

**AUSTRALIAN SEAFOOD INDUSTRY
COUNCIL**

Submission to:

**Joint Committee of Public Accounts
and Audit**

***Review of Australia's Quarantine
Function***

Introduction:

The Australian Seafood Industry Council (ASIC) notes the decision of the Joint Committee of Public Accounts and Audit to review Australia's quarantine function.

This submission outlines industry's views and concerns on key aspects of quarantine. Industry representatives are available to further discuss this submission with JCPAA members, or to give formal evidence at hearings, if required.

Australian seafood industry:

The seafood industry has a direct interest in the outcomes of this JCPAA review:

- The Exclusive Economic Zone (11 million square kilometres of waters, out to 200 nautical miles) has been breached frequently in recent years, imposing a direct quarantine risk on Australian production
- Recent experiences including Black Striped Mussel incursion to Darwin Harbour has heightened industry concern
- Seafood imports to Australia have risen to \$1.15 billion annually, warranting effective quality and safety protocols; and
- In turn, Australia's export reputation relies in part on a continuing "clean green" image; quarantine security is essential to this.

Seafood contributes a turnover of \$3 billion per annum to the economy, employing directly or indirectly 137,000 Australians. Growth of the Australian industry has been dramatic with the GVP (Gross Value of Production) rising an average 10 per cent per annum since 1990.

The Nairn Review:

ASIC acknowledges the response of the Federal Government to the Nairn findings, with immediate additional resources of \$76 million plus further resources in subsequent budgets. The resultant allocation of nearly \$600m over the five years from the Nairn report is an important step forward in building new barriers against incursion of exotic disease or pest. The seafood industry made it clear during the Nairn Review that it expects Government will continue to manage pre-border and border issues.

Current dialogue:

The seafood industry enjoys a substantial range of communication tools with government on quarantine issues. While there will always be room for improvement, ASIC has found that it can readily access government departments and agencies.

SECC:

Industry and the Australian Quarantine and Inspection Service have established regular dialogue through the Seafood Export Consultative Committee. Established three years ago, the SECC has been an effective tool but is focussed principally on export regulations, standards and processes, not incoming quarantine protection.

ASIC-AQIS:

The ASIC secretariat has ready access to quarantine management and is readily able to deal with issues on an “as required” basis.

Customs:

While less frequent, ASIC does enjoy access to the Australian Customs Service and its agencies, including Coastwatch, on an “as required” basis.

QEAC:

The seafood industry has a seat on the Quarantine and Export Advisory Council. QEAC in turn nominates this delegate to the SECC.

Defence:

There is a particular reliance on Defence capability against illegal entry in the more remote areas of Australian waters. Industry has called for greater Defence resources to be available to prevent incursion, especially in the sub-Antarctic and in northern Australian waters.

In its policy statement currently before the Government, ASIC also calls for refinement of the co-operation between various arms of government to maximise the effort against incursion to Australian waters, and the quarantine threat arising from incursion.

Illegal activity:

Surveillance of vessels suspected of illegal fishing is of particular interest and concern to industry at this time. Regular breaches of the EEZ occur, most notably in northern Australian waters and the sub-Antarctic. Any incursion of pest or disease could have potentially severe impacts on wild catch and aquaculture fish stocks.

One example, three years ago, was discovery of Black Striped Mussel in Darwin Harbour understood to have derived from the hull of a vessel suspected of fishing illegally. The harbour area was immediately quarantined and the infestation successfully cleared but this required a major effort with expenses running into the millions of dollars.

Seafood industry concerns have been heightened with the increased people-smuggling (asylum seeking) vessel activity in northern and (to a lesser extent) eastern Australian waters. In many instances these vessels have been purchased at the end of their working life and are barely seaworthy, with the intent of making one last trip to Australian territory.

ASIC notes the immense risk posed by vessels steaming for remote Australian islands where disease or pest incursion could remain undetected for long periods. This creates a greater risk that pest or disease incursion could become endemic.

It is noteworthy that ASIC has endorsed and promoted legislation to facilitate access of the Coastwatch Agency (Australian Customs Service) to confidential vessel data submitted to the Australian Fisheries Management Authority. This is a pro-active effort to maximise the impact of Coastwatch operations by enabling surveillance aircraft to identify the positions of bona-fide Australian fishing vessels and therefore concentrate on suspected illegal entry to the EEZ.

Import protocols:

The seafood industry works closely with Biosecurity Australia (BA) in its development of protocols for importation of seafood. BA engages in regular public consultation processes as it develops Import Risk Assessments (IRAs). Industry believes it is paramount that there be continued, meaningful dialogue during – not after – the development of IRAs and import protocols.

WTO:

Australia's import risk procedures conform to World Trade Organisation (WTO) agreements. This should remain the case, especially in light of the new "Doha" round of liberalisation talks. Similarly, Australian authorities should not hesitate to pressure other nations to be equally

consistent with their international obligations. There is considerable potential benefit for our seafood industry – with little if any protection on the domestic market - from a dismantling of tariff and non-tariff barriers overseas.

As the Government has acknowledged, the 1995 *SPS (Sanitary and Phytosanitary) Agreement* prohibits:

- use of agriculture-specific measures to distort trade; and
- use of unjustifiable safety/quarantine arrangements to thwart international competition.

It is essential to the Australian seafood industry that the Federal Government continue to campaign strongly for dismantling of barriers to Australian seafood exports, now running at \$2.2 billion gross value p.a. ASIC is offering strong, direct assistance to departments and agencies to develop this trade liberalisation agenda, at both multilateral and bilateral levels.

In addition this industry, through its seafood quality and safety agency Seafood Services Australia Ltd, is increasing its focus on SPS fora, in particular the *Codex Alimentarius Commission*.

ANAO recommendations:

The JCPAA inquiry has established Terms of Reference which focus on the recommendations of an Auditor-General's report (2000-2001).

ASIC offers the following comment on four of the eight recommendations of the ANAO:

- 1) *Ensure a systematic, integrated risk management framework:*

ASIC accepts that nil risk is not a realistic option, and that targeted risk management principles are the best option to achieve quarantine security.

An effective communication strategy is essential and ASIC acknowledges that there has been an increased effort to raise awareness across inbound passenger and cargo movements.

ASIC encourages government agencies to continue to build strong working relationships to achieve the best possible quarantine outcomes.

The establishment of the specialist Northern Area Quarantine Service has been a positive step towards integrating risk management in northern waters.

2) *Ensure program risk profiles are based on comprehensive data and applied effectively:*

ASIC notes progress including:

- an increase of more than 230% in seizures of goods at airports
- heavier penalties (up to \$1.1m) for commercial breaches of quarantine; and
- co-operative programs with neighbouring countries.

It is also noted that the AQIS Seaports Program will soon be able to analyse data from the 100% inspection regime, for profiling purposes.

5) *That AFFA encourage early discussion on, and access to, assessment processes on import risks.*

The Import Risk Assessment (IRA) process now allows specific periods for public comment. It is essential that:

- this comment continue to be sought in a timely manner; and
- international policy obligations and pressures which are not directly related to the IRA play no part in the assessment process and that international stakeholders be advised of this clearly by the Australian Government.

- 6) *That AFFA consider more effective means of communicating quarantine protection issues with stakeholders.*

Given the increase in resources committed to border protection, there is a case for a new communication strategy aimed at:

- advising domestic stakeholders clearly of Australia's "Appropriate Level of Protection" and other quarantine issues;
- demonstrating increased co-ordination between federal government agencies with a responsibility for quarantine; and
- encouraging support from stakeholders, for example early reporting of suspicious activity to the relevant agency

Conclusion:

The seafood industry continues to seek a "partnership" approach with governments – Federal, State and Territory - to maximise the effectiveness of Australia's quarantine protection.

While endorsing post-Nairn review efforts to upgrade quarantine measures, ASIC draws attention to comments in this submission and in particular to the need for complete inter-agency co-operation.

ASIC has encouraged further submissions to this JCPAA review from interested organisations or individuals within the seafood industry.

July 2002