would like to know what the weighting of Dr Murray—or whoever held the position, if he did not hold it then—as the eminent person on the international body, was in that mix.

Dr Murray—In terms of the process—that is, for example, a country applying for a permit—I am not involved. In terms of the operational processes, I am not involved. In terms of OIE, I am unashamedly involved in trying to develop and raise animal health profile globally.

Senator FERRIS—Do you have the precautionary principle built into your thinking when you are talking about your role as the OIE person and trying to raise animal health in other countries in relation to these sorts of diseases?

Dr Murray—If I am talking internationally, I do not use the expression ‘precautionary principle’; I use the expressions ‘with care’ and ‘minimising risk’.

Senator FERRIS—That is the same issue really.

Dr Murray—That is the same idea. You deal with 167 countries, from the poorest in the world to the most advanced, and somehow you have to hit a level that allows assistance for the developing countries across a range of diseases and, at the same time, facilitates safe trade. This is the level you are working at. If we now move back to an Australian profile, given our Australian situation, I am extremely risk adverse; therefore, I will raise the bar up to this level. This is totally embraced in the SPS agreement, where a country has a sovereign right to determine its appropriate or acceptable level of protection.

Senator FERRIS—I want to know who might have said: ‘Look, hang about. Someone better get on a plane and go and have a look at this.’

Senator MILNE—That is not OIE, though—

Senator FERRIS—No, I understand that; it is in that ingredient.

CHAIR—Dr Murray, you gave evidence earlier that you were, to say the least, surprised when you learnt of what had happened. In learning the lessons and providing solutions—I presume we have all learnt some lessons out of this—surely it is the most basic question, if you are going to bring some meat in, to ask about their traceability and their border security, which is why I think people have to be sacked over this. We asked, through questions on notice, for all imports of fresh meat into Australia. Using the bureaucratic code that you people talk in, you did not include ‘casings’ as fresh meat, because we were not given that list. For God’s sake, let’s all talk very simple English.

Mr Wonder—There was some subsequent correspondence on that.

CHAIR—There was. It is the code that you talk in that allows you to say ‘casings’.

Mr Wonder—There was a bit of confusion there, I think.

CHAIR—There should not be any confusion. The guts are part of the bullock. As Dr Murray has pointed out, there is a risk in brine with BSE and casings.

Mr Wonder—I understand. I think Dr Clegg wrote to you subsequent to the hearing.

CHAIR—She did, and I have to say she was very cooperative; we are very grateful. These are things that Australia’s farmers should now be all on notice about.

Mr Wonder—In respect of your understand of this email, on talking points and the like, that you have spoken about—

CHAIR—I have one other thing, but I have a question or two here.

Mr Wonder—I did want to make, if I could, a couple of points that you may well disagree with but which represent our position on the situation. They are that, in respect of the 20 cartons that came in at the time, I got the impression from what I heard of your conversation with Allen Grant that there seemed to be perhaps not a full understanding of two things: (1) that BA knew at the time that the 20 cartons came from a province—

CHAIR—I have a full understanding of that. There was a negative—

Mr Wonder—No. That is the point I want to make. It was disease free. The case where there was a negative—subsequently determined to be negative—was not this province. The province that the 20 cartons came from was disease free.

CHAIR—That is an inconsequential issue, because no-one knows—I will repeat this loudly—where the cattle came from that are in the boxes, because there is no livestock identification.

Mr Wonder—That is the second point I want to make. There is livestock identification, as I understand it.

CHAIR—They will have it in 2008.

Mr Wonder—You might want to pursue it, but I am trying to help the committee. I understand that there is traceback and bar coding of the cattle from the plant where those 20 cartons originated from.

CHAIR—From the unloading ramp to the chiller?

Mr Wonder—I am not sure of that.

CHAIR—I am sure of it.

Mr Wonder—Maybe we should fill that in.

CHAIR—Before we go to questions, I want to talk about a new OIE concept, which is the OIE Animal Health Code 2003, which we have recently agreed to, which includes compartmentalisation. That is getting down from a zone to a compartment. Could you explain to the committee who supervises the compartments?

Dr Murray—A compartment is part of a country where there are unique circumstances that allow a particular disease to be managed. Regarding who controls the compartment, the onus on industry is significant and the compartment must be audited. My view of compartments is that the test for saying that a compartment is acceptable is far higher than for a zone, and a zone test is far higher than for a country. We have used compartment concepts in Australia for many years.

Senator FERRIS—Can you give us an example? I suppose citrus is one example at the moment because the Riverland and the Sunraysia areas are clear and Queensland is not.

Dr Murray—I will give you an animal example and it is a very general one: highly pathogenic avian influenza. We say we are free of HPAI, but we do that on the basis that we are talking about our flocks, but we know we have 50 million migratory birds coming into the country.

Senator FERRIS—We think we have.

Dr Murray—In a way, we are saying that the compartment is our flocks and the biosecurity in the flocks helps. Another case of a compartment that we have used in the past to help us is anthrax with *Datura*—the major problem we have had all over Asia. We did not use the term ‘compartment’, do not get me wrong, but we used the term ‘*Datura*’—as closed off and so on. The point I am trying to make is that, personally, I do not have any trouble with compartments, but I do have trouble—

CHAIR—How they are supervised?

Dr Murray—with ‘supervise’ and ‘audit’ and ensuring what is going on.

CHAIR—That is my point. We obviously must support the establishment of zones. God help us if we adopt our own proposition where we have to go to zones, but my real concern with compartmentalisation is that there is a lot of onus on the industry inspecting itself—I do not know whether that is the right terminology. I do not believe, given the experiences that we have had and the experiences that we could have whereby, if you have an entire village in a country that is dependent on a little industry there that is compartmentalised, you could destroy the livelihood of the whole village if you blew the whistle. We have just seen in the case of citrus canker how reluctant people are to blow the whistle. Wouldn’t that be a serious concern under compartmentalisation?

Dr Murray—It is, and that is why I am saying that the documentation and rules for a compartment—it does not matter where it is; overseas or in Australia—have to be ultra rigorous. Also, the auditing of and ensuring compartments are working is just as critical as a compartment.

CHAIR—But, if we go as a nation to international recognition and suddenly everyone gets on to compartments and there are 10,000 compartments around the globe, which are supervised generally by the industry and probably the owner of the—

Senator FERRIS—He has the greatest benefit.

CHAIR—How the hell will we ever know what is going on? How are we going to accept stuff from a compartment if there are thousands of them? We do not have the resources.

Senator FERRIS—Can I make a point here about something which I think is somewhat curious because of what this committee has dealt with in the past. For example, with apples and fire blight coming from New Zealand, the suggested IRA said that we should put our own people over there to inspect the apples coming from New Zealand as they are being packed. We felt very strongly about the need to put our own people in New Zealand, which is far from being a Third World country. With the Philippines and our IRA on bananas, we said, ‘We will put our own people in the packing sheds in the Philippines to have a look at what is going on.’ With pork, we said, ‘Because of the wasting disease, we will insist that all pork is either cooked before it comes in or legless, skinless, headless and gutless and has to be cooked within a certain number of kilometres of the place where the box has landed.’ Why did we not think about saying that one of those principles should apply—that is, someone should be there for the slaughter and the pack process, or the meat should be cooked, or one of the myriad options that Biosecurity has for the IRAs, which must surely apply in a case like this, which involves our people supervising? Was something like that in the mix, or do we need to wait until we find out what was in that mix before we can ask those questions?

Mr Wonder—With respect, it is a difficult question to answer. I do not know what was in their minds in 1998. I cannot speculate.

CHAIR—I can give you an assurance that we are going to find out.

Mr Wonder—I am trying to be helpful, but I cannot go back seven years.

CHAIR—Do not worry about it. We will give you the answer.

Mr Wonder—But do you accept what I am saying?

CHAIR—Yes.

Senator FERRIS—Remember the big stoush we had with Canadian salmon. We said that it had to be gutless, headless, skinless and boneless—bloody everything had to come off before we let it in, and Canada is an advanced country. It is a simple principle, isn’t it?

Senator MILNE—Can you table all of the departmental documents that pertain to the tick off for the import of this Brazilian meat, not just to the process. We have asked for the process by which the decision is made, but I am now asking specifically for all of the departmental memos, the recommendation that went on and—

Senator FERRIS—The pathway.

Senator MILNE—the whole pathway in relation to this decision through Biosecurity and upwards, so that we can establish who fed into the decision, what was actually fed into the decision and what recommendation went on. So I ask for those documents to be tabled.

Mr Wonder—In response to your request, I go back to my earlier comments that there are two quite separate processes here, even for Australia, beyond the OIE. We fully understand one another on that. That is the work of Biosecurity Australia, and it goes back to that general model that I outlined, leading to a decision on what the system would be, and then administration of that regime by AQIS and subsequent decisions when people sign import permits for that product to come in. Do you get my drift?

Senator MILNE—But I still want the actual documents, not just the outline of how the process goes. I want the actual documents that follow the pathway of this decision.

Mr Wonder—The pathway of the decision as to what the policy regime would be?

Senator MILNE—No, what actually happened. I want to see who recommended what to whom.

Mr Wonder—Right through to the import decision?

CHAIR—Yes. Track the whole thing.

Senator FERRIS—Did you want to make a comment about those principles that I was saying by comparison? It is all part of the same group.

Senator McEWEN—As a result of, in particular, the *Dateline* program in which Mr Cahill, who is the CEO of BA, appeared—and you might not be able to answer this—has anything changed with regard to the way Australia deals with applications to import meat from other countries?

Mr Wonder—I can only say that I think Mr Cahill will want to answer that question, since he is the Chief Executive of Biosecurity Australia. But my understanding is that he did address the issue along the lines of what Senator Heffernan was talking about before, about how we will do things in the future regardless of how they have been done in the past. I think Mr Cahill made similar sorts of comments to those Dr Murray was making about how we do it in the future. I do not have them with me today. I recall that he was interviewed. Those issues came up on the *Dateline* program.

Senator McEWEN—I know he was interviewed. He made some noises like, ‘Things have to change and on-the-ground assessments might have to be made.’ But I am curious as to whether that has become formalised in any processes of the department and also whether there have been any ministerial instructions as to why the review will change the processes.

Mr Wonder—I do not believe there have been ministerial instructions. Mr Cahill would be in a situation of having to conduct IRA assessments in the future on the basis of how Biosecurity Australia see fit. He has indicated, as you are suggesting, that they will be looking very carefully at how they will be doing this in the future. I do not know that he has made any further statement about exactly what that would look like. It is a question that you might like to direct to him personally on the right occasion.

CHAIR—To change tack a bit, Dr Murray, could you explain to the committee the risks involved in importing casings that are in brine in regard to BSE? Obviously, this committee has asked questions about all fresh meat. I would like to put it on the record that we are bringing in meat from Vanuatu and other places. Perhaps at another time—we do not have time today—it could be explained to us what the protocols are that these places go through. I understand they have a pretty high status. I have also had a phone call this week from someone suggesting that there is meat coming in from New Zealand that has actually come from somewhere else before it got to New Zealand.

Dr Murray—Do you want the broader issue of BSE risk associated with casings?

CHAIR—Yes. I am disappointed that Australia finds it necessary, given that we are a major exporter of casings, to have to import casings from what I would describe as the target group of cattle for BSE—we have been; we are not presently.

Dr Murray—With casings, in particular with small intestines and a part of the small intestine called the distal ileum, this part of the cattle body is where you can pick up the BSE agent from infected animals. The broad rule of thumb is that where you have BSE the small intestines are jettisoned. They are condemned as a public health measure, along with other parts of the cattle body. This is why countries are categorised, to try and say, ‘You are free of BSE, you’ve got a low risk or a small risk,’ and so on. This is why the OIE categorisation proposals, in my view, seek to establish a global standard that can be worked towards, rather than having different countries with different standards.

I will move to the Australian situation. The organisation that approves countries and confers on them BSE status is FSANZ, because it deals with a food safety issue. If, for example, a country is categorised as an A country under FSANZ—like Australia is—it is okay; it is free of BSE. If it is categorised as B, C or D, as I understand it, casings or beef cannot come into this country from those low-categorised countries. Am I making any sense? In the case of FSANZ—I looked at their web site yesterday—countries like Brazil and so on are categorised as A. In FSANZ’s view they have no BSE. That is the broad rule of thumb. But nothing, not brine or anything, will inactivate a BSE agent. It is one of the toughest protein particles you will come across.

CHAIR—So in the future if a committee, a dumb welder or a wool classer asks about fresh meat, can we include for the purposes of good old Australia language all the working parts of a beast as fresh meat, rather than define it as something else, because it can be quite misleading to people like me to imagine that that is not part of the bullock.

Senator FERRIS—I want to go back to my question about that principle of setting criteria for things like salmon, apples, pineapples and pork.

Senator MILNE—That is everything, really.

Senator FERRIS—They all have different IRAs, based on particular things—for instance, in Third World countries; for the Philippines with bananas; or apples and fire blight. Why wasn’t anything like that considered in relation to this meat—cooking it, for example? Is that part of the biosecurity mix that we need?

Mr Wonder—That is part of the assessment that Biosecurity Australia has done—unfortunately, removed seven years now. There is not much point in me speculating; you are asking a factual question and I do not have the answer.

CHAIR—I will put the wood right on you. Did they make a mistake?

Mr Wonder—I cannot answer that question.

CHAIR—Oh, come on.

Senator FERRIS—It is not an unreasonable question.

Mr Wonder—I understand where you are coming from.

CHAIR—I think we have made a serious mistake.

Mr Wonder—I understand that, but I am here as an official and I do not have any expertise in this area. Therefore, for me to make a judgment—

CHAIR—When you are commuting to Melbourne, you had better take the car a few times and come back through Junee and we will spend a bit of time on the farm.

Mr Wonder—Thanks for that invitation.

Senator FERRIS—You need to be a welder or a shearer.

Senator MILNE—From what I am hearing here, the issue is the risk assessment that is undertaken by Biosecurity in relation to all the information that is fed into it, and our contention is with that risk assessment process, recognising that OIE is one of the sources of information that feeds into that risk assessment that determines the decision. From what you have been saying here, especially in relation to Food Standards Australia New Zealand and so on and so forth, it is a matter of government policy to determine which certification bodies are the ones that we should take notice of in the assessment of the import of any one thing.

Mr Wonder—Those are judgments that Biosecurity Australia has to make.

Senator MILNE—It is a judgment, yes. What we need to be looking at quite seriously is which of these certification bodies Biosecurity Australia prioritise and take notice of, and how they identify the gaps. The OIE clearly states it is a desktop study and therefore it is signalling to Biosecurity Australia that it does not do on the ground assessments and so the information is only as good as the information that is provided to it by the countries et cetera. Therefore, somebody in Biosecurity Australia has to identify that that is a gap in the certification that needs to be looked at in terms of Australia's biosecurity. That is the issue that I want to get to next—the authority of those certifications.

Dr Murray—Yes. It depends on how you describe it, but OIE is not really a certification body—

Senator MILNE—No, but it is in that context.

Dr Murray—It is in that context. When you do an analysis, frankly the analysis must include many other things.

Senator MILNE—Exactly.

Dr Murray—That was the point you were making.

Mr Wonder—And we do not know what they did at the time, frankly.

Senator FERRIS—Were you holding this job then?

Dr Murray—No. If you want to sack me, you can sack me—but not for this one!

Senator FERRIS—No. I can see that you were not part of the process. I understand that.

CHAIR—I am an old worn-out farmer and you are a worn-out vet—right?

Dr Murray—Yes.

CHAIR—Like me, surely you are hanging your head in wonderment about what has happened.

Dr Murray—I hang my head quite a lot but—

CHAIR—Surely the most basic principles have been overlooked here.

Dr Murray—I am trying to be as fair as possible. All I can tell you is what I would do given that circumstance. I am across a lot of information throughout the world. I know that there are some countries that have greater credibility in terms of certification and systems than others. I know that some countries pose

different risks. If you ask yourself what is the potential risk of X, I would support an audit, which is actually happening now, but a comprehensive one, to establish where things are at.

CHAIR—I want to confine this more closely. Brazil has 129 million cattle to breed from. As it borders Bolivia and other places, Brazil obviously has trouble with its quarantine zone. If they go to a compartment, wouldn't we have to be constantly supervising it if we were taking meat?

Dr Murray—We are not obliged to accept a compartment unless our tests are—

Senator FERRIS—The principle I was trying to get at is that it is like the inspection of bananas and apples.

CHAIR—It is like the Japanese and bananas: they are not going to take the word of the Philippines on the inspection of bananas.

Senator FERRIS—And nor will we.

CHAIR—In some countries, the local labour pool are intimidated on the basis of employment opportunities. We have demonstrated that with citrus canker. We have turned a blind eye to the damn thing in our own country.

Mr Wonder—After you have gone through this process—when BA had done what they do and when the decisions have been taken—an AQIS officer sitting at a table signs an import permit.

CHAIR—He does not really know.

Mr Wonder—That is the point I want to get to. They do know; they are acting in accordance with policy.

Senator FERRIS—They are acting on advice.

CHAIR—We understand that.

Senator FERRIS—Dr Murray, you are very widely respected in Australia for the advice you give as a veterinarian. Are you normally included as part of the mix in these assessments as the occupant of the position you occupy in Australia, or only where there is an OIE overlap? Given your range of skills, would they call you in on these biosecurity issues as part of the mix of that?

Dr Murray—In the past, no. At the moment, where there is a tricky issue, they will ask for my view, and then they add the views of other experts. But that is basically it.

Senator FERRIS—I am wondering whether there should always be input from somebody with your level of expertise in these sorts of areas as part of the biosecurity mix. I guess that is a question for us to ask of BA.

Dr Murray—When you read all these protocols, which contain heaps of information about different things, you need to have some of my sort of people do it, or you would be working around the clock. It seems to us—and perhaps you, Mr Wonder—that when there is a sensitive disease issue, such as TSE or BSE, they say, 'Could you just have a look at this particularly hard issue?'

Senator FERRIS—There are not too many issues more scary than foot and mouth.

CHAIR—As a committee, we would like to give some advice to the government on how to beef-up this whole operation.

Senator FERRIS—I think we are going to have to speak to Biosecurity Australia, the Cattle Council and the NFF, at least, before we can conclude this inquiry.

CHAIR—I do not mind putting it on the record that, during the consideration of the American beef quota, the Cattle Council, the New South Wales Farmers Federation and the NFF beat a constant path to our door, but we have not heard from anyone on this issue and we are very disappointed.

Senator FERRIS—We have not been lifting the right stones.

CHAIR—Could we ask you to kindly counsel Mr Allen Grant on his speaking notes, some of which I find offensive.

Senator FERRIS—Dubious.

CHAIR—They are posed in very safe bureaucratic language which obviously the Cattle Council and the NFF have swallowed hook, line and sinker. I do not think, on behalf of Australia's farmers, it is a fair go. With that, I should probably apologise for being so cranky and thank you very kindly for coming along.

Senator MILNE—Can I just make a comment about OIE. I work a lot in the international community: I am Vice-President of IUCN and I work with the Species Survival Commission there, especially the veterinary

specialist group, on a range of issues like Tassie devils and other things. I wanted to say that I really do respect the role that the OIE plays globally, I do understand that the limitations of the qualitative nature of the recommendations are clearly stated up front and I do recognise that it is up to national governments to then make of them what they will, on the understanding that those limitations are there. I did not want you to leave here thinking that people do not appreciate what the OIE does, or its limitations, because I most certainly do appreciate their work, but I also understand that they cannot do everything. It is up to governments to do the other things.

CHAIR—Mr Wonder, would this be the last opportunity for us to thank you for all your contributions and for putting up with us?

Senator FERRIS—Don't tell me you won't be at estimates!

Mr Wonder—I was just reflecting on that—

CHAIR—He's got that look in his eye!

Mr Wonder—I have appeared before this committee for 15 years, since 1990, on a whole range of issues and under various chairs, before a number of senators. I have enjoyed the interaction I have had with the committee and I have always thought that the relationship between the department and the committee is a good one.

CHAIR—And it is.

Senator FERRIS—So it is your last appearance?

Mr Wonder—It will be my last appearance before this committee in respect of my current responsibility. In respect of the new position that I will be taking on at the end of the month—Head of Office of the Productivity Commission—I imagine there will be occasions when I will be responsible for estimates relating to their responsibilities.

Senator FERRIS—The economics committee!

CHAIR—I sincerely thank you. I would hope, if they are going to give you a few beers and a send-off down there, they might extend an invitation to us to come down and we will sing a few songs with you. Please understand that, despite the noises and the grumpy old women and men approach to all this, it really is us just being a bit passionate about the whole thing.

Mr Wonder—I understand that, and I hope I explained my letter clearly today.

CHAIR—Absolutely—no problems with that. Thank you very much.

Committee adjourned at 1.18 pm