

Queensland Fruit & Vegetable Growers'

# submission

To  
The Commonwealth Parliament  
Joint Committee of Public  
Accounts and Audit

Comment on the  
Review of Australia's Quarantine  
Function

July 2002



Queensland  
Fruit & Vegetable  
Growers

# CONTENTS

|     |   |    |
|-----|---|----|
| 1   | Introduction and Executive Summary .....  | 1  |
| 2   | Terms of Reference for the Review .....   | 3  |
| 3   | Queensland Fruit & Vegetable Growers' Role and Responsibilities .....                                     | 4  |
| 4   | COMMENTS ON THE ANAO AUDIT REPORT .....   | 5  |
| 5.1 | Coordination of AQIS with other Border Control Agencies .....   | 5  |
| 5.2 | Identification of potential risks to Australia & application of to meet these risks.....                  | 5  |
| 5.3 | Impact of international agreements on quarantine activities – including any free trade negotiations ..... | 6  |
| 5.4 | Operations of AQIS beyond Australia's borders .....   | 8  |
| 5.5 | AQIS Border Operations.....   | 8  |
| 5.6 | Monitoring & surveillance within Australia for breaches of the quarantine barrier .....                   | 9  |
| 5.7 | IRA development .....   | 10 |
| 5.8 | Opportunities to increase public awareness of, & involvement in quarantine issues .                       | 11 |
|     | Appendix 1- Queensland Fruit & Vegetable Growers Policy Position .....                                    | 12 |

# 1 Introduction and Executive Summary

The Australian environment is relatively free from many harmful pests and diseases of plants, animals and humans. This status provides Australian industry a significant trading advantage with economic benefits to Australia as a whole.

Australia's quarantine function aims to deliver protection from the establishment or spread of human, animal or plant diseases. Incursions of exotic pests and diseases continue to be a major threat to Australia's primary production and exports, public health and its native flora and fauna.

Australia's geography and terrain make the task of controlling or eradicating an exotic pest or disease outbreak extremely difficult and expensive. Due to its proximity to the islands of Torres Strait, Northern Queensland is particularly susceptible to incursions of exotic pests and diseases. As a consequence, quarantine systems and arrangements need to be designed to avoid or at least minimise the risk of pest and disease incursions. In this way, the need to apply costly and difficult control and eradication programs may be avoided.

In recent years a number of major reviews and incidents have influenced the direction of the quarantine function. These include the 1996 Quarantine Review: *Australian Quarantine - A Shared Responsibility* (chaired by Professor Malcolm Nairn); the 2001 ANAO Report N<sup>o</sup>. 47: *Managing for Quarantine Effectiveness*; and the Government's response to the outbreak in February 2001 of foot and mouth disease (FMD) in the United Kingdom and Europe.

The 1996 'Nairn' Review recommended a fresh approach to quarantine by way of the following:

- Managed risk based on science.
- A continuum of quarantine (pre-border, border, post border).
- Shared responsibility (Government, industry and the community).
- Consultative decision making.
- External input to quarantine policy.
- Enhanced capacity in plant and fish quarantine protection and policy.

The *Managing for Quarantine Effectiveness* report determined that, as a result of actions taken on the Quarantine Review Committee report, "quarantine operations were now markedly more effective across the board but that there remain weaknesses in management of the quarantine function, which need to be addressed to improve operational effectiveness and quarantine outcomes."

Queensland Fruit & Vegetable Growers (QFVG) is aware that AFFA as implemented many of the recommendations of the ANAO report, through greater emphasis in a number of areas including:

- Extending and improving the risk assessment process.
- Improving border controls.
- Establishing an integrated and systematic risk management framework.
- Improving the use of quarantine risk profiles.
- Strengthening pre-border cargo activities.
- Improving effectiveness indicators.

While these recommendations have been implemented, QFVG seeks to reinforce its policy position for quarantine and biosecurity (Appendix 1) by responding to the key issues raised in the terms of reference for the review of Australia's Quarantine Function by the Joint Committee of Public Accounts and Audit (JCPAA).

The horticulture industry remains supportive of the comprehensive implementation of the Nairn recommendations as an underlying philosophy for Australia's quarantine function. The following comments reflect the views of QFVG, which are submitted in support of the Horticulture Australia Council, the peak industry body aimed at representing the broad interests of the Australian horticulture industry on national issues of concern to further the objectives of industry.

## 2 Terms of Reference for the Review

Following issues raised in the Australian National Audit Office (ANAO) *Audit Report 47, 2001, Managing for Quarantine Effectiveness* – Department of Agriculture, Fisheries and Forestry – Australia, the JCPAA is to review the efficiency and effectiveness of the quarantine function.

QFVG will comment on the terms of reference set for the Committee in the following areas:

- Coordination of AQIS with other border agencies.
- Identification of potential risks to Australia & application of resources to meet these risks.
- Impact of international agreements on quarantine activities.
- Operations of AQIS beyond Australia's borders.
- AQIS operations.
- Monitoring & surveillance within Australia for breaches of the quarantine barrier.
- IRA development.
- Opportunities to increase public awareness of, & involvement in quarantine issues.

## 3 Queensland Fruit & Vegetable Growers' Role and Responsibilities

### Representation and Leadership

Queensland Fruit & Vegetable Growers (QFVG) champions the interests of Queensland's 6,500 commercial growers through a range of services.

Horticulture is Queensland's second largest primary industry behind cattle. Our fruit and vegetable industry is worth more than \$1.2 billion and employs around 25,000 people. A host of rural communities rely heavily on business created by local horticulture enterprises.

Our 3,700 farms produce more than 120 types of fruit and vegetables and hundreds more in different varieties. Our fresh produce ranges from temperate stone fruits and staple vegetables to exotic tropical fruits and Asian vegetables.

While the interests and needs of growers are divergent, they all share a common bond – the call for strong and unified action to assist them to succeed.

We provide leadership, advice and support to growers to ensure their specific needs are met. This encompasses the identification and management of key industry matters, political lobbying, the development and coordination of industry development programs and marketing and promotion services, and access to beneficial commercial opportunities.

### Activities

QFVG responds directly and quickly to the changing needs of growers. The organisations' activities fall under three main areas:

- Advocacy and policy – championing the needs of growers to politicians and business and community leaders to ensure our growers' voices are heard.
- Industry development services – helping individual growers, through industry-wide programs and activities, to succeed in an ever-demanding market.
- Member services – providing practical commercial services and offering access to special offers and discounts to give growers a leading edge.

### Transition Strategy

QFVG is currently in a transitional period. The organisation is removing the statutory arrangements that have governed it since its establishment in 1923 and is working towards becoming a voluntary, commercially focused organisation.

By June 2003, QFVG will provide members throughout the value chain with a service that directly meets their ever-changing needs in this dynamic industry.

## 4 COMMENTS ON THE ANAO AUDIT REPORT

QFVG's strategic goal for quarantine and biosecurity is for the:

- Protection of Australia's agricultural and natural resources from entry, spread or establishment of unwanted pests and diseases that may cause negative economic, environmental or social impacts.
- Maximisation of market access opportunities for horticultural exports.

The comments and recommendations below are presented in reference to this goal.

### 5.1 *Coordination of AQIS with other Border Control Agencies*

In recent years, progress has been achieved in the area of coordination between AFFA and the Australian Customs Service (ACS). The improvement in coordination has been demonstrated in how Australia has dealt with the outbreak of Foot and Mouth Disease (FMD) in the UK/Europe and the large number of passenger movements during the Sydney Olympics.

In the May 2001 Budget, increased funding for border surveillance was provided and this saw AQIS and ACS responding to a range of quarantine risks including FMD.

The efficacy of increased border protection activities requires maximum coordination and cooperation between AQIS and ACS. In addition to the ACS, other Commonwealth agencies form part of the reference network for AFFA in the pursuit of quarantine outcomes. Extensive working relationships also exist between State Governments in respect to post border arrangements.

#### ***Recommendation:***

*QFVG supports the development and operation of effective coordination efforts between border control agencies and support agencies to ensure the efficient and successful delivery of border control outcomes.*

### 5.2 *Identification of potential risks to Australia & application of to meet these risks*

Management of quarantine involves assessing and managing quarantine risk. There are two critical elements in risk managing the quarantine function (*ANAO Audit Report No 47 2001-01* Page 54):

- "Determining the risk posed by individual products or substances and deciding whether these goods should be prohibited or subject to specific treatments (in order to achieve the desired level of protection). This is the role of the IRA process and quarantine policy formulation.
- Efficiently allocating available quarantine detection and inspection resources so as to minimise Australia's exposure to untreated quarantine risk material, referred to in this

report as operational risk management. Operational risk management is primarily about understanding, and treating, varying risks between, for example, international airports and international mail, or even between individual passengers”.

In its audit review, ANAO acknowledged that AFFA has recognised the need for its operations to be soundly risk based and has put in place administrative structures in AFFA for the assignment of risk management plans against each program’s business plan. However, the ANAO has referred to “uneven application of risk concepts, with potential consequences for the management of outcomes”.

ANAO found that:

- “Some programs assessed the consequences of a major pest or disease incursion as “extreme”, while others assessed the consequences of the same incursion as “very high”, notwithstanding that the impact of an incursion is unlikely to depend on the route of entry.
- Programs implemented controls to manage the same risk of incursions, but to different levels of residual risk. For example, the import clearance program considered that a residual risk rated as “major” to be acceptable, yet this level of residual risk was not acceptable in seaports and airports. There was no clear reason apparent for accepting varying levels of residual risk between programs.
- Application of AFFA’s risk approach requires identification and assessment of the risk of disease incursion. The International Mail Program, unlike other programs, does not do this”.

Risk determinations carried out by Biosecurity Australia have in the past been a source of industry concern due to a lack of transparency of the processes employed to arrive at such judgements.

The horticulture sector is supportive of the Plant Health Australia (PHA) Biosecurity planning initiative as one particular strategy being employed to provide for Australia’s preparedness for incursions. Industry needs to be further encouraged to become participants in the PHA process.

***Recommendation:***

- That risk identification and assessment measures be independently developed and applied consistently across programs and between the different modes of entry.
- That industry is consulted with respect to the development and application of such assessments.
- That AFFA resource allocation is directed to the areas of greatest risk.
- That industry is involved in consultation and is encouraged and assisted to participate in the processes of government focusing on planning for incursion readiness.

**5.3 *Impact of international agreements on quarantine activities – including any free trade negotiations***

Horticulture exports have grown over the years and so Australia’s international agreements and obligations have important implications for industry.



There are a range of agreements which shape influence the nature and direction of Government trade policy. Of these agreements, the World Trade Organisation (WTO) Agreements have the major influence on quarantine policy and application (the WTO Agreement on Agriculture, the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) and the Dispute Settlement Understanding (DSU) have significant implications for horticulture).

The SPS Agreement prohibits the use of agriculture specific non-tariff measures to distort trade. It also prohibits the use of needless food safety and quarantine requirements to protect domestic producers from international competition.

A critical issue for quarantine policy is the concept of Appropriate Level of Protection (ALOP). The issue of ALOP was raised in the context of the review of the *Draft Administrative Framework for Import Risk Analysis – A Handbook*. In the review reference, AFFA maintained that ALOP was a matter for Government in consultation with the community.

Through the Horticulture Australia Council, QFVG and its industry partners submitted to the review “there is no support in international or domestic law for a requirement of a single ALOP. Industry has concerns about the concept of a single ALOP and seeks far more understanding and clarity about its composition and structure. Prior to determining a final framework for IRA process, Industry asks to be advised of the following:

- Who has determined Australia’s ALOP.
- When was it determined.
- What is the text of the policy as determined by Government?”

Government has indicated that it is receptive to negotiating Free Trade Agreements (FTA) with major trading partners where the gains can be delivered in a shorter time frame than by other means. Any agreement is conditional on their impact spreading across all sectors and it must be consistent with WTO rules.

The issue of harmonisation of quarantine standards is often raised in the context of government-to-government consultations and negotiations. Horticulture would support a greater degree of harmonisation of quarantine standards with extensive industry consultation as part of the process.

**Recommendation:**

- QFVG believes the issue of ALOP needs to be reviewed by Government in a transparent and consultative process with industry.
- That any Free Trade Agreement must not in devalue the principle that quarantine matters be based on pure scientific assessment.
- To maintain its awareness of international markets, industry needs be kept fully informed of any changes to existing international agreements.
- Government must remain ever vigilant in opposing the application or use of non-tariff or other barriers to restrict trade in horticultural products.
- The horticulture industry would support a greater degree of harmonisation of quarantine standards with a consultation process inclusive of industry.

## **5.4 Operations of AQIS beyond Australia's borders**

Australia's pre-border operations are designed to recognise and reduce the incidence of pests and diseases overseas.

Much of AFFA's pre-border effort is focussed on commercial cargo imports and on raising awareness. In addition, a number of assistance projects are undertaken by Australia to help other countries to develop standards with a view to pest and disease reductions. Such assistance should in no way reduce Australia's application of the existing regime of quarantine measures.

AFFA also has strategies in place for participation in international organisations, which seek to develop common standards and reduced risks of pests and diseases from overseas.

One of the most critical areas for quarantine policy from a plant industry perspective concerns the issue of incursions into Australia, particularly into Queensland, from regions such as PNG, Torres Strait and Eastern Indonesia.

The Northern Australian Quarantine Service (NAQS) program addresses the border quarantine needs of the 'northern pathway', however, QFVG would be in favour of a general review of the effectiveness and response mechanisms of the existing strategy including the incorporation of specific targeted outcomes.

### ***Recommendation:***

- QFVG supports the extension of efforts by AFFA in its pre border preventative programs.
- The risk to Australia through northern regions, particularly Queensland, is of significant concern to QFVG. To this end, the organisation recommends that increased resources are allocated to expand the reach of existing programs.
- QFVG supports greater Australian investment into neighbouring countries in areas of the capacity to diagnose, control and eradication of major pests and diseases where appropriate.
- QFVG would see it as appropriate for a general review of the effectiveness and response mechanisms of the NAQS be conducted, including the incorporation of specific targeted outcomes.

## **5.5 AQIS Border Operations**

The border is one of the most critical points for quarantine operations and it is where most effort is expended.

In response to the QRC Report in 1997, border operations have been upgraded, including improved collection of management information which is used to assess outcomes.

ANAO has estimated that there are still many prohibited goods entering Australia undetected. The ANAO has also drawn the attention to the fact that leakage data for cargo or vessels have not yet been collected to assist in the assessment of the relevant border programs.

QFVG views the risk of breaches with respect to cargo shipments as being a high-risk area for pest incursions (eg Red Imported Fire Ant incursion) and so the need for adequate data on which to base an appropriate risk assessment is critical to effective quarantine controls.

On the wider issue of AQIS operations, QFVG notes the role and responsibilities of the Horticulture Exports Consultative Committee (HECC).

QFVG believes HECC has a valuable role to play in overseeing developments and strategic initiatives but would seek expanded consultation between industry and the Committee about issues of deliberation and decision.

***Recommendation:***

- QFVG recommends that AQIS increases its current effort for the collection of appropriate data for the development of risk assessment profiles at the border level to ensure greater effectiveness of control outcomes.
- That expanded consultation between industry and the HECC takes place on matters of consideration and decision.

## **5.6 Monitoring & surveillance within Australia for breaches of the quarantine barrier**

Australia must have the capacity to rapidly and accurately detect, eradicate or control the existence of an exotic plant pest or disease incursion.

Developing this capacity requires many undertakings including:

- Operations of bodies such as Plant Health Australia.
- Cost sharing agreements between the states and the Commonwealth and Territories.
- Forecasting systems.
- Surveillance systems.
- Identification of incursions.
- Diagnostic resources.
- Pest and disease control and eradication strategies.

Australia's Northern Australia Quarantine Strategy (NAQS) including East Timor provide an important front line defence to pest and disease incursions.

Compared with other primary industry sectors, horticulture often perceives a greater vulnerability to incursion threats due to the nature, geography and structure of the industry, often relying on random incidents to expose the presence of a new threat. Government needs to ensure more than adequate resourcing of its programs to ensure effective outcomes for quarantine protection.

While the ANAO found the program to be effective, the Horticulture industry has some reservations about the final outcome of the program due to recent incidents such as the incursion of the Red Banded Mango Caterpillar.

**Recommendation:**

- QFVG supports the continued if not expanded role that AFFA is playing in the coordination of monitoring and surveillance at a national level, in close partnership with State agencies.
- QFVG seeks a clear commitment from Government on matters covering community, industry and government responsibilities including funding in the event of incursion incidents.

## 5.7 IRA development

The aim of the Import Risk Analysis (IRA) process is to provide a transparent and scientific based process for determining and managing biosecurity risks. The objective is to apply an intensive and rigorous scientific investigation into the disease and pest risks of the commodity proposed to be imported.

This aspect of quarantine function has been a most contentious issue from horticulture's position with industry concerns surrounding:

- Lack of transparency of process.
- Uncertainty of pathway of process.
- Uncertainty of scientific principles and their application.
- Lack of timeliness.

With this in mind, Biosecurity Australia has conducted a review of the IRA process, consulting extensively with stakeholders.

The major changes to the IRA have included:

- More regular communications with stakeholders.
- Adoption of a single IRA approach.
- For all IRAs, an initial paper for consultation with stakeholders to be a technical issues document providing early stakeholder input – illustrated recently during the IRA for pineapple imports.
- IRAs to be subject to formal external scientific peer review.
- All technical reports in final form, with submissions and peer reviews to be placed on the public file.

The economic, regional and social effects of IRA outcomes will have major implications for many country communities. While this is a matter for Government and not for Biosecurity Australia as the agency with functional responsibility, an appreciation of the wider implications must be made with issues concerning possible restructuring need to be factored into a broader judgement of the situation.

**Recommendation:**

- QFVG welcomes the enhancements to the Import Risk Assessment process, however some concerns remain about the degree and timing for access to the public file for IRA information.
- QFVG strongly supports the use of effective and timely communications to all stakeholders including State and Territory Governments.
- QFVG supports the formalisation of the “Technical Working Group Process” as part of the overall IRA process.

- IRA's should be accompanied by a social, economic and regional impact statement, to be used as an integral part of the decision-making process on IRA applications. Should an IRA be favourable to the applicant, there needs to be an understanding of the potential impact of pest and disease outbreaks, along with a preparedness to provide adjustment to domestic industries and regions impacted by increased competition.

### **5.8 Opportunities to increase public awareness of, & involvement in quarantine issues**

Community awareness strategies have been upgraded in recent years with a broad approach to lifting awareness of quarantine matters.

Biosecurity Australia has a communications strategy in place that aims to increase awareness of the IRA process. A register numbering in the thousands has also been compiled to improve quality of communications with stakeholders.

AQIS operates two major quarantine awareness programs targeting travellers and communities and visitors to north Australia.

The ANAO has pointed to the results of an awareness survey by AFFA as indicating a need to further review the effectiveness of some aspects of some programs.

From time to time the issue of industry co-regulation has been raised in the context of AQIS operations. More attention needs to be given to adopting the principle of industry co-regulation where this can produce more efficient and effective quarantine outcomes.

#### **Recommendation:**

- Because the ever-increasing number of passenger movements to and within Australia is accompanied by an increased potential for pest and disease incursions to occur, QFVG supports continued if not expanded funding of the public education and communications program for quarantine awareness.
- QFVG also supports the maintenance of an extensive industry consultation program to enhance awareness of quarantine developments and responsibilities.

## Appendix 1- Queensland Fruit & Vegetable Growers Policy Position


QFVG has strategic goals for a number of key policy areas covering the sustainable use of natural resources, industry development, economics, occupational health and safety, food safety and food quality to name just a few. For the current review, the key policy driver for QFVG's approach is the organisation's Quarantine policy:

*The unique biodiversity and relatively disease-free status that Queensland enjoys, coupled with our reputation as a supplier of fresh, high quality, clean produce, must be protected. These attributes provide rural industry with a clear competitive advantage when seeking access to markets.*

*Effective sanitary and phytosanitary controls contribute towards preventing the importation of exotic pests and diseases that lead to economic losses as well as a loss of market access. Governments must actively use their resources to assess import applications, prevent and combat pest and disease incursions as well as fund and coordinate eradication procedures.*

*These activities must leave the international community without doubt that Australia's quarantine and risk assessment regimes are developed and operated independently, and are based solely on sound scientific principles and analyses rather than industry protection.*

*The maintenance of stringent quarantine measures will assist in avoiding the incursion of pests and diseases. The detection of Black Sigatoka, Red-Banded Mango Caterpillar, Red Imported Fire Ants and Crazy Ants are all examples of threats to our relatively disease free status. A quick and measured response, as publicly illustrated by DPI's response to Fire Ant incursions, is essential in the event of a disease incursion. Delays in response time can have significant impacts upon the severity of the situation.*



For further information please contact:

**Queensland Fruit & Vegetable Growers Ltd**

Brisbane Market  
Sherwood Road Rocklea  
Queensland 4106

PO Box 19 Brisbane Market  
Queensland Australia 4106

**Telephone** (07) 3213 2444  
**Members' Access Line** 1800 654 222  
**Facsimile** (07) 3213 2480  
**Members' Facsimile Line** 1800 650 196

**E-mail** [qfvg@qfvg.org.au](mailto:qfvg@qfvg.org.au)  
**Website** [www.qfvg.org.au](http://www.qfvg.org.au)