ANSWERS TO QUESTIONS ON NOTICE Additional Estimates February 2013 Agriculture, Fisheries and Forestry

Question: 84

Division/Agency: Border Compliance Division

Topic: Operation Hayride Proof Hansard page: 36

Senator COLBECK asked:

Senator COLBECK: Operation Hayride, from recollection, was about 14,000 hours and about \$850,00 was what it ended up costing.

Mr Chapman: I would have to check on the figures. We provided some answers to questions on notice about this. Operation Hayride was expensive because of the large amount of follow-up work that we had to do and the number of premises that we had to visit.

Answer:

Please refer to Budget Estimates May 2012 question on notice 31.

ANSWERS TO QUESTIONS ON NOTICE
Additional Estimates February 2013
Agriculture, Fisheries and Forestry

Question: 85

Division/Agency: Border Compliance Division

Topic: Compliance Activities Proof Hansard page: 37

Senator COLBECK asked:

Mr Chapman: Us conducting activities to verify compliance—and we have a whole range of activities that do that—is accepted as a legitimate cost of ensuring compliance at the border. As I mentioned before, there are specific fees and charges we have for certain activities. For instance, if we inspect goods or if we conduct an audit, the person whose goods we inspect or the recipients of that service get a direct charge. Over and above that there is a fee for every container that comes into the country; there is a fee for every full import declaration that we assess. They are very broad based—and they are not very large—and they are the ones that provide the funding for this sort of activity.

Senator COLBECK: What is the allocation in your budgets across the board for these sorts of compliance activities? And I presume they would then get built into those broader charges that everybody has applied to them.

Mr Chapman: I will have to take that on notice so I can give you something that covers off the range of the compliance activities we conduct; it goes across targeted campaigns and it goes across our cargo compliance verification and the investigations that we do as well which are actually appropriation funded. So there are several elements to it and I will have to advise you on notice how it is broken up.

Senator COLBECK: Is it possible to give it to us in that level of detail? **Mr Chapman:** We can say what the allocated budgets are for those areas, yes.

Answer:

Department of Agriculture, Fisheries and Forestry (DAFF) import clearance activities cover a broad range of compliance type functions. The most relevant compliance functions are Cargo Compliance Verification inspections, Post Quarantine Detection responses, and Targeted Inspection Campaigns. These activities are carried out by specialist teams of DAFF officers across the business including staff providing coordination, policy development and management for these activities.

Nationally, the total number of Full Time Equivalent staff involved in these activities is about 77. The cost of these staff, including overheads and indirect costs is approximately \$12.2million for 2012–13.

DAFF also has an Investigations and Enforcement program that is responsible for undertaking investigative and enforcement actions associated with all of the department's portfolio legislation, including the *Quarantine Act 1908*. The Investigations and Enforcement program is wholly funded by government appropriations, with a cost of about \$5 million for 2012–13.

ANSWERS TO QUESTIONS ON NOTICE
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Agriculture, Fisheries and Forestry

Question: 86

Division/Agency: Border Compliance Division

Topic: Operation Hayride Proof Hansard page: 37

Senator COLBECK asked:

Senator COLBECK: We have already discussed that about 14,000 hours were spent in the overall process of identifying and retrieving that 132 tonnes under Operation Hayride. Can you tell me how much of that time was spent working through paperwork to track the product? We had a conversation earlier about whether or not any of your computer systems were involved in that process. It appears that it was largely a manual process.

Mr Chapman: Yes.

Senator COLBECK: Can you give me a sense of what proportion of that time might have been undertaken doing that sort of work?

Mr Chapman: I will have to take that on notice too. I suspect that we will only be able to give you a ballpark figure. In tracing the goods, it was very much an iterative process, because in the course of following up the information that was given to us by the importers and the QAP operators, we would get extra bits of information and we also identified that there were some people who were trying to, even at that stage, bypass the system. So we would go in again and find something else. So we can give you an estimate of how much time was spent, but it will only be an estimate.

Answer:

Approximately 75 per cent or 10 500 hours is the time estimated to have been spent assessing import records and associated documentation during Operation Hayride.

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Question: 87

Division/Agency: Border Compliance Division **Topic: DAFF Cargo Consultative Committee**

Proof Hansard page: 39

Senator COLBECK asked:

Senator COLBECK: Moving on to the performance targeting and effectiveness program, are the minutes of the DCCC meeting 61 on 7 May 2012 going to be made available, noting that the minutes of meeting 62 already are available? Were there any issues there? **Mr Chapman:** No. We can make those available.

Answer:

The minutes of the DAFF Cargo Consultative Committee (DCCC) meeting 61 held on 7 May 2012 are now available at www.daff.gov.au/aqis/about/clients/consultative-committees/dccc.

ANSWERS TO QUESTIONS ON NOTICE
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Agriculture, Fisheries and Forestry

Question: 88

Division/Agency: Border Compliance Division

Topic: Performance Targeting and Effectiveness Program

Proof Hansard page: 40

Senator COLBECK asked:

Mr Chapman: The \$2.5 million is the staffing cost of the people in the program.

Senator COLBECK: I think that we are at variance.

Mr Metcalfe: I think that I may have—

Senator COLBECK: I thought that we are on a reasonable program, Mr Metcalfe. **Mr Metcalfe:** I think that I may have tried to be too helpful. I might just clarify that.

Mr Terpstra: The \$2.5 million budget for PTEP is the total cost of running that program, including salary costs and on costs for all of those staff. The issue on which we have some confusion is when a campaign budget established. The campaign budget does not include salary dollars. It includes all of the extras, if you like, over and above the salaries. But that campaign budget comes out of the total \$2.5 million allocation that had allocated for PTEP.

Mr Metcalfe: I am sorry for any confusion that I caused. You were originally talking about a question that had been answered on notice, so we had just better double check that we are quite clear about what is in and what is not in that particular figure.

Senator COLBECK: We talked about Operation Abercorn and Operation Balmain. Their budgets excluded staff costs. We are all on the same page with that. What I need to get an understanding of now is what proportion of the \$2.5 million is staff costs and what proportion is for allocation to particular operations, given that my understanding now would be that those staff are there all the time and that would be a particular unit that would be applied to operations when and as they occur.

Mr Chapman: It might be easier for us to take it on notice so that we can spell it all out. **Senator COLBECK:** I was expecting you to say that.

Mr Chapman: I do not want to cause any confusion or fail to answer the question in the most helpful way. It might be useful if we can provide you an answer that says, 'Here are the staffing costs, here are the overheads and here is how we take into account setting up budgets for particular campaigns.'

Senator COLBECK: Okay. That sounds fair.

Mr Terpstra: I offer another piece of clarification that might add a little confusion in the short term but that confusion will also be explained in that answer. Not all of that \$2.5 million budget for PTEP is allocated to the development and execution of targeted campaigns. There are three other major components of work in that program that we will provide some independent numbering on. There is the post-quarantine detection area, which is a routine area that looks after any reports of items that are identified by members of the public that should not be here and that we need to sort out. There is also a small operational intelligence capability. There is also some staff allocated to the management of the profiles that Mr Chapman mentioned earlier. I think we have given evidence previously that there are in the order of around 4,000 different profiles in our IT systems.

ANSWERS TO QUESTIONS ON NOTICE

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Question: 88 (continued)

Answer:

The following is an explanation of the Performance Targeting and Effectiveness Program (PTEP) budget allocation for 2012–13 as at February 2013.

Background: PTEP is funded by 2 cost centre codes namely:

- Post Quarantine Detections (PQD)cost centre, and
- Performance Targeting and Effectiveness (PTEP) cost centre.

There are 3 teams within PTEP namely:

- The Profiles Team which manages the establishment and maintenance of import cargo and entity risk profiles in the border based IT systems (ICS and AIMS). Profiles ensure border IT systems identify goods of biosecurity concern (by tariff number or by word recognition) and importers or foreign exporters of interest, to ensure appropriate Department of Agriculture, Fisheries and Forestry (DAFF) intervention. This activity is funded by PTEP.
- The Compliance and Targeting team which monitors entity compliance. This team uses intelligence analysis to support routine compliance activities and targeted campaigns relevant to imported commercial cargoes. This work is funded by PTEP.
- The Post Quarantine Detections and Recoveries team is responsible for the identification and risk management of potential biosecurity risk goods not under DAFF control. This team is funded by PQD.

Each team reports directly to the Director of PTEP.

The budgeted resources and expenses for the two PTEP cost centres are as follows:

PQD cost centre.

Staffing (Full Time equivalents (FTEs) as at February 2013).

Central	North East	Central East	South East	South West	TOTAL
Office	Region	Region	Region	Region	
3.9	4.05	7.8	4.05	6.05	25.85

Budget 2012–13 revised as at February 2013.

Employee	\$2 126 651
Supplier Expenses	\$261 714
Depreciation and	\$7 694
Amortisation	
TOTAL	\$2 396 059

ANSWERS TO QUESTIONS ON NOTICE

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Agriculture, Fisheries and Forestry

Question: 88 (continued)

PTEP cost centre

Staffing (FTE as at February 2013)

Central	North East	Central East	South East	South West	TOTAL
Office	Region	Region	Region	Region	
13.89	3.0	3.0	2.0	1.85	23.74

Budget 2012–13 revised as at February 2013.

Employee	\$1 980 869
Supplier Expenses	\$215 036
Depreciation &	7 977
Amortisation	
TOTAL	\$2 203 882

Supplier expenses include an annual budget allocation of \$63 324 for analytical testing of suspect goods and field operation costs associated with targeted campaign activity. During targeted campaigns DAFF pays for the transport and independent Quarantine Approved Premises (QAP). However if non-compliant consignments are detected, the costs associated with the transport and QAP are imposed on the importer. Non compliant consignments also incur DAFF inspection fees and any commercial charges imposed by commercial service providers such as storage, containment and transport operators. The fees for services resulting from the non-compliant detections are not paid to PTEP cost centres but recorded as revenue within the Cargo Import Operations cost centre.

Targeted campaign activity within PTEP:

DAFFs targeted campaign activity is managed within PTEP. Data collected from the first campaign (Operation Abercorn) indicted that approximately 30 hours of effort is required to fully inspect a 20' reefer (temperature controlled) container. This includes preparation, travel, actual inspection time and reporting. This data has been used to prepare the total 2012–13 PTEP budget. The 2012–13 PTEP budget has provided for an estimated 8 targeted campaigns. Each campaign has been based on a prediction of DAFF inspecting between 17 and 22 containers. Campaign 'budgets' are projections of anticipated costs and are included in the allocated PTEP budget.

ANSWERS TO QUESTIONS ON NOTICE
Additional Estimates February 2013
Agriculture, Fisheries and Forestry

Question: 89

Division/Agency: Border Compliance Division

Topic: Biosecurity IT System Proof Hansard page: Written

Senator COLBECK asked:

What improvements need to be made the current Biosecurity IT system (including ICON, BICON, AIMS, ICS) for it to be more efficient?

What changes can be made to reduce the need for Biosecurity to sign off on the importation of goods?

Answer:

Improvements to Biosecurity IT systems are being defined by the Department of Agriculture of Fisheries and Forestry (DAFF) channel management strategy, in itself, derived from the DAFF Business Architecture. These improvements identify e-Business initiatives that will provide the department with an improved resource management capability and business processes that will drive substantial efficiencies in the Department's business.

DAFF currently has a suite of co-regulation arrangements that legally allow trained and registered DAFF clients to self direct lower risk cargo - underpinned by DAFF systems of control and auditing. The shift to a risk based approach means that many low risk products are no longer routinely inspected or detained.

The implementation of BICON and the proposed new Biosecurity legislation will present additional opportunities to work with industry operators however these have not been fully scoped and may require industry software changes, changes in industry operators' business practices and their data management and legal and systems changes to DAFF and Customs and Border Protection Service ICT platforms. However, for known biosecurity risks, the legal mechanics inherent in the Quarantine Act require a decision maker who acts under delegation. To date this delegation has applied to formally appointed quarantine officers, usually government officials.

Extending industry self regulation approaches is dependent on the confidence that biosecurity risks will continue to be properly managed.

ANSWERS TO QUESTIONS ON NOTICE Additional Estimates February 2013

Agriculture, Fisheries and Forestry

Question: 90

Division/Agency: Border Compliance Division

Topic: Review of Industry Training associated with AQIS co-regulatory arrangements

Proof Hansard page: Written

Senator COLBECK asked:

Why was the Review of industry training associated with AQIS co-regulatory arrangements terminated?

Was any sort of report provided to Government in return for the investment of nearly \$100K?

Answer:

As provided in the department's response to question on notice 173 of May 2012, the consultancy was discontinued because it did not deliver on all of the requirements stipulated in the request for quote.

The Department of Agriculture Fisheries and Forestry received a report in May 2012. Due to the deficiencies within the report it was agreed between the department and consultant that the fee would be reduced and no further work would take place.

ANSWERS TO QUESTIONS ON NOTICE
Additional Estimates February 2013
Agriculture, Fisheries and Forestry

Question: 91

Division/Agency: Border Compliance Division

Topic: PTEP Campaigns Proof Hansard page: Written

Senator COLBECK asked:

What rate is used to calculate staff costs for campaigns like Operation Hayride, Albercorn and Balmain? Is it salary or salary plus on costs or the commercial charge out rate used for industry?

How is the decision regarding appropriate charge out rate made?

Answer:

Staff costs for targeted campaigns are calculated using salary costs.

During targeted campaigns Department of Agriculture, Fisheries and Forestry (DAFF) pays for the transport to, unpacking and storage costs at an independent Quarantine Approved Premises (QAP). The importer is responsible for the transport costs from the independent QAP. However if non-compliant consignments are detected, the importer incurs DAFF inspection fees and any commercial charges imposed by the independent QAP such as storage, containment and transport as required.

ANSWERS TO QUESTIONS ON NOTICE
Additional Estimates February 2013

Agriculture, Fisheries and Forestry

Question: 92

Division/Agency: Border Compliance Division **Topic: DAFF Cargo Consultative Committee**

Proof Hansard page: Written

Senator COLBECK asked:

Please provide a link to the website where financial data, staff deployment details and other associated information related to the operation of the DCCC can be found

Answer:

The DAFF Cargo Consultative Committee (DCCC) is not a decision making body and has no responsibility for the department's financial management or staff deployment. Information provided at DCCC meetings can be accessed on the DCCC webpage, which includes meeting minutes and a recent presentation on cargo operations:

www.daff.gov.au/aqis/about/clients/consultative-committees/dccc. The Department of Agriculture, Fisheries and Forestry (DAFF) website also contains a range of information relating to the operation of the department, including:

- 2008-12 imported cargo processing a DAFF time release study www.daff.gov.au/__data/assets/pdf_file/0006/2233059/cargo-processing.pdf
- Annual reports www.daff.gov.au/about/annualreport
- DAFF's budget 2012-13 www.daff.gov.au/about/budget
- Biosecurity operations improvements for strengthening Australia's biosecurity system www.daff.gov.au/aqis/import/general-info/operations-improvements
- Cargo and Shipping Trends July 2012 www.daff.gov.au/aqis/import/general-info/cargo-and-shipping-news-and-activities/cargo-and-shipping-trends
- Seaports Cost Recovery Impact Statement 2009 www.daff.gov.au/aqis/import/general-info/fees-charges-import/import-cris/seaports-cri
- Import Clearance Cost Recovery Impact Statement 2009 www.daff.gov.au/aqis/import/general-info/fees-charges-import/import-cris/import-clearance-cris

ANSWERS TO QUESTIONS ON NOTICE Additional Estimates February 2013

Agriculture, Fisheries and Forestry

Question: 93

Division/Agency: Border Compliance Division

Topic: Guidelines for Post Border Recovery Operations

Proof Hansard page: Written

Senator COLBECK asked:

Is there a post incident report for Operation Hayride?

Are there post incident reports available for any other operations (Abercorn, Balmain)?

What are the key outcomes of each of the incident reports?

Have any internal audits (mentioned in QON 166 October 2012) been undertaken yet?

Are / will the internal audits undertaken by people independent of the operations?

What training in undertaking systems audits have been provided to the Internal Auditors and to those undertaking the actual operations?

QON 169 October 2012 states that Senior managers are responsible for selecting staff for recovery operations.

How do senior managers select people with the "personal attributes" needed to undertake the task?

What are these personal attributes?

Answer:

A post implementation review has been completed for Operation Hayride.

Post implementation reviews have been completed for all other operations.

A key outcome is that the reviews show a level of non compliant behaviour by some importers. Post implementation reviews also outline areas for improvement for future campaigns and where import requirements can become more efficient and effective.

Yes.	
Yes.	

ANSWERS TO QUESTIONS ON NOTICE
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Question: 93 (continued)

The Department of Agriculture, Fisheries and Forestry's internal audit service provider is Deloitte. More about Deloitte is at http://www.deloitte.com/view/en_AU/au/about-us/index.htm.

Senior managers select people for recovery operations based on their knowledge and experience of the goods subject to recovery operations and people who are able to comfortably and confidently communicate with people.

Personal attributes needed in a post border recovery operation differ from one operation to another, though general attributes include ability to clearly and confidently communicate with the public, a solid understanding of their powers under the *Quarantine Act 1908*, ability to identify and contain the goods subject to recovery operations.

ANSWERS TO QUESTIONS ON NOTICE
Additional Estimates February 2013
Agriculture, Fisheries and Forestry

Question: 94

Division/Agency: Border Compliance Division **Topic: AQIS/Biosecurity Cargo Staffing Numbers**

Proof Hansard page: Written

Senator COLBECK asked:

What types of activities carried out by Cargo Import Operations (eg data entry, physical inspections)?

The response to QON 13 October 2012 regarding staffing numbers shows an increase of 30% in the number of entries for the addition of only 2 staff. Is this the correct interpretation of the data provided? What else has contributed to this apparent productivity gain?

Has there been a similar increase in the number of other activities undertaken by the Cargo Import Operations? Provide details of staffing numbers, activities and performance measures for period 2007-08 to present.

What activities has the division undertaken to find efficiencies?

What has been the impact of the "risk return" initiatives which where to eliminate unnecessary processes and interceptions?

Answer:

The activities carried out by Cargo Import Operations include the screening, documentary assessment, physical inspection and surveillance of imported cargo.

Yes. Factors contributing to the productivity gain over this period include more consignments being released after a documentary assessment, streamlining interventions for low risk cargo, assessing documents electronically instead of hard-copy documents, and an increase in industry compliance.

DAFF has increased its compliance activities, such as targeted campaigns. See answers to question on notice 88 for details.

The 2008–12 Imported Cargo Processing—A DAFF Time Release Study report, which is publically available on the DAFF website—details staffing numbers, the activities performed and performance measures for cargo processing.

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2013

Agriculture, Fisheries and Forestry

Question: 94 (continued)

Analysis of import clearance activity and the of the risks associated with certain pathways, has enabled a number of changes to be implemented, including:

- Reduction of intervention of containers departing the wharf gate from 100 per cent external inspection to 30 per cent inspection.
- Paperless processing of non-commercial air cargo documentation.
- Reclassification of some postcodes previously classified as rural (Rural Assurance Postcode Review).
- Reduction of intervention on Air Cargo containers from 20 per cent intervention to surveillance only.
- Reduction of intervention on letter class documents from 20 per cent intervention to surveillance only.
- Introduced a nationally consistent approach to monitoring imported goods at quarantine approved premises, airports, wharves and port precincts.
- Redirection of resources away from low risk activities and toward high risk cargo.
- Conducted targeted campaigns on imported commodities to verify the documentary assessment
- Implemented processes to reduce intervention on high risk cargo based on good compliance (Sea Container Hygiene System, Q-Ruler and e-cert)
- Import conditions have been refined to reduce intervention on low risk cargo.

The time release study details improvement of air and sea cargo risk return initiatives. The following impacts have been realised:

- 20 000 less containers subjected to a rural tailgate inspection as a result of the rural assurance postcode review.
- Staff have been redeployed into higher risk activities, such as surveillance and targeted campaigns.

ANSWERS TO QUESTIONS ON NOTICE
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Question: 95

Division/Agency: Border Compliance Division **Topic: Movement of staff from airports to cargo**

Proof Hansard page: Written

Senator COLBECK asked:

Between 2008-09 and 2011-12 the number of air cargo consignments increased by 74% and the number of cargo consignments "referred" to DAFF increased by 14%.

What does "referred to" mean? Is this suspicious consignments?

Does decreasing the number of staff involved in airports and mail programs change the risk profile of this entry point?

If not, how do you support this assertion?

Answer:

"Referred to" means the process by which the Customs and Border Protection Service refers consignments of potential biosecurity concern to Department of Agriculture, Fisheries and Forestry (DAFF) for further assessment. The referral occurs after these consignments have been flagged by electronic profiles in the Integrated Cargo System (ICS).

No.

DAFF made changes to the deployment of staff in its airport and mail programs after analysis of the risks posed by passengers and mail articles and the countries from which they come. The risk return approach includes continual monitoring to detect changes to the risk profile and enables resources to be redirected if the risk profile changes. Through this approach the department has achieved efficiencies that have enabled it to reduce its staffing levels while continuing effectively to manage the biosecurity risks associated with passengers and mail.

ANSWERS TO QUESTIONS ON NOTICE Additional Estimates February 2013

Agriculture, Fisheries and Forestry

Question: 96

Division/Agency: Border Compliance Division

Topic: Coffee berry borer Proof Hansard page: Written

Senator COLBECK asked:

What was the trigger that led to the discovery of illegally imported coffee seed recently?

Is DAFF confident all of the illegally imported coffee seeds involved in the recent coffee berry borer incident have been retrieved?

How is the affected property being treated to kill any pests that might be in the area?

Does Australia have registered chemicals for the control of this beetle or was a minor use permit?

Are there charges pending?

Who will bear the costs of recovery and disposal and what are those costs estimated to be?

Answer:

A consignment was referred to Department of Agriculture, Fisheries and Forestry (DAFF) by Customs Border Protection Service because of the description of the goods.

Yes.

The three properties on which the coffee seed was held, deconsolidated, prepared and planted were managed by requiring all facilities and equipment that had been in contact with or exposed to the goods (coffee seeds), to be treated.

The treatment using Cislin applied at the recommended rate, was conducted by spraying non porous surfaces to run-off, soaking porous surfaces, and treating an area up to five metres around the facility.

A registered insecticide known to be effective against beetles was used in accordance with the permitted use.

ANSWERS TO QUESTIONS ON NOTICE
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Question: 96 (continued)

Investigations are still ongoing. A decision on applicable charges will be made once investigations are complete.

Because of the seriousness of the pest involved, DAFF seized the goods under subsection 68(2) of the *Quarantine Act 1908*, and the seed was therefore forfeited to the Commonwealth. The cost of destruction was therefore covered by the Commonwealth. The direct cost of recovery and destruction of the seed was estimated at \$4018.