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Report 394

Review of Australia's Quarantine Function

Joint Committee of Public Accounts and Audit

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Chairman's Foreword

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Bob Charles MP
Chairman

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Membership of the Committee

40th Parliament

Chairman Mr Bob Charles MP

Deputy Chair Ms Tanya Plibersek MP

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

Membership of the Sectional Committee

40th Parliament

Chairman Mr Bob Charles MP

Deputy Chair Ms Tanya Plibersek MP

Members Senator Richard Colbeck
 Senator Nigel Scullion
 Senator John Watson

Mr John Cobb MP

Mr Alan Griffin MP

Ms Catherine King MP

The Hon Alex Somlyay MP

Committee Secretariat

Secretary Dr Margot Kerley

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 Ms Mary-Kate Jurcevic
 Ms Maria Pappas



Duties of the Committee

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

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

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

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



Terms of reference

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

In particular the Committee will focus on:

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



List of abbreviations

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

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

List of recommendations

Recommendation 1

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

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

Recommendation 2

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

Recommendation 3

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

Recommendation 4

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

Recommendation 5

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

Recommendation 6

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

Recommendation 7

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

Recommendation 8

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

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

Recommendation 9

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

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

Recommendation 10

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

Recommendation 11

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

Recommendation 12

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

Recommendation 13

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

Recommendation 14

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