Chapter Three

Issues raised

Adequacy of current biosecurity and quarantine arrangements, resourcing and future requirements

3.1 The committee has identified a number of issues and common themes which have been raised by key stakeholders – during both past inquiries and in evidence to the current inquiry. The issues raised include concerns about the Import Risk Analysis (IRA) process generally, Australia's definition of ALOP and Australia's current preparedness for a major pest or disease incursion.

IRA processes

- 3.2 In a number of its previous reports, the committee highlighted specific concerns about Australia's IRA process and the way assessments are conducted. These concerns included the circumstances and criteria under which a formal IRA process is undertaken, the adequacy of the IRA consultation process, the time taken to undertake an IRA process and the role of the Eminent Scientists Group (ESG). ¹
- 3.3 The Beale Review also highlighted certain concerns relating to IRAs. While a number of reforms to the IRA process were implemented in 2007, evidence presented to past and current inquiries suggests that industry groups continue to have significant concerns about certain aspects of the process. The Beale report, while acknowledging the 2007 reforms, noted that there is still "uncertainty and debate surrounding the risk analysis methodology used by Biosecurity Australia (BA)".²
- 3.4 The Victorian Wine Industry Association (VWIA) for example, pointed to shortcomings in the IRA consultation process in relation to the importation of table grapes from China:

During the consultation phase, Biosecurity Australia did not seek comment on the draft risk assessment report from a broad range of industry stakeholders. It is important that Biosecurity Australia consults broadly across industry when undertaking an IRA to ensure that its consultation process is representative. In the case of the importation of table grapes, there are a range of viticulturally based industries that may be impacted

See, for example: Rural and Regional Affairs and Transport Legislation Committee,

Administration of Biosecurity Australia – Revised draft import risk analysis for apples from

New Zealand, March 2005, Rural and Regional Affairs and Transport References Committee,

Import risk analysis (IRA) for the importation of Cavendish bananas from the Philippines, June
2009 and Rural and Regional Affairs and Transport References Committee, The possible

impacts and consequences for public health, trade and agriculture of the Government's

decision to relax import restrictions on beef, Final Report, June 2010.

Beale, Roger et al, *One Biosecurity: a working partnership*, September 2008, p. 96.

including wine, dried fruit, nurseries, vine improvement as well as the table grape industry itself.³

- 3.5 In its 2009 report on the import of Cavendish bananas from the Philippines, the committee expressed concern that stakeholders had not been adequately informed with respect to the IRA methodology prescribed by BA's guidelines and had not had any opportunity to contribute to the ongoing development of those guidelines.⁴ In its report, the committee noted efforts made by BA to improve consultation in relation to IRAs, but concluded that there was "scope for improvement" in this area.⁵
- 3.6 Similarly, the Australian Racing Board (ARB) and Racing Victoria (RV) submitted that the consultation process in relation to the IRA for horses in 2009 was limited, and argued that:

The IRA process only included one consultation step. As such, interested parties were not given the opportunity to consider general comments from other parties or the opportunity to consider comments relating to scientific, technical, or other gaps in the data, misinterpretations and errors. If there are gaps misinterpretations or errors the general comments from interested parties will necessarily be based on incorrect or incomplete information. Despite this limited consultation process the IRA becomes non-appealable after submission to the Minister.⁶

- 3.7 Despite the inclusion of timeframes in the regulations in 2007, the time taken to complete IRAs continues to be a concern for some industry groups. In the course of the inquiry into Cavendish bananas, stakeholders indicated that they often found it difficult to respond to detailed and complex IRA material within the stipulated timelines.⁷
- 3.8 The Beale report indicated that Australia's trading partners took the opposite view, and noted that that one of the major complaints made by Australia's trading partners was the length of time taken to complete IRAs. The report noted that:

While these Import Risk Analyses may have involved complex scientific assessments, the Panel's judgement is that the time taken is difficult to justify. The panel notes that in other equally complex areas such as therapeutic goods and major project approvals involving environmental

Senate Rural and Regional Affairs and Transport References Committee, *Import risk analysis* (*IRA*) for the importation of Cavendish bananas from the Philippines, June 2009, p. 8.

(IRA) for the importation of Cavendish bananas from the Philippines, June 2009, p. 9.

Senate Rural and Regional Affairs and Transport References Committee, *Import risk analysis*

Wictorian Wine Industry Association, Submission 13, p. 2.

⁵ Senate Rural and Regional Affairs and Transport References Committee, *Import risk analysis* (*IRA*) for the importation of Cavendish bananas from the Philippines, June 2009, p. 8.

⁶ Australian Racing Board and Racing Victoria, *Submission 4*, p. 8.

issues, the time for assessments has been much less than in the biosecurity context.⁸

- 3.9 The Beale report did, however, acknowledge that "the time taken by trading partners to assess Australia's market access requests could also be considered to be excessive in some cases". 9
- 3.10 The committee has previously expressed its concern regarding the standard time horizon for risk assessment. In that instance the committee noted that one year does not adequately take into account long range predictions or probabilities of the entry, establishment and spread of pests and diseases. ¹⁰
- 3.11 The Tasmanian Department of Primary Industries, Parks, Water and Environment (DPIPWE) also raised this issue, and argued that:

Biosecurity Australia currently assumes a standard one year volume of trade when estimating the likelihood of pest entry to accommodate seasonal variations in pest presence, incidence and behaviour. BA also takes the view that this does not mean any quarantine measure recommended for that organism is only good for one year because the risk estimation matrix implicitly reflects consideration of establishment, spread and consequence over more than one year. Despite this assurance from BA, we have not yet seen any evidence or explanation of a systematic process for converting this annual likelihood estimate and long run consequence estimate into a long run risk estimate.¹¹

3.12 The ARB and RV also expressed concern that the interpretation of technical information lacks transparency, and therefore does not necessarily provide a sound basis for risk analysis. It was argued that one of the consequences of poor analysis could include:

...development of overly restrictive importation conditions. Such conditions can limit opportunities associated with horse importation and impose significant costs on the horse industry. Also once conditions are established they tend to become a paradigm and so become very difficult to amend, even if they are based on incomplete analysis. 12

- 3.13 The committee has also previously noted its concerns in relation to:
 - the apparent lack of rigour in IRA assessments of the consequences of an incursion of a pest or disease; and

⁸ Beale, Roger et al, *One Biosecurity: a working partnership*, September 2008, p. 100.

⁹ Beale, Roger et al, *One Biosecurity: a working partnership*, September 2008, p. 100.

Senate Rural and Regional Affairs and Transport References Committee, *Import risk analysis* (*IRA*) for the importation of Cavendish bananas from the Philippines, June 2009, p. 11.

Tasmanian Department of Primary Industries, Parks, Water and Environment, *Submission 38*, p. 8.

¹² Australian Racing Board and Racing Victoria, *Submission 4*, p. 8.

• documented instances in which the basis of substantial changes to assessments of the probability of entry, establishment and spread (PEES) of a particular pest or disease was not clear. ¹³

Appeals process

3.14 The committee has, during previous inquiries, heard criticism of the appeals process in relation to IRAs. As described above, non-judicial appeals are heard by the Import Risk Analysis Appeals Panel (IRAAP) in cases where a stakeholder can establish that the prescribed IRA process has not been followed such that their interests have been adversely impacted. The Apple and Pear Australia's (APAL) submission argued that the current appeals process is inadequate because "the Appeals Panel operates under a narrow interpretation of the terms of reference". 14

Eminent Scientists Group

- 3.15 Concerns have been raised during previous inquiries regarding the operation and transparency of the Eminent Scientists Group (ESG). APAL continues to be concerned that the ESG is "not required to demonstrate the rigour of their assessment" or to "provide transparency about the scientific materials they use in making their determinations". ¹⁵
- 3.16 The committee raised these specific criticisms of the ESG with DAFF during a hearing on 14 February 2011 and asked whether anything was being done to improve the transparency of the assessment of the ESG. In response, DAFF indicated that:

Ms Mellor – There is no activity going on to improve the transparency, as has been put to you by other witnesses. The key role of that group is to provide advice to the department on the development of the science and the department takes that advice and publishes and consults on its product.

Chair – In other words, it is all right for you to know but not for us to know.

Ms Mellor – The science that we publish is informed by whatever peer review to ESG does.

Senator Milne – That is the thing – people would like to know what the peer review was, what new information, if any, was assessed. At least if you knew what new information was assessed, growers would have an opportunity to know whether or not they thought that was adequate. At the same time they also complained, in relation to the appeals process under the IRA, saying that there is a really narrow definition of whether the process

Senate Rural and Regional Affairs and Transport References Committee, *Import risk analysis* (*IRA*) for the importation of Cavendish bananas from the Philippines, June 2009, pp 13-15.

¹⁴ Apple and Pear Australia Limited, Submission 6, [p. 3].

¹⁵ Apple and Pear Australia Limited, *Submission 6*, [p. 2].

has been adhered to. In fact, they say, and I agree with them, that while that is important, they want to know whether Biosecurity Australia actually did what you would expect it to do – that is, identify the pests and diseases of quarantine concern... Is the appeals process being reviewed?

Ms Mellor – No, it is not being reviewed. It is an administrative tool for people to raise issues about the process and that is how it is used. 16

Appropriate Level of Protection (ALOP)

3.17 Australia's ALOP was set by the Government following consultations through the Agriculture and Resource Management Council of Australia and New Zealand, and the Primary Industries Ministerial Council. The Beale Report indicates that ALOP definition followed a Senate Rural and Regional Affairs and Transport Legislation Committee report on the importation of salmon products, tabled in June 2000. ¹⁷ The Beale Report also notes that:

The Committee recommended that the Commonwealth Government, in consultation with the community and the states, be responsible for establishing a more explicit Appropriate Level of Protection. The Primary Industries Ministerial Council then agreed that the draft guidelines for risk analysis, developed by Biosecurity Australia and which illustrated the concept by way of a risk estimation matrix, adequately met Australia's needs and that further definition was not a Ministerial Council priority (Primary Industries Ministerial Council 2002, Meeting 1, Resolution No. 1.3). ¹⁸

3.18 A key area of concern raised by DPIPWE during the current inquiry related to what it described as "the policy void that is Australia's Appropriate Level of Protection (ALOP)". DPIPWE submitted that the current ALOP is "ambiguous and open to interpretation" and argued that:

Since the ALOP statement is fundamentally about the level of biosecurity risk Australia is prepared to accept, these policy links have direct implications for how public resources are deployed to achieve satisfactory 'risk return' in all areas of biosecurity. ²⁰

Tasmanian Department of Primary Industries, Parks, Water and Environment, *Submission 38*, p. 2.

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¹⁶ Ms Rona Mellor, Department of Agriculture, Fisheries and Forestry, *Committee Hansard*, 14 February 2011, p. 60.

¹⁷ Rural and Regional Affairs and Transport Legislation Committee, An Appropriate Level of Protection? – The Importation of Salmon Products: A case study of the Administration of Australian Quarantine and the Impact of International Trade Arrangements, June 2000.

Beale, Roger et al, *One Biosecurity: a working partnership*, September 2008, p. 87.

Tasmanian Department of Primary Industries, Parks, Water and Environment, *Submission 38*, p. 2.

- 3.19 DPIPWE further argued that, as the core of national biosecurity policy, Australia's ALOP statement should be expressed in a way that is:
 - consistent with relevant international frameworks so that import policy decisions made against it are above challenge; and
 - comprehendible to people who bear the costs or enjoy the benefits of decisions, in particular the Australian community, therefore delivering policy transparency and accountability.²¹
- 3.20 Whilst DPIPWE noted that they were supportive of the Australian ALOP statement as written, it also suggested that the statement needed to be made a "lot more explicit rather than implicit". Further, DPIPWE provided the committee with an alternative ALOP statement which, it was argued, was capable of conferring increased security upon biosecurity decision-making and rectifying the transparency issues identified by Beale. ²³
- 3.21 The committee raised the Tasmanian department's concerns with DAFF during a hearing on 14 February 2011 and asked whether, in the writing of the new biosecurity and quarantine legislation, the current ALOP statement was going to be a matter of public discussion. In response to the committee's question, DAFF indicated that:

The new legislation will put in place the recommendation of the Beale review, which was that the minister will be able to issue a statement which will be a legislative instrument but non-disallowable. In developing that statement, the minister will be required to consult with all of the states and territories. What we have done so far is that we have issued a discussion paper to all of the jurisdictions. They have all provided us with submissions about ALOP and what it should and should not say. Tasmania did put its view to that working group. The other states do not share the same view that Tasmania has in terms of the level of detail that should be included in that statement. We are still working through with all of the jurisdictions and the relevant agencies in the Commonwealth as to what the nature of that statement will be at the end of the day, but it will not be issued until after the legislation has come into force.²⁴

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Tasmanian Department of Primary Industries, Parks, Water and Environment, *Submission 38*, p. 3.

Mr Andrew Bishop, Tasmanian Department of Primary Industries, Parks, Water and Environment, *Committee Hansard*, 14 February 2011, p. 31.

The Tasmanian Department of Primary Industries, Parks, Water and Environment's alternative ALOP statement is at Appendix 3.

²⁴ Mr Russell Phillips, Department of Agriculture, Fisheries and Forestry, *Committee Hansard*, 14 February 2011, p. 60.

Levels of resourcing

- 3.22 The committee received a number of submissions which expressed concern about DAFF's ability to maintain an adequate level of resourcing. Submitters also suggested there was likely to be a decrease in the level of resourcing once the proposed reforms were implemented.
- 3.23 Mr Neil Donaldson, for example, questioned whether there would be adequate meat inspection staff, after the reforms have taken place, to ensure that proper implementation and oversight of relevant legislation is taking place.²⁵
- 3.24 The National Herd Improvement Association of Australia (NHIA) noted the Beale Review's call for an increase in funding to support the delivery of Australia's biosecurity system. The NHIA acknowledged the \$127 million funding increase announced by the Government in 2009, and argued that it does not appear to have filtered down to the 'coal face'. NHIA also argued that there had been no significant improvement in the development of information technology or processes to improve efficiency of certification by the Australian Quarantine and Inspection Service (AQIS), and that:

Resourcing for staff at both Biosecurity Australia and AQIS appears to remain inadequate. For example, the recent outcry that led to the establishment of an IRA for beef imported from countries with BSE has removed a significant number of staff from the genetics/animal health protocol section of Biosecurity Australia which has left an enormous workload on the staff that remains behind. This has resulted in delays with the negotiation of animal health protocols which has had commercial consequences for the export of semen and embryos.²⁷

3.25 The CRC for National Plant Biosecurity (CRCNPB) indicated strong support for the Beale Review's recommendation regarding an improvement in both the quality and use of state and territory laboratories to support national biosecurity priorities. ²⁸ The CRCNPB argued that whilst there is significant investment in animal health laboratories through the facility at CSIRO's AAHL, ²⁹ there is no equivalent investment in infrastructure in the plant sector.

3.26 The CRCNPB argued that:

25 Mr Neil Donaldson, Submission 1, [p. 1].

National Herd Improvement Association of Australia Inc., Submission 2, [p. 1].

National Herd Improvement Association of Australia Inc., Submission 2, [p. 1].

Beale Review Recommendation 58 – The National Biosecurity Authority should ensure Australia has the laboratory capability and capacity to manage exotic pest and disease incursions of national significance. The Panel recommends that the Authority, working with the states and territories, should improve the quality and use of state and territory laboratories to support national biosecurity priorities.

²⁹ Australian Animal Health Laboratory – a national facility for animal health located in Geelong.

...the implementation of this recommendation [Beale Recommendation 58] is a critical element to enhancing Australia's plant biosecurity system. In using the existing laboratories in states and territories it is essential that a formal national network is established to utilise resources in the most effective way. ³⁰

3.27 The CRCNPB told the committee that Australia's biosecurity system is particularly complex and noted that the management of plant biosecurity involves a number of levels of legislation; implemented through numerous regulatory bodies and subject to review by various state and federal agencies. It was also argued that a lack of resources:

...means that regulators and industry, for the most part, are isolated from research in the field until, as is often the case, their paths cross at the point of an emergency pest incursion or market access issue. At that point, there is no time for regulators to explain the intricacies of biosecurity laws. Nor for researchers to develop a quick-fix solution to the problem.³¹

- 3.28 Riverina Citrus raised concerns about current levels of resourcing and Australia's ability to deal with a major disease incursion. In its submission, Riverina Citrus highlighted the damage currently being caused to citrus industries in Florida and Brazil by Huanglongbing (HLB) (a disease of citrus also known as Citrus Greening).
- 3.29 Riverina Citrus argued that the most likely pathways of entry of HLB and its vectors are:
 - illegal introductions of budwood from South Africa, Brazil, Asia or Florida by growers seeking to gain advantage through new or improved varieties:
 - householders illegally importing budwood or cuttings from trees owned by friends or relatives in countries where HLB occurs;
 - legal importation of infested or infected material that has been inadequately tested or treated and inspected;
 - passive transport of adult psyllids, which are strongly attracted to light, in commercial and military aircraft;
 - air movements (eg. cyclonic and jet streams) carrying psyllids from areas such as Indonesia and Papua New Guinea;
 - movement of people carrying citrus fruits and other plant material across the Torres Strait from Papua New Guinea, principally by sea; and

³⁰ CRC for National Plant Biosecurity, Submission 3, pp 8-9.

³¹ CRC for National Plant Biosecurity, *Submission 3*, p. 9.

- unregulated landings of boats carrying citrus from other areas to the north of Australia. 32
- 3.30 Riverina Citrus noted that an HLB Task Force of industry, state and federal representatives is meeting regularly via teleconference and a Pest Specific Contingency Plan (funded by the citrus industry) has been formulated and is continually being updated as new information is becoming available. Riverina Citrus also told the committee that:

We believe that current biosecurity and quarantine arrangements, including resourcing are inadequate to meet the threat of HLB and the Asian citrus psyllid to Australian citriculture.³³

- 3.31 Riverina Citrus argued that "more needs to be done if we are to meet the challenge" and put forward a number of suggestions regarding pre-incursion measures that should be undertaken.
- 3.32 At a hearing on 14 February 2011, the committee raised the issue of HLB and asked what steps, if any, were being taken to interrupt any spread of the psyllid or plant material which might facilitate its contacting the disease in Australia.
- 3.33 DAFF officials indicated that Australia's citrus trade is based on countries that are free of the citrus psyllid (or from areas that are free of the citrus psyllid). It was acknowledged, however, that some countries, such as the US, "do have the psyllid in some areas but we still get citrus from areas that are free of it".³⁵
- 3.34 When asked whether DAFF had confidence the appropriate measures were in place to ensure freedom from HLB, the committee was told:

I am more than satisfied with the arrangements in place – seriously. The combination of our own knowledge and the information provided by the US and our own pre-clearance are more than effective in the management of that. In addition, we have done a draft pest risk analysis on the importation of citrus planting material and we have got diagnostic procedures in place for that material coming through quarantine to ensure freedom from huanglongbing.³⁶

3.35 In its 2006 report into DAFF's management of a citrus canker outbreak, the committee noted that through its investigation it had become more aware of "how

Riverina Citrus, Submission 5, [pp 1-2].

Riverina Citrus, Submission 5, p. 3.

Riverina Citrus, Submission 5, p. 3.

³⁵ Mr Bill Magee, Department of Agriculture, Fisheries and Forestry, *Committee Hansard*, 14 February 2011, p. 50.

³⁶ Mr Bill Magee, Department of Agriculture, Fisheries and Forestry, *Committee Hansard*, 14 February 2011, p. 51.

poorly prepared AQIS appears to have been to deal with a disease outbreak". The committee also noted that:

It [AQIS] would be even less prepared to deal with industrial sabotage or a possible bioterrorist attack. The committee has therefore come to the view that AQIS must take the steps necessary to ensure that it develops immediately an improved strategy to better deal with such an occurrence, that its staff are trained adequately and that it puts in place the communications infrastructure that will be required should such an attack occur. 38

3.36 The committee's inquiry into the citrus canker outbreak also made it clear that there is a need to examine the relationship between the penalties for the illegal importation of plant material – in this case budwood – and compliance with quarantine regulations. During its current inquiry, the committee again raised the issue of penalties for illegal importation and asked whether the proposed new legislation would include increased penalties:

Senator Milne – What I am trying to get to is that, with the writing of the new act, the opportunity is there to review the relationship between penalties and compliance and so on.

Ms Mellor – Certainly, one key part of our thinking around the development of new biosecurity legislation is to give us some teeth. We already use the prosecution pathway for those that do illegal activities. We refer them to the DPP and we have cases going on all the time. But certainly in the development of the legislation we will be looking at graduated penalties. For example, we issue infringement notices and there is a \$228 fine at the airport. What teeth is that for some people? It is certainly teeth for some but not so much for others. So we are looking at a graduated penalties regime not just in the passenger pathway or the cargo pathway but in our quarantine approved premises. There are people we register and give the privilege of participating and sharing with us in the importation and quarantine process and we will certainly be looking for a really good graduated penalties regime through the legislation. 39

Committee view

3.37 The committee has received many representations regarding the calculation of long term risk or the interpretation of long term risk based on the current approach of BA. The committee believes that an analysis of this risk could be considered by the

Rural and Regional Affairs and Transport Legislation Committee, *The administration by the Department of Agriculture, Fisheries and Forestry of the citrus canker outbreak*, June 2006, p. 52.

Rural and Regional Affairs and Transport Legislation Committee, *The administration by the Department of Agriculture, Fisheries and Forestry of the citrus canker outbreak*, June 2006, p. 52.

³⁹ Mr Bill Magee, Department of Agriculture, Fisheries and Forestry, *Committee Hansard*, 14 February 2011, p. 51.

Australian Centre of Excellence for Risk Analysis to develop a methodology to allay the concerns that continue to be expressed.

- 3.38 The committee notes that the issue of Australia's ALOP statement has been raised during a number of inquiries by several stakeholder groups. The committee acknowledges DAFF's advice that Australia's ALOP statement is to be the subject of a discussion paper (distributed to all states and territories) prior to the release of the proposed Biosecurity Bill.
- 3.39 The committee has taken a particular interest in Australia's definition of ALOP and intends to re-examine this issue during a future inquiry. The committee notes that it will follow up the results of the consultation process with the states and territories particularly in relation to the support for possibly re-defining or redrafting the ALOP statement.
- 3.40 The committee notes that, consistent with Recommendation 34 of the Beale Review, membership of the ESG was expanded from 1 July 2009 to include an economist. The committee supports the inclusion of a professional who is equipped to provide analysis of the economic consequences of IRA decisions.
- 3.41 The committee notes, however, that concerns continue to be raised about the role of the ESG and more specifically, the perceived lack of transparency in relation to the Group's decision-making processes. Stakeholders remain concerned that ESG is not required to release detailed analysis or background information about scientific (and other) materials used in making determinations.
- 3.42 The committee therefore indicates its concern that in working toward the process of developing the proposed Biosecurity Bill, the Government does not intend to review either the IRA appeals process generally, or the role of the ESG.

Recommendation 1

- 3.43 The committee recommends that, as part of the process of developing the new Biosecurity Bill, the Government review the Import Risk Analysis (IRA) appeals process, the role of the Eminent Scientists Group (ESG) and the publication of scientific (and other) materials used by the ESG in making determinations.
- 3.44 The committee notes stakeholders' concerns regarding the level of funding required by DAFF in order to maintain an adequate level of resourcing for biosecurity and quarantine activities. A number of submitters also suggested that there is likely to be a decrease in the level of resourcing once the proposed reforms are implemented.
- 3.45 Whilst the committee acknowledges the progress DAFF has made toward implementing reforms, it also notes however DAFF's assertion that, notwithstanding the achievements made to date, "the future presents many challenges and

opportunities in a tight fiscal environment".⁴⁰ The committee shares the concerns of submitters and questions whether, even with the added funding provided by new cost recovery measures, DAFF will be sufficiently resourced – particularly given that there are still a substantial number of reforms yet to be achieved.

- 3.46 The committee signals its intention to further examine the issue of adequate resourcing for biosecurity and quarantine activities as part of its future inquiry.
- 3.47 The committee notes that as part of the process of developing the new biosecurity legislation, the Government intends to review the existing penalties in relation to the illegal importation of plant material. The committee supports this review and will pursue this issue further as part of its future inquiry into the proposed Biosecurity Bill.

Department of Agriculture, Fisheries and Forestry, *Reform of Australia's biosecurity system – An update since the publication of One Biosecurity: a working partnership, March 2012*, p. 20.

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