

## Introduction

### The Quarantine Function

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

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

## Quarantine under review

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

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

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

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

## The Committee’s Inquiry

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

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

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

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

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

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

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

## Report Structure

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