

Dr John Carter
The Committee Secretary
Joint Committee of Public Accounts and Audit
Parliament House
CANBERRA ACT 2600

Dear Dr Carter

I am writing in response to the Joint Committee of Public Accounts and Audit Review of Australia's Quarantine Function. I note the objective of the Inquiry is to seek ways of ensuring that Australia's quarantine barrier remains appropriately robust and effectively maintained.

Tasmanian primary industries are undergoing considerable change due to rapid alterations in the international market place, the emergence of new industries, the reduction in the usage of chemicals and the international acceptance of Tasmania's disease-free status. It is essential that strong, efficient and effective quarantine systems are retained and, where possible, improved. The recent outbreak of foot and mouth disease in Great Britain and the confirmation of Bovine Spongiform Encephalopathy (BSE) in Japan also highlights the importance of an integrated Commonwealth/State quarantine service.

A number of issues are of concern to Tasmania. In particular, greater clarity in defining Australia's Appropriate Level of Protection (ALOP) and the implementation of quarantine measures based on risk management that recognises regional difference of risk. The attached document outlines the Tasmanian Government's response to the terms of reference in more detail.

The Tasmanian Government would be interested in receiving any additional reports or publications produced by the Inquiry.

Thank you for the opportunity to comment.

Yours sincerely

Jim Bacon MHA
Premier

TASMANIAN GOVERNMENT SUBMISSION TO THE REVIEW OF AUSTRALIA'S QUARANTINE FUNCTION

INTRODUCTION

Tasmanian primary industries are undergoing considerable change due to rapid alterations in the international market place, the emergence of new industries, the reduction in the usage of chemicals and the international acceptance of Tasmania's disease-free status. To maintain Tasmania's forward thrust, it is essential that strong, efficient and effective quarantine pre-border, border and post-border systems are retained and where possible, improved.

Quarantine Services, in Tasmania's Department of Primary Industries, Water and Environment deliver seven of the AQIS programs in Tasmania. This arrangement operates under a MOU Agreement. The services are provided from three regional centres with the head office located in Hobart. The clients are a very diversified group, consisting of importers, exporters, service clubs, community organisations, educational institutions, government agencies, and the general public.

Exports play a very important role in the overall program. Tasmania, because of its internationally acknowledged disease-free status, exports fresh produce to a very extensive international market place. A number of State-based programs are in place to support recognition of this status.

Tasmanian staff work across all programs, which enables the delivery of a very efficient and effective service to clients. The AQIS service delivery is combined with the State quarantine program and consists of approximately 20-25% of the overall State/Commonwealth program in Tasmania.

THE IDENTIFICATION OF POTENTIAL RISKS TO AUSTRALIA AND THE APPLICATION OF RESOURCES TO MEET THOSE RISKS

In recent years, there has been a trend towards using national performance indicators as the determining factor in the allocation of resources for AQIS border operations. However, this does not adequately take into consideration regional issues. Consistent with this view, the Australian National Audit Office report into *Managing for Quarantine Effectiveness* (ANAO Report) notes that there are 'marked variations in the effectiveness of quarantine operations programs, suggesting that reconsideration of the resources allocated to these programs is warranted to ensure that they are linked to a structured and consistent consideration of risk' (3.23).

Tasmania is a decentralised State; with four major cargo seaports, four bulk loading ports and two small general-purpose ports. This requires staff, physical resources and support systems to be located in these regions, but a minimal throughput of cargo in comparison to some of the larger ports on the eastern seaboard.

As stated in finding 79 (Chapter 6, para. 6.1) of the ANAO Report, ‘Monitoring and surveillance for outbreaks of exotic pests and diseases are a key part of post-border quarantine and can provide valuable early warning of pest and disease outbreaks.’ Equally important is the ability to diagnose quickly and efficiently the identity of plant disease organisms found in imported produce at the barrier. The Commonwealth no longer provides any funding for pathology, entomology or veterinary support in Tasmania. Therefore, the ability in Tasmania to provide input in both areas has been greatly reduced. Limited technical support is being provided by the State. There is also limited entomology support available in Victoria. However, this arrangement is not always practical.

In contrast to the statement in Finding 83, page 30 that ‘the Government has allocated \$4 million over four years to improve plant health infrastructure’, the current situation compares unfavourably with that which prevailed up to approximately 3 years ago when funding for 0.33 Full Time Equivalent (FTE) in entomology, 1 FTE in Plant Pathology and 1 FTE in Veterinary Science was provided to Tasmania.

THE DEVELOPMENT OF IMPORT RISK ANALYSES

The Commonwealth Department of Agriculture, Fisheries and Forestry Australia (AFFA) applies considerable resources, both monetary and human, to import risk assessments (IRAs). Despite the application of these very significant resources the IRA process continues to attract concern and criticism.

It is the Tasmanian Government’s view that the IRA process must be science-based and transparent if it is to achieve credence with stakeholders and in international forums where IRAs and resultant quarantine decisions can be called into question and to account. There may be opportunities for significant improvement in the efficiency and cost-effectiveness of the IRA process if some key concerns with the process were satisfactorily addressed.

The issues of particular significance to improving scientific rigour and acceptance of IRA recommendations are:

- better defining Australia’s Appropriate Level of Protection (ALOP); and
- implementing a structured regional risk-based approach to quarantine measures similar to that referred to in sections 3.18, 3.21 and 3.23 of the ANAO Report

Australia’s Appropriate Level of Protection and the IRA Process

Much has been said on the merits and deficiencies of Australia’s vague statement of its Appropriate Level of Protection (ALOP) and on the preparation of a more detailed ALOP. There is also increasing pressure both within and outside Australia for IRAs to be conducted as far as possible in quantitative terms. Section 7.35 of the ANAO Report notes that stakeholders often found it difficult to see the relationship between risk management measures proposed in an IRA and the ALOP.

Section 6 of the ANAO Report Summary refers to the perception that the IRA process has been politicised, including an inability to achieve common ground for deciding issues on

scientific merit. Industry and some sub-national governments are concerned that the Director of Quarantine is susceptible to pressure from foreign governments to accept imports as a quid pro quo for those countries accepting Australian exports. The Commonwealth Government may perceive that representations from State governments and industry groups is motivated by a reluctance to accept competition from overseas. It is, therefore, inevitable that accusations of politicisation of IRAs and subsequent quarantine decisions will continue while Australia's ALOP remains vague. Regardless of the comprehensiveness of the science presented in an IRA and the rigour with which that science is examined and assessed, objectivity is potentially compromised when it remains for the Director of Quarantine to determine quarantine measures against a vaguely expressed ALOP.

Therefore, it is the Tasmanian Government's view that the adoption of a quantitative approach to risk assessment demands a clearly defined ALOP. This is consistent with the observation at section 7.36 of the ANAO Report. Provision to State and Territory governments of a copy of the AFFA Internal Guidelines on Import Risk Assessment may lead to a better understanding of the AFFA decision-making and appeal processes. However, those processes currently leave no scope for external appeal or input to an IRA from scientists external to AFFA who are also experienced in IRAs and in applying ALOPs.

In section 7.32 of the report, AFFA has advised that there are risks in Australia adopting a more definitive approach to its ALOP. Specifically, that it may open current quarantine policies to undue challenge. The Tasmanian Government contends that inconsistencies in levels of protection between quarantine policies, should they exist, will be apparent to the critical observer, regardless of the specificity of Australia's ALOP and will be equally open to challenge. It therefore remains questionable, whether there is a transparent and demonstrably objective scientific relationship between the science base in IRAs and quarantine measures flowing from those IRAs. In short, continued reliance on a deliberately vague ALOP invites distrust, delay, and inefficiency of process and creates an avoidable cost. This is also inconsistent with the Australian/New Zealand Standard for Risk Management.

The Tasmanian Government supports the view of the ANAO expressed in 7.36 that a more structured approach to applying ALOP 'would facilitate greater consistency and help ensure measures achieved Australia's ALOP'. Furthermore, with the agreement of stakeholders, it is expected that this would also result in a more efficient and streamlined process.

However, it is the Tasmanian Government's view that recommendation 8 of the ANAO Report does not adequately reflect the range of issues raised in the preceding section of the Report. Under the existing constitutional division of responsibilities for quarantine, the Commonwealth makes executive decisions on ALOP and on the measures it determines will deliver that level of protection. At the same time, it continues to rely on action by States and Territories to deal with incursions of exotic diseases and pests and to absorb the consequential impacts of those incursions (see ANAO Audit Report No. 9 1999-2000). It is, therefore, essential that the Commonwealth engage in a more meaningful way with States and Territories on quarantine policy, economic management and what level of risk each can

reasonably tolerate than has been the case since the establishment of the World Trade Organisation (WTO) and the Sanitary and Phytosanitary (SPS) Agreement.

Risk Management and Regional Conditions

Tasmania recommends that relevant Commonwealth Agencies also give urgent attention to the adaptation of quarantine measures to regional conditions.

The objective of import risk analysis is to assess quarantine risk and provide for its management in the least trade-restrictive way. The World Trade Organisation's Sanitary and Phytosanitary (SPS) Agreement provides for adaptation of quarantine measures to regional conditions within the importing country. Those provisions create a means of addressing both differing levels of health status within a country and differing levels of risk in regions of a country having the same health status.

Tasmania, and in our understanding, Western Australia, continue to press the Commonwealth to embrace the principles of adaptation of quarantine measures to regional conditions in respect of commodities, pest and disease risks having significant regional differences in distribution.

Tasmania has sought to have AFFA utilise the provisions of the SPS Agreement so far without success. Refusal on the part of AFFA to utilise these globally accepted principles of risk management is scientifically unsound. In the case of salmon, this has resulted in costly and protracted dispute both within Australia and between Australia and Canada in the WTO's dispute resolution forum. That refusal also underlies Tasmania's current fish quarantine measures that are held to be in breach of Australia's international obligations at the WTO.

There is little doubt that similar costly and protracted disputes will continue to occur if AFFA does not implement the principle of adaptation of quarantine measures to regional conditions in its IRA process. This observation is consistent with the ANAO Report's point in section 15 of the Summary, in respect of risk treatments to address different modes of entry so as to reduce the extent to which aspects of the IRA process result in avoidable controversy and uncertainty.

OPPORTUNITIES TO INCREASE PUBLIC AWARENESS OF, AND INVOLVEMENT IN QUARANTINE ISSUES.

Effective communication is a very important factor in all aspects of quarantine. To reach the stakeholders, it is essential that systems be in place to ensure the communication link is strong from the peak national level down to the stakeholder at the coalface. In the past, the link has broken down after the first stage at the national level. Examples of this are in the development of the New Zealand apple imports IRA where communication from AFFA at the national level with individual stakeholder groups at a State level was limited. As a result, selected industry groups from the large eastern States were consulted in the development of new export fee schedules, but not those from smaller States or from regional areas.

Section 32 of the ANAO Report Summary refers to the work underway for greater consultation with relevant State/Territory agencies in relation to Biosecurity Australia's IRA work program. This is an admirable and essential development. However, it does not address the key issues of concern to Tasmania, namely greater specificity of ALOP and implementation of quarantine measures based on risk management recognising regional differences of risk.