



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

**Reference: Review of Australia's quarantine function**

FRIDAY, 20 SEPTEMBER 2002

CANBERRA

BY AUTHORITY OF THE PARLIAMENT

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## JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

Friday, 20 September 2002

**Members:** Mr Charles (*Chair*), Senators Colbeck, Hogg, Moore, Murray, Scullion and Watson and Mr Ciobo, Mr Cobb, Mr Georgiou, Ms Grierson, Mr Griffin, Ms Catherine King, Mr Peter King, Ms Plibersek and Mr Somlyay

**Senators and members in attendance:** Mr Charles, Mr John Cobb, Senator Colbeck, Ms Plibersek, Senator Scullion and Senator Watson

### **Terms of reference for the inquiry:**

To inquire into and report 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*.

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**Committee met at 11.23 a.m.**

**BANKS, Dr David John Douglas, General Manager, Animal Biosecurity, Department of Agriculture, Fisheries and Forestry—Australia**

**CAHILL, Mr John, Executive Manager, Quarantine, Australian Quarantine and Inspection Service, Department of Agriculture, Fisheries and Forestry—Australia**

**CARROLL, Dr Andrew Gerard, National Manager, Cargo Management, Australian Quarantine and Inspection Service, Department of Agriculture, Fisheries and Forestry—Australia**

**HARWOOD, Ms Mary Beatrice, Executive Manager, Biosecurity Australia, Department of Agriculture, Fisheries and Forestry—Australia**

**MORRIS, Mr Paul Charles, Executive Manager, Market Access and Biosecurity, Department of Agriculture, Fisheries and Forestry—Australia**

**MURPHY, Mr Robert Alan, National Manager, Border, Australian Quarantine and Inspection Service, Department of Agriculture, Fisheries and Forestry—Australia**

**NAUMANN, Dr Ian David, Principal Research Scientist, Department of Agriculture, Fisheries and Forestry—Australia**

**NUNN, Dr Michael John, Manager, Animal Health Science, Office of the Chief Veterinary Officer, Department of Agriculture, Fisheries and Forestry—Australia**

**QUINLIVAN, Mr Daryl Paul, Executive Manager, Fisheries and Forestry, Department of Agriculture, Fisheries and Forestry—Australia**

**STANTON, Ms Meryl Annette, Executive Director, Australian Quarantine and Inspection Service, Department of Agriculture, Fisheries and Forestry—Australia**

**STYNES, Dr Brian Anthony, General Manager, Plant Biosecurity, Biosecurity Australia, Department of Agriculture, Fisheries and Forestry—Australia**

**CHAIRMAN**—The Joint Committee of Public Accounts and Audit will now resume taking evidence as provided for by the Public Accounts and Audit Committee Act 1951 for its review of Australia's quarantine function. I welcome everyone here this morning to the committee's fifth and final public hearing. As part of its evidence gathering, the committee has examined at first hand the procedures aimed at protecting Australia's quarantine border. The committee has inspected and been briefed on the Northern Australia Quarantine Strategy and it has inspected 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 has inspected fire ant infestation sites. During the inquiry the committee has received over 40 submissions from government agencies, private sector companies and interested individuals. Public hearings have been held in Canberra, Brisbane, Sydney and Melbourne. Today's hearing will focus on the issues raised during the inquiry and

provide an opportunity for the Department of Agriculture, Fisheries and Forestry—Australia to respond to concerns raised in evidence.

Before commencing proceedings, I advise witnesses that the hearings today are legal proceedings of the parliament and warrant the same respect as the proceedings of the house itself. The giving of false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. The evidence given today will be recorded by Hansard and will attract parliamentary privilege. Finally, I refer any members of the press who are present to a committee statement about the broadcasting of proceedings. In particular, I draw the media's attention to the need to report fairly and accurately the proceedings of the committee. Copies of the committee statement are available from secretariat staff. I now welcome representatives of the Department of Agriculture, Fisheries and Forestry—Australia to today's hearing. Ms Stanton, we have received a recent supplementary submission from the department. Do you have anything further to add in a very brief opening statement?

**Ms Stanton**—I want to say three things very quickly. Firstly, thank you for this second opportunity to assist you with your work. Secondly, you have had those public hearings that you have just mentioned and have had the opportunity to see quite a bit of our regional activity, and I note that our staff very much appreciated the interest that was taken in the work that they do. Thirdly, we have provided you with the supplementary material that you asked for and some other supplementary material that we thought would be of assistance to you.

**CHAIRMAN**—With you having made those nice opening remarks, may I respond by saying that we also thank the department and the officials for the access and the courtesy shown to the committee and for the whole program. It was enlightening. We have learned a lot, we have seen a lot and we appreciated the opportunity to talk with people on the ground. We have come now to ask you a few final questions to make sure that we get it right. Do you believe that there is a need to further refine our ALOP?

**Ms Harwood**—We do not believe there is a need to do that. Ours is stated in general terms. We have a very conservative approach to quarantine. No other trading partner seems to define it more closely than that. Trying to define it in a more precise or deterministic way presents major difficulties. A one-size-fits-all approach would not work because there are so many different circumstances where it would need to be relevant.

**CHAIRMAN**—We had submissions which recommended that we consider the economic impact of incursions when considering these issues. I pointed out to many witnesses that the European Union recently made some very strong statements regarding our use of quarantine as a non-tariff barrier—indeed, the United States has made statements saying the same sort of thing in terms of the now-to-be-commenced negotiations for an FTA between the United States and Australia. Do you believe that our ALOP procedure properly discounts the economic argument, so that we can go to these negotiations without fear?

**Ms Harwood**—Firstly, I would say that we do consider the economic aspects of consequences of pests and diseases. So a legitimate part of our risk analysis process is looking at the consequences should a pest or disease establish in Australia, looking at direct or indirect consequences flowing from disease establishment. That is the first point. More broadly, I am not

quite sure what you are asking. Is it whether we take other economic factors into account in determining ALOP?

**CHAIRMAN**—Yes.

**Ms Harwood**—I will start on that, but others may wish to comment. Essentially, we have a science based process for developing our quarantine measures. The SPS agreement describes the sorts of considerations in terms of economic consequences that can be taken into account, and we do that. To move it more broadly, I think, would present problems in that it would add uncertainties and potential inconsistencies into how we set our level of protection.

**CHAIRMAN**—Are you quite satisfied that when we enter detailed negotiations with Thailand and with the United States we can justify on a scientific basis our appropriate level of protection for any particular disease or incursion?

**Ms Harwood**—Quarantine is obviously an issue in these trade negotiations. We feel that we have a sound basis for determining our quarantine measures and that we have as clear a rendition of our level of protection as does any other country.

**CHAIRMAN**—Are you aware that other countries do not necessarily agree with that statement? They have made public statements saying that we use quarantine as a non-tariff area.

**Mr Morris**—Can I jump in here. That is a true statement, yes. Other countries do raise with us on a fairly regular basis that our—

**CHAIRMAN**—Thank you. I know that, and I am glad you do.

**Mr Morris**—approach is a conservative approach, and we do not resile from that. We have stated publicly that our approach to risk management in Australia is conservative because of, as you well know, the animal and plant health status that we would like to protect in Australia. I would also say that that approach is quite consistent with the SPS agreement, and that is a statement that we make very clearly to those partners when we talk to them. Secondly, we also make very clear to them that, because that position is consistent with the SPS agreement, it is not an area that we are inclined to negotiate on and that we would, in fact, not negotiate on issues relating to the science based principles that we apply to our SPS agreements. So, in summary, yes, they do say that, but that is what we come back and say to them in response to that.

**CHAIRMAN**—I am certainly aware that earlier this year the European Union's Trade Commissioner Lamy said that our approach was not totally science based. Was he just politicking?

**Mr Morris**—There are two elements. One is the appropriate level of protection, and that does not have to be science based. The appropriate level of protection is determined on the basis of a range of factors associated with a particular country's social, plant, animal and economic positions. So that ALOP, and the determination of it, does not have to be science based. However, once you have determined your ALOP, you are required to apply science based risk management policies in determining particular import risk analyses and assessments. We can

stand up quite confidently and say that the approaches that we apply through *Biosecurity Australia* are based on sound science and they are consistent with the application of the ALOP. It is fair to say that a number of countries are using that as an attempt to politick, as you put it, and are using that as leverage. Because Australia has very few areas of supposed vulnerability now in terms of our general trade policies and our general assistance measures for our industries, naturally a number of countries are looking for areas where they can try to get at us.

**CHAIRMAN**—Could you do a better job of explaining our position, on how we come to an ALOP and how we apply science to decide which products we are going to let into the country?

**Mr Morris**—That is an interesting question, because you can always do a better job at anything, in a sense.

**CHAIRMAN**—Thank you.

**Mr Morris**—We have tried to improve the way that we sell the message that we are trying to sell. Ms Harwood may want to add to this, but we have recently introduced *Biosecurity Australia News*, which attempts to do that to a certain degree. We have also tried to have conversations with our trading partners to explain our position much more clearly, and that includes recent discussions with the US, for example, where we went over and spoke to both the Office of the US Trade Representative and the US Department of Agriculture and explained in much more detail how our processes work and compared our processes with the processes used in the United States. We found those discussions to be very useful, and I think the US found them to be quite enlightening, in comparing our situation with their situation.

**CHAIRMAN**—We understand from a number of submissions that there is a rather large backlog in determining the appropriate level of protection. Is that because of lack of resources? Is it because of the science? What is it?

**Ms Harwood**—The backlog is in market access requests that we have yet to deal with in terms of doing a quarantine risk assessment. We have a certain amount of resources dedicated to doing IRAs and we work as best we can in priority order through those. Basically, we move through them as quickly as we can with the resources we have.

**CHAIRMAN**—Do you need more resources?

**Ms Harwood**—If we had more resources, we would be able to do more IRAs at once.

**Senator COLBECK**—Is the rate of requests for IRAs exceeding the rate at which you can get other requests off your plate? Are you catching up, or are you going backwards?

**Ms Harwood**—I would need to check up on that. My feeling is that it is about stable, but I would want to check to be precise on that in responding to you.

**Ms PLIBERSEK**—I have a number of questions. The first one is probably for Dr Stynes. You are the plant person, aren't you?



**Dr Stynes**—That is correct.

**Ms PLIBERSEK**—It is a big crowd of people, and I want to make sure that I address the question correctly. It is fairly easy, isn't it, to see if an animal is diseased—you keep them in quarantine and after a certain amount of time they start to exhibit symptoms—but with plants, if you are talking about microscopic things like fungi, perhaps it is much more difficult to, first of all, identify that they are in a shipment of other material or that they have been imported inadvertently in the first place. Do you think that those sorts of microscopic spores and so on are an increasing threat, because of increasing movement of people and goods? We had some evidence that global warming in relation to parasitology might be a problem with bringing in things. Do you think that we pay enough attention to the threat of microscopic plants? Do you think that there is cause for increased vigilance in this area, that the problem is increasing? Can you tell me a little about that? It is an area that we did not look at in a great deal of detail in the course of the inquiry.

**Dr Stynes**—I do not want to make a judgment about David Banks's business in animal diseases, but I am sure they have a number of diseases that are difficult to diagnose, that are caused by micro-organisms that are just as difficult to diagnose. It is true that the threats increase as the volume of trade increases. The tools of detection have also improved over time as well. So it is catch up as you go. I would say that we are probably just as well off now as we were in years past in terms of detecting diseases and having access to diagnostic tools.

The best measure of that perhaps is to look at the rate of incursion. Certainly the rates of incursion have not increased as the volume of trade and passenger movements have increased. The rate of incursion is difficult to correlate with regulated trade. Records will show that that is the least likely way for incursions to come in, although you cannot be terribly dogmatic about that. With other avenues of incursions that come with passenger movement, either inadvertently or deliberate introductions, we are constantly looking for new tools and working at new ways of detection. Just simple things like detector dogs at airports and air terminals have been incredibly effective. They have reduced risk enormously in those areas.

**Ms PLIBERSEK**—Would they pick up things like mould spores?

**Dr Stynes**—They could. That is a very general response to you, but they can be trained to pick up most things. It is normally the carrier of the pest that is detected by a detector dog. It will be the detection of the fruit or whatever is being carried.

**Ms PLIBERSEK**—But, inadvertently, if it were on another item such as an item of clothing or shoes, you would not count on it?

**Dr Stynes**—No. It would be unlikely. If it were something that transmitted a smell that was quite often associated with biological material, perhaps they would be sensitive enough to do that and they could be trained to do that, I am quite sure.

**Ms PLIBERSEK**—This is a question that is for Dr Stynes and Dr Banks, and maybe others might want to comment on it. Some of the evidence that we had in Melbourne related particularly to parasitology. A fellow from the professional association, from the institute of parasitology, or whatever their body is, was telling us that, when this generation of specialists

retires, there will be a number of key areas in which there will be no specialists in Australia. One of the ones that he was talking about was nematodes, just as an example. Is it your view that that is the case, that we will lack specialists in the near future in areas that you are responsible for? If that is your view, how do you think we can begin to address that problem?

**Dr Stynes**—A lot of my training has been in nematology, so I have a bit of a feel for that area. It is true that there are times when it seems there is going to be a dearth of professionals in that area. We have been saying that for a long time. I can remember that, when I was a practising nematologist, there were 10 nematologists in Australia. It has been pretty much around that number over a long period, which does not seem to be a lot of plant nematologists. There is a lot of support in those specialist areas from the international network. It is a pretty well plugged in professional group. If the number were halved it would not be good, but we would still be able to get by. I do not know how you encourage people to go into those areas when there are so few jobs. I am sorry, I probably have not answered your question.

**Ms PLIBERSEK**—You have. You are saying that there has been concern for some time that there are fewer specialists. Maybe there could be something like sponsoring a chair of parasitology at a university. Have you given any consideration to that sort of solution or not? It is not really your responsibility.

**Dr Stynes**—No, I have not. It is not really my thing. Within Plant Biosecurity we do not have people who are practising plant nematologists at this stage. But we do when we do risk assessments on products that require us to look at nematodes. We can readily contract people from around Australia. If we could not do that, we would certainly look to contract people from overseas to do that job.

**Ms PLIBERSEK**—I want to ask another question about the science of import risk assessments. Some of the various industry people that came in to talk to us—the chicken meat people, the dairy people and various groups—were complaining about what happens when they go overseas. In particular, the dairy people go to the Philippines and say, ‘We want to sell you more powdered milk’ and the Philippine government say, ‘We’ll talk to you about powdered milk when you have fixed up your problem with bananas.’ As the chairperson said, the governments of countries overseas question the science of the IRAs. They imply to Australian people wanting to do business overseas and they imply to Australian trade representatives that it is not a science based approach—that secretly we are figuring out the economic cost of allowing imports in. How can we reassure people overseas about the science of IRAs—how good the science is? Should there be an external complaints process so that another person or another body reviews the science of IRAs? Some people have suggested that a centre of excellence would be a way of dealing with the issue. Do you have any views on this?

**Ms Harwood**—Yes. Firstly, our process is unusually transparent, so the science that we do is very obvious to both domestic stakeholders and our trading partners. Essentially the scientific path that we have trodden in doing the risk analysis—all the evidence that we have brought to bear in assessing likelihoods and estimating risk—is very evident to those wishing to read the detail of our IRAs. What that means is that it is open to professional scientific scrutiny by anyone who chooses to do that. We prepare the documents in as robust a form as we can with the resources we have, drawing on the best scientific expertise we have. Our aim is to produce the most scientifically competent and well-argued risk analysis we can. I would challenge the

view that they are not science based, given that that is the whole drive of the process that we are doing.

There is also at each major point in the IRA process ample opportunity for people to submit either additional scientific evidence or scientific comment on the way we are going about the analysis. The draft IRA stage is particularly pertinent in that regard. In providing those comments, when we move to the final IRA, we have to account for the nature of all the comments we have received, what our response to those is, whether we intend to make changes in the final IRA to reflect or respect those, and, if not, why not.

It is a truly transparent process and one that is very accountable in scientific terms. There is already a great deal of external scrutiny. We also have access to peer reviewers ourselves to seek advice or confirmation that the analysis is as good as it can be. The ultimate arbiter in this, if people wish to say that they do not consider our measures to be science based, is to take a challenge to the WTO. The whole structure of our IRA process is directed towards providing as lucid and transparent a scientific assessment as we can.

**Ms PLIBERSEK**—What do you think of the idea of a centre of excellence, as a number of witnesses have suggested to us? You don't think it is necessary?

**Ms Harwood**—If the resources were available to do it, it would be a good addition and assistance. The issue that has arisen in that regard is whether there are resources to support it. I understand it was also mooted in the Nairn recommendations and it was not something that the government took up at that time in terms of endorsing that recommendation. There have been recent proposals for it. The more skills we can bring to bear on risk analysis the better. The question, I understand, with a prospective CRC is where the resources would come from.

**Ms PLIBERSEK**—I think this question is for you, Ms Stanton. In some of the visits that we made to airports and various places, we asked whether one border agency, combining Customs and AQIS—the roles of those two—would be a more efficient way of handling things. Do you have a view on that?

**Ms Stanton**—I think I am on record from my first appearance here as having a view on that. My view has not changed. I can see why people would immediately think that that might be a good idea, that it might be more efficient. My view is that it would not actually be more efficient. There are a number of reasons for that. The first is that the organisations do very different things. It depends what we are including in that, but if we are talking about immigration, customs and border quarantine, if you like to put it that way, they do very different things. The cultures of those organisations are also very different. There would be some issues in just suddenly amalgamating them. The most important thing, though, is to note that, even if you did that, you would not be collapsing those organisations into one organisation. Most immigration functions do not fit in there. A lot of customs activities do not fit in there. There are certainly a very large number of AQIS activities and AFFA activities that do not fit into that sort of border activity.

What you could end up with is not any efficiencies in the number and type of organisation but just an extra organisation. That is something that we would need to consider. We work so closely together now—and I think you have seen evidence of that—that none of us really see

the need to have a single border agency. Ultimately, it is a matter for government policy. Obviously, whatever that turned out to be, we would throw ourselves into that wholeheartedly, but there are some things that would need to be thought through that do not necessarily occur when one is first thinking, 'Wouldn't it be a good idea just to have it all in the one bundle?'

**Senator SCULLION**—I have a very great personal interest in quarantine, which is very important. It has been a real experience for me to be exposed to a number of the offices, the individuals and the processes. Overall, as an Australian you can have a great deal of confidence that we have one of the highest levels of competence internationally in quarantine preparedness and awareness. A number of questions on notice that came back gave me a little bit more confidence about those sorts of aspects.

To me, though, there is probably a glaring hole, and many of my questions throughout the proceedings have gone to the inordinate difference in our preparedness and awareness in a terrestrial sense and in a marine sense. I think that has been reasonably accepted.

One of the principal issues that I tried to go to was the jurisdictional responsibility for these issues. In the responses that I have before me, there seems to be a clear indication that AFFA actually has responsibility for the marine pest policy issues. In 1999, the National Taskforce on the Prevention and Management of Marine Pest Incursions made a proposal that we have a national system for the prevention and management of introduced marine pests. That was a very laudable outcome. Everybody agreed that that was what we would do. We have just formed the National Introduced Marine Pest Coordination Group, four years later. I note with interest that their principal recommendation is to 'develop options and implement the longer term national system for the prevention and management of introduced marine pests'. You can imagine the crushing blow to my levels of confidence to know that we have just made exactly the same recommendation four years later.

When we speak about appropriate levels of protection generally—and I take note of Ms Harwood's comments in regard to the economic aspects of that—we have taken evidence that recognises the severe economic implications of marine pests. We are talking about the Mississippi, where \$60 million is spent every year controlling a single pest. The comprehensive list of marine pests that has been supplied by AFFA—and thank you for that—in response to a question on notice also indicates the levels in terms of the range of species where the economic impact may be unknown.

That is a broad statement of how I understand the situation to be at the moment, but my questions really go to the question of what we are going to do about that situation. I hope we have a reasonable agreement that it is not satisfactory. It certainly does not appear to me to be satisfactory. If people disagree with that, this is probably the time to tell me. If it is not satisfactory, the guarantee that has been made today or just recently about what we are going to do in the future is the same as the one made four years ago. Could someone help me with my level of confidence in this particular area.

**Ms Stanton**—I might make an introductory comment there and then pass to Mr Quinlivan, who can give a little more detail. The thing to note is that, although it may appear that those statements are the same four years apart, there has in fact been considerable—

**Senator SCULLION**—The commas are in the same places.

**Ms Stanton**—and significant progress in that period of time with some aspects. Your statement that the issues of jurisdiction and so on have still not been sorted out and made clear is correct. There is a renewed effort now to do that. That is by way of introduction. I will hand over to Daryl to speak in more detail.

**Mr Quinlivan**—It is a very complicated issue, as I am sure you are well aware, and the task force report that you mentioned had dozens of recommendations. I am not sure how many there were, but there were literally dozens of recommendations. Meryl is quite right to say that there has been a lot of progress on some and less on others. One of the distinguishing features between the areas where there has been good progress and those where there has not has been whether the issue was managed under the responsibility of a single jurisdiction. A good example of that is ballast water travelling into Australia on international vessels. AQIS has control at the border. We have a regime in place now, and the recommendation that was made in that report has been fully implemented. The areas where progress has been much slower, and in some cases not adequate, as you have said, is where there is shared jurisdiction. Shared jurisdiction generally implies—and it certainly does in this case—shared financial responsibilities and the need to negotiate roles and responsibilities. I would agree with your observation that progress there has not been adequate.

It also has not been for lack of effort. The group that you mentioned—the coordinating group that was set up after the task force—has spent a lot of time beavering away on this, without succeeding in negotiating an agreement. As Commonwealth and state officials, we are taking some propositions to the natural resource ministers council in October—in about two weeks hence—which we hope will solve that problem over the next six months. I cannot really talk about what they are because they are negotiations between the Commonwealth and the state governments over money and over roles and responsibilities. I would agree with your observation that progress has been mixed; but that is the one area in which performance has been poor. If you look at all the other areas—expanding our knowledge base of marine pests so that we can manage them better and prevent incursions and setting up emergency arrangements at the international border through a Commonwealth-state committee—they have been fully implemented and are working well. It is just that one problem that remains.

**Senator SCULLION**—Mr Quinlivan, ‘adequate’ is not the normal word you would use to describe your girlfriend. In terms of semantics, ‘adequate’ is a pretty poor word to use. I think that to not even have got to ‘adequate’ is a very serious situation. I am fairly confident that we have looked very closely at some of these things and that some of those guidelines have been adopted. I am very pleased to see that the ballast water issues, in terms of the IMO, have advanced substantially. Let us accept that it is just down to some of the other issues such as biofouling. I would have assumed that the negotiations over jurisdictions would necessarily have excluded those issues that are clearly in the Commonwealth’s bailiwick—for example, a ship that comes from international waters to Australia. I could not see that that would be anybody else’s responsibility. Would you agree with that?

**Mr Quinlivan**—It depends a bit on the circumstances but, generally speaking, I think that is right. For ballast water at least, we have a regime in place for dealing with those vessels.

**Senator SCULLION**—Let us say a yacht comes from Hawaii to Australia. With whom does the quarantine responsibility lie for that yacht? Is that a grey area or is that clear?

**Ms Stanton**—In terms of what is specified in the Quarantine Act, it is an AQIS responsibility. Biofouling is not specified.

**Senator SCULLION**—In terms of the issue of biofouling, it is all about the spirit of arrangements. One would have thought that the spirit of an arrangement of putting in border control for quarantine was to ensure protection. There are probably a number of animals that we probably have not even described yet. Because they are not necessarily recorded, do you think that, within the spirit of that arrangement, that would be an issue that we would put forward to say, ‘Well, this is one of the reasons it has not been progressed’? Do you think that would be reasonable?

**Ms Stanton**—No, I think that is part of what we are indeed talking about in where we need to sort out the jurisdictional issues. There is no doubt at the moment a legal and constitutional issue. There is a vacuum there that needs to be dealt with, and it is one of the things that is being dealt with.

**Mr Quinlivan**—I would go one step further and say that there are also some risk judgments that need to be agreed between the Commonwealth and the states. It is possible to prevent the incursion of marine pests by stopping maritime trade and movement. We are not going to do that, and we are not going to do that more in some places than in others because of risk thresholds and the importance of maritime commerce to those ports. The Commonwealth is not always going to be best placed to make those judgments. A particular risk problem is the movement of recreational yachts up and down the Queensland coast. Their movement between some ports in South-East Asia, around Northern Australia and then along the Queensland coast is a regular activity. It is a shared problem, and there needs to be a shared solution between the Commonwealth, the states and parts of the maritime industry, and it is difficult.

**Senator SCULLION**—I accept that the issues associated with domestic transfer, or biofouling, are issues necessarily to be involved in the other jurisdictions. The issue I am speaking of is when a vessel is a non-Australian vessel that is entering Australia and wishes quarantine clearance. As Ms Stanton pointed out, there is an administrative barrier because we forgot to write in biofouling. We are happy to inspect the dog, the apple, the bloke or whatever on board but—for an administrative reason only, and in recognition of the huge potential economic and environmental disaster that we can take—are you telling me at the moment that we can look at an administrative omission and say that this is one of the principal reasons we are not having a look elsewhere on the vessel?

**Mr Quinlivan**—It is true that we do not have a regime in place that manages this problem comprehensively. There is, again, some Commonwealth-state work going on, and there are protocols being developed with the WA and Northern Territory governments to manage the problem with those coastal ports. We need an arrangement with Queensland. Progress is slower there because Queensland, for some reason, seems less interested. There is some progress. It is probably not adequate but it is all a question of priorities. We would like to be moving it along quicker. It is certainly getting more profile in the ministers’ council at present. I am expecting ministers to be asking all the Commonwealth and state officials to be accelerating progress

when they meet in a couple of weeks. There is no perfect answer to your question. I agree that it is a problem, and it is one of several in this area. There is some progress; it is not adequate. We will be putting more effort into it, and I am hoping that these protocols with the three state governments will deliver a workable arrangement that delivers enforcement on the ground.

**Senator SCULLION**—If we move away from the administrative and jurisdictional arrangements completely and go just to an operational sense, it appears that, through all the evidence that was given and some of the questions that I asked, there is not an in-house capacity or an arrangement with another organisation that has the capacity to get wet in reasonable terms.

I was very impressed with the staff of the North Australian Quarantine Strategy across the top. They are very keen. The reason that it came across very clearly that they are so good at what they do is that they have a range of experts in each field that we need to deal in. I asked them in evidence and they indicated that they thought it would be a reasonable thing to add a marine sphere to that and, due to the nature of their movements across the place, it would not necessarily involve a much greater expense because they were often in areas where they actually have a look and develop some sort of benchmark for bio-organisms in each area.

Whilst you are looking at the administrative things—which I am very pleased with—are you, in the short term, going to start dealing with this as an issue that is here and now today by trying to change some operational arrangements to deal with something that not might be here but is here? We have all these practices about the foot-and-mouth outbreak, but we know right now today that there will be vessels coming here with a high risk—I am assuming it is a high risk; I do not even know how far we have got down that arrangement—yet we are not even looking for it.

**Ms Stanton**—I will comment on that, since you are talking operations, and Mr Cahill may like to supplement what I say. The fact is that we do not have that capability; we do not have that expertise. It has not been part of what AQIS has been commissioned to do. From time to time, and particularly around that top area, we have kept our eyes out and we have actually notified state authorities if we think there might be a problem. That is certainly all on the record.

The fact is that, at the moment, the base data is lacking. In some cases we do not know what is there and what is not there. We have no way of knowing whether something is new or whether something has been there and is well established. Our resources are directed elsewhere by the government. We do not have that capability.

So in the very immediate term operationally we will maintain what we have been doing, which is to have some arrangements particularly with those Top End states and territories, where we keep an eye out. But in terms of actually bringing in, as you say, people who can get wet, you indicated yourself that we do not know which are the high-risk ones. If we ever moved into this, it would need to be done on a risk basis. Getting wet, of course, is not the only way. It may well be on the basis of documentation, where ships have come from and so on. So those things need to be looked at before there can be any significant change in operations from what we do now.

**Senator SCULLION**—Which is not a great deal anyway.

**Ms Stanton**—Which is minimal, I agree.

**Senator SCULLION**—In an administrative sense, would you see any other department—for example, the Australian Fisheries Management Authority or the CSIRO—having a role, not in that wet sense but that whole fishing stuff? Have you put your mind to whom we could look to to provide that?

**Ms Stanton**—I get back to the point that, as far as I can see, it is an issue of Commonwealth government policy. At the moment none of those agencies have been charged with that. Mr Cahill may care to comment.

**Mr Cahill**—The only thing I would add to that is to emphasise that the issues are not just about administrative or jurisdictional issues. There are practical questions about how you actually undertake the task and what risk you are trying to manage for. If the whole of a vessel is fouled in some way, it does not follow from that that it is a quarantine threat. It might be an environmental threat, it might be some other economic threat, but the brief that AQIS has is to manage quarantine risks. To the extent that there are practical measures available for us to undertake that task operationally in relation to the hulls of vessels, if such practical measures exist we have not been told about them. Even if there were a way of practically inspecting a 300-metre vessel for quarantine pests and then being able to address that risk, it only goes to a small part of the problem because, as you know, it does not deal with the translocation issues from port to port that might be of greater economic consequence to some of those ports.

**Senator SCULLION**—I accept some of that, but in previous evidence—which I am sure Mr Quinlivan will be aware of—we were told that the state I am from actually has a protocol in place which recognises in a risk management sense that a 300-metre ship is over the 500-metre rule so it falls under IOM and has a protocol for the antifouling on the boat. That actually comes into a much safer category, so they do not look at those vessels. They look at vessels that are SUNCs, illegal fishing vessels or yachts that are making their first port of call in Australia. They inspect them; they have got an inspection regime. It is a user-pays regime. They have developed in-house sufficient expertise in association with the Centre for Introduced Marine Pest Species. There is a comprehensive protocol and it is audited. So to say there are not any of these tools around the place is just arrant nonsense.

**Mr Cahill**—The point I am trying to make is that what AQIS does operationally is based on science based assessments of the quarantine risk that exists and practical measures to manage that risk. In relation to hull fouling generally, we do not have a practical solution to that problem that I am aware of. We can address elements of that, as you suggest, and some of that is being addressed in the Northern Territory. But on a national basis we do not actually have a solution to that problem yet.

**Senator SCULLION**—Just to finish on this very important issue, do you think in an administrative sense if we recognised that there was a problem with fouling—in other words, we can identify some economic pests, shorten the list of those things—that that would make a difference if we listed them on the NAQS list and we suddenly showed an appreciation of them? We know that this is an issue, yet you seem to be telling me not that it is in the too-hard basket but that this is not really a quarantine issue. I do not understand that.



**Mr Cahill**—I am not suggesting that, and I apologise if I have given that impression. There are clearly quarantine issues associated with this problem, but it is wrong to assume that they are all quarantine issues.

**Mr Quinlivan**—I can offer a slightly different perspective on this. The big problem, as you have identified, is a particular class of vessels—the majority of which are engaged in domestic travel rather than international travel. There is a problem in determining the most appropriate service provider for these things. It may not be AQIS, because AQIS may deal with five per cent of the traffic—in which case it would be better to have a state based agency undertaking the international task through some licensing or other agreement with AQIS. We need to minimise costs and maximise coverage, and we need a more cooperative approach amongst the Commonwealth and the states to agreeing on the best way to do that and to deliver services on the ground. For whatever reason, it has not happened to date. I said to you earlier that ministers have identified this as a priority and will be asking people to get on with it, and I am hopeful that that is soon going to bear fruit. There has certainly been enough effort put in to understanding the problem. What is needed now is some will, and possibly some money, to solve the problem. It remains to be seen whether that is going to happen.

**CHAIRMAN**—Mr Quinlivan, I believe you said that Queensland was reluctant.

**Mr Quinlivan**—I was alluding to basically the same issue Senator Scullion alluded to: that good progress—

**CHAIRMAN**—You said that Queensland was reluctant. At the committee hearing in Brisbane on 29 July, Mrs Pauline Semple—Acting Chief Scientist, Waterways Scientific Services, Queensland Environmental Protection Agency—said:

I developed a draft protocol that I sent to Canberra in May as an interim arrangement. It is basically the same as the Northern Territory's, except that it is relevant to Thursday Island and Cairns, which is where the vessels come in. I had a response from the Australian Fisheries Management Authority saying that they were willing to cooperate and pay for the costs of inspection if I could organise divers to do that. The immigration department, after many phone calls and emails, have not responded. That has been going on since about 5 May.

That does not sound like reluctance to me.

**Mr Quinlivan**—I know that there are good agreements in place between the Commonwealth and the Northern Territory and Western Australian governments and that agreements are now in place that cover the movement of Immigration and Defence vessels into northern ports. I also know—and this is widely believed—that it has been harder to make progress on these things with Queensland than with the other two states.

**CHAIRMAN**—She said:

The immigration department, after many phone calls and emails, have not responded.

**Mr Quinlivan**—I do not know what communication she has had with the immigration department. I understand that there is now an arrangement in place for Immigration and Defence vessels moving into northern Australian ports.

**Mr JOHN COBB**—Like Senator Scullion, I have to flag a huge personal, professional and political interest in what AQIS does. Apart from the Reserve Bank, the Department of Finance and Administration and the Treasury, there is probably no government department with a greater ability to affect Australia's economy—if things go wrong, anyway. Like Senator Scullion, I was pretty impressed with what is happening, especially with what has happened in the past few years. The thing that becomes very apparent is how much we depend upon the human element within AQIS to do the job, and I will come back to that in a minute. I am not going to go through individual things, because I think that, by and large, you are trying to deal with each individual situation in the best way possible. One thing that concerned me a bit on the practical side was containers and the level at which they are physically inspected outside and inside. But the biggest issue—and one that has been frustrating me—is the extent to which the issue of trade and what other countries say about our quarantine has been raised. Are we using quarantine as a trade issue? It is certainly an issue for the government to deal with, for the minister to deal with and, I dare say, for AFFA to deal with. However, I do not think it is AQIS's biggest issue; your job is quarantine. I would like you to comment on that, Ms Stanton.

**Ms Stanton**—As we have consistently pointed out in our submissions, there are three parts to the quarantine issue. The first is biosecurity policy issues, which are now the responsibility of the Market Access and Biosecurity area in AFFA, including Biosecurity Australia. There are the post-border issues that we have talked about, where, for whatever reason, quarantine has not worked and you have an incursion. There are things to be dealt with there, as was reflected in the recent AFFA-led exercise, Minotaur, on simulating a foot-and-mouth disease outbreak. In between that, there is AQIS—the Australian Quarantine and Inspection Service—which is responsible for taking the policy that has been agreed to and been determined by the Director of Quarantine, the secretary of the department. It implements in the best way it can the level of protection that has been agreed, which is then brought forth. The way that we do that is to some extent up to us to determine, so there is plenty of room for us to look at what those policies are and to decide where we need to put our resources and where those risks are. You are quite right: for that we rely on nearly 3,000 people from all different parts of Australia. Some of them work part time. They are a very committed, expert group of people. They face challenges every day. I would have to say that they do a pretty good job at the border.

**Mr JOHN COBB**—I will put my question another way: in determining appropriate levels of protection, I presume you give your advice and input into determining that on the basis of what will protect rather than on what the politics of the day are.

**Ms Stanton**—The relationship that we have with Biosecurity in that policy sense is Biosecurity doing an import risk analysis on a particular commodity, for example. We need to work very closely together on that because, whatever the decision is in the end, it has to be able to be operationalised. If there are going to be conditions put on a particular commodity—for instance, it can come in only under these circumstances or only if it has this certification or whatever—then we have to be able to say, 'Yes, we can do that. Yes, we can deliver on that. Yes, we can transmit that to our staff. Yes, that will work.' It is true that there is that involvement.

**Mr JOHN COBB**—My next question is probably an obvious one, but I would like to have the answer confirmed. As we said, it is very much a human element thing. It is only as good as the staff. It does not depend upon computers or anything else; it depends on each individual

staff member. To what level do you allocate resources? To what extent do you have a long-term plan to make sure that staff remain focused? For example, it is absolutely vital, quite obviously, that you have well-trained people on the monitors at Sydney airport. What are the long-term aims to keep up staff morale and to keep them focused and trained?

**Ms Stanton**—There are a number of aspects to that. Clearly, in the ramping up of staff that we have had in the last 12 months, we have had a particular set of training policies and practices in place to get people up to speed. That has involved us gaining accreditation for particular training and so on, which we have done, and we have put people through those courses. That was done in very quick time. In terms of a long-term strategy, you are right when you say that we are very much dependent on our staff. As an aside, I point out that we are also very keen to give our staff good tools—computer tools, other information, work procedures and training in occupational health and safety. Understanding how to do your job safely is very important. So that is an important part of what we do as well.

Last year, when we were in the stage of really ramping up, we asked ourselves what is our long-term strategy. We asked ourselves how we were going to keep the discipline and focus on what needs to happen next. When people first start there is an enthusiasm, a particular motivation which, after you have been doing the same job for a couple of years—as may happen at an airport—may wane; although, I must say that I have never seen evidence of this in those who have been serving at airports for a long time, but you cannot rely on that. So, as part of the general AFFA framework, we looked at disciplining ourselves by undertaking an accredited program called the Investors in People Program. We undertook a very comprehensive staff survey which had a response rate of over 75 per cent, which, when you are dealing with shiftwork and so on, was considered extremely high.

We have been through a whole set of procedures to work out what the elements of the strategy are going to be in training, performance management and how we can use people's skills. Who knows, we may actually have a parasitologist somewhere whom we can move forward. We have just been notified, after a very thorough audit that included staff interviews by an independent authority, that we have received accreditation for Investors in People and for that strategy. That was not about getting a plaque on the wall; it was about how we keep our eye on the ball and make sure that we are disciplined. That is a very long answer to say that this is at the forefront of my mind every day. It is something that I consider absolutely vital to our future.

**Mr JOHN COBB**—How do you ensure that the subcontractors, who I think are mainly in the north of the country, do the same?

**Ms Stanton**—I do not think it is right to say that they are mainly in the north of the country. We use contracted labour at airports, largely to lift bags.

**Mr JOHN COBB**—No, I meant the Queensland and Northern Territory governments.

**Ms Stanton**—You are referring to the Western Australian, Northern Territory and Tasmanian governments?

**Mr JOHN COBB**—Yes.

**Ms Stanton**—I am sorry, I was slow to come to your point there. Yes, that is an issue for us. In the Northern Territory, Western Australia and Tasmania, the quarantine staff are employees of the particular state or territory government. In the main, we certainly keep the regional managers in those areas well in the loop. We keep the staff in the loop as well as we can. They have access to the same training and so on. When talking about the staff survey I mentioned the staff in those states and the Northern Territory, apart from our Northern Australia Quarantine Strategy staff, who are Commonwealth staff, were not surveyed. A part of the contracts is that the work procedures must be met, and we audit that. But, in terms of ‘one company’, I guess there are some issues there, particularly since AQIS does have Commonwealth staff in those states on the export side. We work with that as best we can. We try to make sure as best we can that the contracted quarantine staff in those areas feel part of our organisation.

**Mr JOHN COBB**—You have already been asked about amalgamating with other branches. I do not think that would be in your best interests. I presume that if that ever became an issue you would quickly put your own thoughts to it. I presume also that you are prepared to do that before it comes up. Quite obviously it has been put to us a lot over the last month or so that that should happen.

**Ms Stanton**—I think I made it clear that it was an issue of government policy.

**Mr JOHN COBB**—If I have a concern about where we are going at the moment, it is the level to which the environment becomes an issue in quarantine. That is probably more an AFFA issue than an AQIS issue. Can you assure us that at no stage will any environmental issues compromise our quarantine targets?

**Ms Harwood**—Environmental issues and the consideration of them are intrinsic to our quarantine risk assessments. The Quarantine Act requires that we embrace environmental matters in those analyses. We have also been working with Environment Australia to develop a memorandum of understanding that basically facilitates access to an input of environmental scientific advice into our IRA process. That advice comes in early, and we have access to good scientific information on environmental issues and expertise. The text of that MOU is finalised. We are well aware of the need to consider environmental issues, and we have been working on the best ways to build those in early in the risk analysis process.

**Senator COLBECK**—I put on the record my thanks for the cooperation of the AQIS staff during the inquiry. I have certainly enjoyed the interaction and I have been very impressed by the positive culture and environment that exist in the organisation. It has been a very positive part of the experience of conducting the inquiry. I am interested in a couple of elements, and one of them is regional separation. You have just been talking about issues that you have to deal with in Tasmania, Western Australia and the Northern Territory. The Tasmanian government put in a submission that was strong on the regional separation issues. We heard during the hearings in Melbourne that they screen all the mail that comes into Tasmania, for example. How would you be able to accept regionality as a culture within the overall system?

**Ms Stanton**—I was talking about the operational issues.

**Senator COLBECK**—I understand.

**Ms Stanton**—We are now on to the policy of regionalisation.

**Ms Harwood**—Firstly, questions relating to regional differences in pest status and risk status have long been part of the risk analysis process overall. More recently, at official and ministerial levels, there has been a formal acknowledgment that those issues will be considered early in the import risk analysis process, for example, and a good understanding reached between the Commonwealth and the states on how that will be done. There was a subsequent submission from Tasmania reflecting that, as I understand it—that is, recording the fact that these matters had been discussed and that a good understanding between the Commonwealth and the states had been reached. It is something that is legitimate to consider in the risk analysis process, and it is something that we do consider.

**Senator COLBECK**—I will go on to the science. As a precursor, it would be my view—you might like to comment as well—that the conservative approach to our appropriate level of protection is of benefit to our exporters in accessing other markets because of the overall situation that we have with respect to diseases or pests that might go out the other way. In Melbourne, when we heard evidence from the salmonoid growers there was comment with respect to consistency across particular standards. There was reference to the OIE and their rules, which they considered to be basically a lowest common denominator on diseases across Europe. They considered that they are Eurocentric, for example.

There are about 20 diseases that do not get picked up within that particular grouping that are endemic to Europe but our fish here are naive to. In one particular instance, they were talking about a disease that was available—I think it was IHN; I do not know what it means, but it is a fish disease. When it was understood that that might be able to come into Australia through the processes that we had in place there was a review done quite quickly. But the allegation is that the process now in place following that review is still below IOE standards.

That raised with me the question of consistency of standards across all different elements of IRAs. If we are prepared to accept something that is below a standard in one area, could it impact across other elements of quarantine with respect to the science? What I am trying to get to is the consistency in the science across all different elements. If we are prepared to accept something that does not meet an accepted standard in one part of the world—we are prepared to accept something below that—does that automatically lower the benchmark with respect to all standards across the board? When I asked that question of salmonid growers they said that that would have to be tested obviously in some formal way, but it just raised the concern with me about the consistency across the board.

**Ms Harwood**—I might ask Dr Banks to add to this, but I question the starting premise there—that in some way we have ignored an international standard or accepted a lower one. Where international standards are relevant to the risk analysis work we do, we use them. Often we seek to have a higher standard to reflect the fact that we have a conservative approach to quarantine—and, as you said, that is directed towards maintaining our favourable pest and disease status and is very much in the interest of our export industries for that reason. So the starting point for your question—

**Senator COLBECK**—The clause states, ‘It is on the list of diseases with the IOE, so it is one of the most serious diseases’—this is IHN. The clause continues, ‘That meant that from that

point on there was an urgent need to decide whether quarantine measures had to be changed. Biosecurity did react very quickly. They went through a fairly quick IRA and changed the measures to demand a freeze-thaw process, which, under the scientific understanding of this disease, would reduce the risk of the disease coming to Australia. However, it does not comply with the minimum standards set by the OIE. The minimum standards set by the OIE in this situation are that fish must be eviscerated. So with this ruling, by allowing one product to come from an area that has a listed disease, Biosecurity have agreed to provide a lower standard than the minimum IOE recommendations.’ Again I return to the SPS agreement—that means that, if you follow the consistency rule, you potentially lower all risk measurements down to that standard.

**Dr Banks**—I think there is a confusion here between using consistent risk management measures and attaining a consistent and appropriate level of protection. I do not think that the disease you are talking about is IHN—in fact, it is infectious haematopoietic necrosis. I think it is viral haemorrhagic septicaemia that they were referring to.

**Senator COLBECK**—I think it was referred to somewhere else in the hearing.

**Dr Banks**—A discovery was made that some pilchards being imported could well harbour that virus, and indeed we did react quickly to that. But the conditions that apply to salmon, for example, which require evisceration, were based on 24 different diseases. Up until very recently, we were not aware of a single disease in the pilchards that were coming in that would have caused us concern. So when we instituted the control measures we were obliged to look at the least trade restrictive measure we could apply that was going to do the job and reduce the risk of introduction of that particular virus to an acceptably low level. It was quite clear that you did not have to use exactly the same control measures, such as evisceration, to do that. In fact, from research that has been done, we know that the freeze-thawing process reduces the risk of introduction very considerably. I think there is some confusion between consistency in the risk management approaches taken and consistency in maintaining an appropriate level of protection. I put it to you that a different series of risk management processes can still provide you with the same level of protection, and that is what happened in this case.

**CHAIRMAN**—Dr Banks, would you examine that evidence, please, and come back to us with a written statement?

**Dr Banks**—Yes. Just to make sure we are dealing with the same disease—

**CHAIRMAN**—I ask you to examine the evidence—the transcript—and come back to us with a written statement.

**Dr Banks**—By all means.

**Senator COLBECK**—I would like to take what you said a little further with respect to not being aware of pilchard diseases. Going back to the original salmon issue, my understanding was that one of the reasons the Canadians were successful in challenging us in the WTO was that the potential diseases that could have come in in the pilchards and other fish that were being imported—for example, exotics—were also in the salmon. So I am a bit surprised at your statement that you were not aware of any potential diseases in pilchards. That was one of the

arguments at the time: that we were allowing something that might be able to come in in one fish but were trying to prevent it in another.

**Dr Banks**—I think you are possibly referring to herring there. Certainly, that was raised by the Canadians; you are quite correct. In part of that same suite of import risk analyses that were done at the same time as the salmon, it was recognised that that particular disease could come in in herring, and controls were put in place to reduce that risk. In fact, the controls we recently placed on pilchards are identical to those we placed on herring in the salmon and marine fin fish IRAs. So there is complete consistency there with the level of risk management measures we have put in place.

**Senator COLBECK**—We allow head-on salmon from New Zealand and do not allow head-on salmon from any other country. The issue the salmonoid growers raise in this instance is whirling disease, where there is a much greater probability of the disease being contained in the head than in the rest of the body because of the cartilage. Why the inconsistency between different countries?

**Dr Banks**—It is all to do with the diseases that can be contained in the head. The only concern from the Tasmanian point of view would be whirling disease. After due research, it has become quite clear that that is a disease of trout and it has not been recorded in salmon either in New Zealand or, as far as we are aware, anywhere else. So there were no other reasons as to why the head had to come off New Zealand salmon.

**CHAIRMAN**—Should there be more offshore clearance of imports? If so, how can the risk be managed?

**Mr Cahill**—As a starting point the ideal is to keep as much of the quarantine risk offshore as we possibly can. In that sense, the more offshore inspection work that we can do, the better. We need to balance that capacity against the need to undertake effective controls at the Australian border. We believe that we have a reasonable balance in relation to that now. As you are aware, as part of the Audit Office's audit they indicated that we ought to be doing more in that area, and we have certainly increased what we are doing. We need to make clear that the extent to which we undertake offshore inspections does not equate with offshore clearances. Offshore inspection does not necessarily obviate the need to undertake inspections when goods arrive in Australia anyway. It is a matter that we continuously have under very close watch. We respond as best we can to importers who are bringing sizeable commercial shipments of high-value cargo into Australia that may represent a particularly high quarantine risk. We also have, as you are aware, increased our efforts for high-risk countries adjacent to Australia—particularly East Timor, where we have quite substantial offshore inspection activities under way for rotations of Australian military forces and equipment.

**CHAIRMAN**—Ms Stanton, would you have the appropriate person examine our transcript of evidence dated Monday, 29 July 2002 with respect to Mrs Pauline Semple, the Acting Chief Scientist of the Queensland Environmental Protection Agency, and get back to us with a formal written response as to her allegation that, after many phone calls and emails, Immigration have not responded.

**Ms Stanton**—We will check that through and put a written statement to you.

**CHAIRMAN**—Thank you very much.

**Senator SCULLION**—Ms Harwood, we had a number of submissions that alluded to the fact or directly alleged that whilst they were attempting to access a market—in this case the Philippines, with milk products—there was a response from the Philippines government that unless we did something about bananas we would not be in. Do you think that is a breach of the WTO and, if it is, will you be taking action against the Philippines?

**Ms Harwood**—I think what you are referring to is a number of remarks made in various contexts including in the media. I think you would have to deal with a real world situation before you would be in a position to judge whether or not any action that might have been taken was WTO inconsistent. At the moment we are not dealing in a real world trade situation.

**Senator SCULLION**—Because access has not actually been denied.

**Ms Harwood**—We are dealing with people making statements about what might or might not happen and how they might or might not do it. That is not something that is actionable.

**Senator SCULLION**—Okay.

**Ms PLIBERSEK**—I want to ask a follow-up question. You have addressed it partially in the supplementary information that you have given to us. It is about container cleaning in Sydney as compared with Melbourne. The evidence that we had was that more containers were sent for cleaning in Melbourne, the turnaround time was a lot slower and the cost was a lot higher. You have addressed the reason that more containers are sent for cleaning in Melbourne, but I do not see anything in the supplementary information that explains the price difference. We were told the cost was about \$400 in Melbourne compared with about \$260 in Sydney. What would be the explanation for that? Would a bit of competition in the container cleaning area be helpful?

**Ms Stanton**—Getting to the last point first, there are talks under way with the industry in Melbourne to see whether there can be options other than the existing single option in Melbourne, which is part of the reason for the slowness or at least the backlog that they get and is also a reason for the higher cost. Right at the end of the brief it mentions that we are actively pursuing that with industry. In the end, though, it is for industry to make those arrangements. These are costs that they are bearing. That is the issue in relation to possibly having some other options in Melbourne.

**Ms PLIBERSEK**—Because they were quite substantial differences in processing time, weren't they? From a few hours to several days in Melbourne.

**Ms Stanton**—I think there are three facilities in Sydney and there is only one in Melbourne. We have also provided in that brief the information about the fact that the different countries of origin that tend to go into Melbourne and into Sydney mean that there is that slightly higher percentage of containers in Melbourne that seem to need cleaning.

**Ms PLIBERSEK**—Surely if you know you are going to need to clean more containers it would be sensible to have more facilities to clean them, wouldn't it?



**Ms Stanton**—That is the conclusion that we are trying to encourage industry to come to.

**Ms PLIBERSEK**—Excellent. Thank you.

Resolved (on motion by **Ms Plibersek**):

That this committee authorises publication, including publication on the parliamentary database of the proof transcript of the evidence given before it at public hearing this day.

**CHAIRMAN**—I thank all of you for coming to give evidence to us once again. Once again, on behalf of the committee I thank you for the tremendous degree of cooperation the committee has received all around Australia. I thank those observers who are with us, the members of the committee, our secretariat staff and, last but absolutely not least, Hansard.

**Committee adjourned at 12.51 p.m.**