

Victorian Government Submission to the Department of
Agriculture, Fisheries and Forestry Quarantine and
Biosecurity Review

May 2008

A. Overview of Victorian Government Biosecurity Arrangements

Within the Victorian Government, the Department of Primary Industries (DPI) is the lead agency for biosecurity. DPI's core role is to design and deliver government policies and programs that enable Victoria's primary and energy industries to sustainably maximise the wealth and wellbeing they generate by producing essential goods and services, employment, investment, and recreational opportunities.

DPI's role is primarily economic, in ensuring that human needs are met from our natural resources through mostly privately-owned industries operating in competitive and regulated markets. A focus on production and productivity is therefore central to our work, but so too is a complementary focus on public and employee safety, community resilience, animal welfare and the natural environment. Consistent with the principles of sustainable development, DPI seek to achieve multi-faceted and integrated benefits for the Victorian public, including future generations.

The prevention of the spread of exotic pests and diseases is a shared responsibility of all states and territories, industry and the community. The prevention and mitigation of these pests entering Australia is the responsibility of the Federal Department of Agriculture, Fisheries and Forestry (DAFF) through Biosecurity Australia (BA) and the Australian Quarantine and Inspection Service (AQIS). Victoria's Department of Primary Industries (DPI) assumes lead responsibility for the system for prevention, detection, management and control of exotic pests and diseases for plants and animals in Victoria. DPI has close links with the Department of Sustainability and Environment (DSE) in managing the biosecurity continuum across land tenures, to ensure animal and plant biosecurity issues that impact on public land are managed appropriately.

Biosecurity Victoria (BV), which operates within DPI, develops policy, standards, delivery systems and services for the protection of animals and plants from pests and diseases, to enhance food safety, ensure minimal and effective chemical use, protect the welfare of animals and to preserve market access for Victoria's primary industries.

BV's purpose is to minimise the impact of pest, disease, chemical use and residues, and animal welfare incidents upon market access, security of food supply, public health, the environment and production systems. Also, to maximise the adoption of best practice in animal welfare, chemical use and residues, and biosecurity (control of pests and diseases and pest plants either naturally occurring or deliberately introduced).

B. Ability to address the Terms of Reference

Given DPI's scope of operation and knowledge of biosecurity and quarantine issues through Biosecurity Victoria, the vast majority of matters covered by the Review's Terms of Reference fall within the core responsibilities of DPI.

There are some closely related biosecurity matters involving environmental pests that are of interest to DSE. This submission will ensure that any matters of interest or concern to the environment portfolio are addressed.

The Quarantine and Biosecurity Continuum and Shared Responsibility

This initial section of the Submission explores the roles and responsibilities of governments across the biosecurity continuum, and discusses issues of leadership, resourcing and a perceived imbalance of investments in that continuum, by governments. The organisational culture within AQIS is questioned, and the growing isolation of AQIS from the rest of the biosecurity continuum is discussed.

1. Resourcing of the continuum

Key Points

There lacks a strategic approach to appropriate and coordinated resourcing of the whole biosecurity continuum, and particularly, there is an obvious relative under-funding by the Commonwealth of surveillance, preparedness and response activities (as opposed to border prevention) undertaken by the states/territories. Addressing this matter is not necessarily predicated on a net increase in Commonwealth spending on the quarantine/biosecurity continuum, but rather a more balanced approach to investment in the border and post border biosecurity activities vital to the national interest

There is a basic imbalance in the national resourcing of the biosecurity/quarantine continuum that strongly favours border measures. Commonwealth funding for post-border preparedness fell from \$2,072 million in 1997/98 to \$0,479 million in 2000/01 (*Government response to the Nairn Report*) and remains negligible. It has become obvious in recent times that border measures do not - and cannot - ensure that a pest/disease will not enter Australia. A far greater proportion of Commonwealth funding needs to be allocated to support the surveillance and emergency preparedness (including training, simulation exercises, communication) activities undertaken by the States/Territories than is the case at present. Early detection and rapid response to an exotic pest or disease will significantly reduce its impact, as well as the cost of eradication.

The Commonwealth invests billions of dollars in border security because it is within its Constitutional scope, but has not addressed its investment role in disease surveillance, preparedness and response arrangements, which it perceives to be the responsibility of the State/Territory jurisdictions. For example, 6 years ago in response to Foot and Mouth disease (FMD) in the UK, the Australian Government decided to invest approximately \$600 million over a number of years in FMD risk mitigation. Over \$575 million of that was focused on already well resourced and effective border operations – sniffer dogs, inspectors, x-ray machines and cargo inspections and the like, and a relatively small sum was divested to the national preparedness and response capability should the disease get in. It may be appropriate for the Commonwealth government to direct increased resources into the preparedness and response end of the national biosecurity continuum, rather than leaving the majority of responsibility for funding post-border activities to the states and territories, who have limited resources. The imbalance in Australia having a strong effort in border control, and in comparison neglecting response arrangements, when the border is so easily penetrable (as shown by equine influenza), will make it more difficult into the future to manage incursions, whether deliberate or accidental.

The absence of a national strategic funding approach incorporating the preparedness and response end of the biosecurity continuum is reflected in the limited national commitment to resourcing infrastructure and capability for laboratory diagnosis and field surveillance. These activities and the associated infrastructure are almost wholly supplied and funded by individual States, for activities that are increasingly in the national interest. Infrastructure such as diagnostic laboratories and containment facilities are not adequate to meet future quarantine and biosecurity needs. There is insufficient knowledge of the status of the national diagnostic capability across both animal and plant industries, with respect to capability and coordination. Diagnostic laboratories and other infrastructure require a coordinated national plan to determine what is currently available, what will be required in the medium to long term, who and how it is funded, and the human capability required to support and utilise the infrastructure. In addition, given limited resources to support often-replicated infrastructure in each state, a mechanism by which a national framework or network of laboratories, containment facilities and infrastructure can be supported and accessed by all jurisdictions under the same arrangement would be beneficial. A desirable outcome is more likely to be achieved if coordinated and funded nationally.

It would be beneficial if Commonwealth Government investment in activities such as National Animal Health Laboratory Strategy (NAHLS) and the National Animal Health Surveillance Strategy (NAHSS) and the Australian Biosecurity System for Primary Production and the Environment (AusBIOSEC¹) go well beyond its present coordination role. These are national issues, and the national interest could be adversely affected if jurisdictions are left to fund these initiatives, given each state has to manage differing funding priorities and may not be in a position to allocate the required resources at any given time. For example, the Commonwealth Government for the last three years has indicated the importance of a range of enhanced surveillance activities for avian influenza. In the absence of any funding being made available, it has been difficult to convince the jurisdictions and the poultry industry to co-fund surveillance activities that would be in the national interest. A capacity to fund surveillance activities that are agreed as vital to the national interest would assist the Commonwealth in providing leadership to coordinate state/territory activities.

The nature of surveillance systems varies across the states and territories. Increased Commonwealth funding may provide an appropriate mechanism to standardise all the states and territories' approaches. Disparities exist with regard to staffing levels, deployment, surveillance mechanisms and data management, and need to be addressed.

These improvements are not necessarily predicated on a net increase in Commonwealth spending on the quarantine/biosecurity continuum, but rather a more balanced approach to investment in those border and post border biosecurity activities vital to the national interest

2. Roles and Responsibilities

Key Points

There is a need for clarification of resourcing, roles and responsibilities of first (Australian government) and second tier quarantine organizations (State and Territory governments) in relation to the management of quarantine breaches. There is an increased tendency for AQIS to seek to shift its responsibility for border and para-border quarantine activities to the States/Territories without due consideration of resourcing implications, or indeed without even acknowledging that in so doing it is seeking for the jurisdictions to fund or carry out the Australian government's constitutional responsibility.

Since the cessation in 1995 of the States' role in providing quarantine services on behalf of the Commonwealth, there has been a widening disconnect between AQIS (the quarantine agency) and the state/territories' biosecurity agencies. AQIS, and particularly its operational staff, operate in almost complete isolation from the mainstream animal and plant health and biosecurity systems and personnel.

The Nairn Review (*Australian Quarantine – A Shared Responsibility, 1996*) found that the Australian Government [i.e. AQIS] is responsible for dealing with diseases and pests in the original imported article and that States/Territories are responsible once an exotic pest or disease has escaped the primary imported article (or animal etc) and surveillance, control or eradication is required.

There have been a number of instances in recent years where AQIS has sought to shift responsibilities for border-related activities onto the states.

For example, the Australian government is under pressure from exporting countries to relax import conditions for green prawns for human consumption. Due to the risk of prawns imported for human consumption being used as bait, interim import conditions require certain controls to mitigate exotic disease risk in light of this highly plausible exposure pathway (e.g. cooking; head and shell removal along with batch testing on arrival). In terms of risk management, however, the Commonwealth would like the States/Territories to introduce legislation, and be responsible for implementing inherent compliance and enforcement activities, which would prohibit the use of green prawns as bait, and thus by shifting risk management from pre- to post-border, enable freer conditions on the exporting country

¹ AusBIOSEC is the Australian Biosecurity System for Primary Production and the Environment.

The system is being enhanced through a whole-of-government project, which was established in October 2005. The aim is to bring together, under an overarching national framework, biosecurity activities being undertaken by the Australian Government, state and territory governments, industry, landholders and other key stakeholders in primary production and the environment

for prawns for human consumption. There is little acknowledgement from the Commonwealth Government that even if the States are better placed to carry out certain border-related quarantine functions it remains a national funding and resourcing issue.

Hundreds of cases of management of quarantine breaches were referred to the “second tier quarantine organisations” in different States and Territories between December 2006 and August 2007. A recent PISC paper highlighted that AQIS, without prior discussions with the jurisdictions, had begun directing quarantine breaches to state and territory jurisdictions for follow-up (an activity previously carried out by AQIS staff). This was despite the fact that these breaches still related to diseases or pests in the primary import material, and in accordance with previous reviews, the responsibility of the Australian Government.

While discussions between AQIS and the States have resolved this matter, this issue highlighted the need for clarification of resourcing, roles and responsibilities of first (Australian government) and second tier quarantine organizations (State and Territory governments) in relation to the management of quarantine breaches.

In terms of funding the increased resources required for follow-up of the growing number of reports of infested imported items from the community, consideration may need to be given to implementing a system to look at cost recovery options that could be used to fund these activities by AQIS or State/Territories acting on behalf of AQIS.

A further area where clarity around the division of roles and responsibilities between the Commonwealth Government and State and Territory Governments could be improved is in relation to border *surveillance* (e.g. around ports and environs, post entry quarantine facilities, importers premises, etc).

3. Culture and Connectedness

Since the mid 1990s when AQIS took over quarantine operations previously performed by the States, the culture of the organisation has become heavily orientated towards legal and administrative systems and cost-recovery imperatives, outsourcing policies, and is not focussed on facilitation. Matrix management has been associated with the removal of decision-making authority from professional scientists within the organisation, particularly at the operational level. The latter has occurred at a time when many inspection functions have been devolved to ‘third party providers’ in a manner that sometimes creates conflicts of interest that threaten the integrity of import and export control systems. (This is further discussed with particular reference to live animal exports under section 7.5 below). It seems likely that similar sentiments will be reflected in the Report of the Callinan Inquiry into Equine Influenza.

A further worrying consequence of AQIS’ cultural shift is that the organisation has become remote from the mainstream animal and plant health systems in Australia. Any connection is limited to representation on some high level national committees. AQIS veterinarians are at the front line of animal imports and exports and in the majority of their roles, they are professionally isolated from all post-barrier animal health programs and personnel, and their roles have become more and more restricted to desk top audit. Their understanding of the contemporary animal health situation that underpins the broad integrity of the export certification they issue, must be increasingly limited, an arrangement that is a poor reflection of the quarantine and biosecurity continuum.

Export facilitation

AQIS responsibility to regulate export processes should not hamper the organisation’s ability to also act as a facilitator. Its prime goal should be one of facilitation while ensuring that export requirements and standards are met. Exporters have expressed the view to DPI that AQIS’ approach should be less rigid and more facilitatory.

Another issue of concern to export processes is BA/AQIS’s frequent inability to negotiate sound export protocols for Australian livestock based on the same kind of objective science that underpins import risk assessments. For example, major trade markets for Australian breeding cattle to China and Mexico were recently disrupted because of unjustifiable export conditions in relation to a minor disease. This disease,

bovine ephemeral fever, by international agreement requires no sanitary measures for mitigation given there is negligible risk of spread by international trade in livestock.

Whilst the states understand that negotiations are sensitive and difficult with some overseas countries, increased accountability is required by BA/AQIS for outcomes that deliver export protocols that are severely and unnecessarily restrictive on trade.

The following sections are directed at some of the key issues identified in Part C of the *Quarantine and Biosecurity Review Issues Paper*. (Where appropriate, relevant sections of the *Issues Paper* are referenced)

1. Making Quarantine decisions (C1)

It is an internationally recognised principle (eg OIE Code article on Fundamental Principles of Quality for Veterinary Services) that decisions relating to health and quarantine be free from political influence.

Unfortunately, Australia has so far been unable to find the correct balance between meeting its international World Trade Organisation (WTO)/Sanitary and Phytosanitary (SPS) technical obligations with its Import Risk Assessment (IRA) processes and outcomes (i.e. scientifically sound) while at the same time addressing the other economic and socio-political impacts of international trade in livestock, plants and products. This manifests in a number of ways:- legal challenges within Australia (e.g. Australian Pork Limited challenge to pig meat imports); Australian import policy being successfully contested in international courts – with the negative impacts this has on exports, and on Australia's reputation as a responsible international citizen of the WTO.

Given the historical protection from import competition that many agricultural industries have experienced since their inception, there are often significant economic issues for existing (particularly small or developing) Australian industries if or when an IRA comes down in favour of opening up imports of livestock, plants or their products. There needs to be a formal avenue within government, clearly separate from quarantine decision-making frameworks, to provide a more transparent way of dealing with any significant economic issues associated with importation of new commodities rather than requiring this pressure to be managed by BA/AQIS.

Currently, agricultural industries have no avenue other than quarantine, by which to influence import decisions that have economic implications for Australian producers. It is inevitable that local industry will argue for conservative import conditions, which in some cases are not supported by objective assessments of risk, with the aim of minimising competition. Their prospects of success will be maximised, to the detriment of the reputation of Australia's quarantine system, as long as import decision making *in toto* for a commodity is vested purely with BA/AQIS, which are subjected to pressure to protect industry despite being required to make evidence based risk assessments that eschew economic and socio-political considerations. A possible way of restoring the objectivity of import quarantine policy, but provide an avenue for consideration by government of the *non-quarantine* issue of import competition would be to retain BA's IRA function, but to introduce another, higher level decision-making process within the Australian Government with authority to give due consideration to the economic and socio-political factors associated with imports and trade.

2. The nature of IRAs (C1)

While Australia does have an intrinsically independent evidence based sound approach to risk analysis, and one which is consistent with its international obligations, the processes are unduly slow, and IRAs for specific commodities (e.g. pig meat) have become excessively long and complex documents understood by few, but attacked by many. There seems to be little understanding or awareness that the incursion of many exotic diseases would not lead to genuine *significant national* consequences and hence even a moderately high likelihood of incursion after risk treatment may not be inconsistent with Australia's ALOP of very low risk (since risk is a construction that integrates both probability of occurrence and consequence of occurrence). This lack of understanding caused concern when the IRA for pig meat was declared, and led to a temporarily successful legal challenge (subsequently overturned

in a higher court). It would be beneficial for the government to undertake a communication role educating the public and industry about risk communication and the concept of 'appropriate level of protection'. Furthermore, IRAs should be briefer and clearer. Complex documentation disables effective risk communication.

It would be beneficial for Biosecurity Australia to access the analytical skills that are available around Australia by undertaking contracts with the states, where appropriate, for the relevant expertise required for development of IRAs (i.e. in areas such as entomology and plant pathology). Given the Commonwealth does not have significant expertise in a variety of these areas, it would not only utilise current available resources, it would also provide opportunities for career development and capability and capacity building in areas of the scientific community where expertise is a limited resource.

3. Agricultural risks (C1)

Australia's agricultural quarantine systems are generally effective in meeting Australia's appropriate level of protection (ALOP). However, the recent surge in Tramp ant and other insect incursions indicates that pathways for entry of these pests are not appropriately mitigated.

ALOP and quarantine measures are not fully understood by sections of agriculture as some industries have used the precautionary principle to formulate their policy on imports e.g. apples from New Zealand and salmon from Canada. Agricultural industries need to be made aware that as long as our ALOP is very low, restrictions on trade should not be more restrictive than required to render risks 'very low'.

The quality of some IRAs have been diminished by incomplete information on efficacy of proposed *risk mitigation* steps. While consultation arrangements during the development of IRAs to date has been adequate, there has been in some cases, insufficient communication of operational details on proposed risk mitigation steps. Unless stakeholders have a clear knowledge of mitigation procedures they cannot evaluate if the risk reduction achieves the very low risk as defined by the ALOP. A mechanism for outlining these steps and adequately communicating these to industry and jurisdictions would make input into IRA processes simpler. For example, AQIS operational risk management procedures have not been clearly described to state jurisdictions in the Apples from New Zealand IRA. This has made the process of addressing local industry concerns considerably more difficult.

4. Invasive animals and plants, and environmental risks

The quarantine and biosecurity framework is currently not adequate in analysing and managing risks to the environment. The AusBIOSEC framework provides a mechanism to address some of the gaps identified that pose a risk to the environment.

In the area of invasive animals and plants, Australia's quarantine and biosecurity systems are not appropriate to maintain its ALOP, and major gaps exist in ensuring an integrated approach to biosecurity. There are also gaps between border controls and establishment e.g, animals can be kept in Australia and may not be subject to state/territory management until and unless establishment in the environment occurs.

With respect to import risk assessments, in many instances the risk assessment procedure that would otherwise be conducted by AQIS has been ceded to the Commonwealth Department of Water, Environment, Heritage and the Arts under the *Environment Protection and Biodiversity Conservation Act 1999*. While this may reflect a lack of power within the *Quarantine Act 1908* to deal with invasive species, this process has major limitations, as the risk assessment is primarily conducted by the applicant for importation who may or may not be qualified to undertake this and is by definition, biased towards a favourable outcome. External review of this risk assessment is somewhat ad hoc and subject to the resources available to interested parties such as State agencies. A successful application to import a single specimen can then be used to justify any number of additional importations, without appropriate consideration of the additional risks of multiple importations.

Australia's *emergency response* framework for incursions of invasive animals and plants has been recognised as inadequate. The current arrangements to manage incursions with a principally environmental impact are not effective, as many incursions are often undetected, or go unknown for long periods or, worse, ignored due to lack of frameworks to deal with them.

Weed incursions should be treated in the same manner as agricultural pests and disease incursions as their economic and environmental impact can be just as severe. Some pests with environmental impact, such as Red Imported Fire Ants have been adequately dealt with, but only by using the primary industry frameworks for incursion response. Whilst this has been one of the most expensive eradication programs run in Australia, it has been well coordinated and run.

The establishment of AusBIOSEC should help to address the issue of managing these types of incursions, and provide a framework to address these issues nationally.

5. Risk management measures and Quarantine intercepts – information sharing

While there is good sharing of information between the Commonwealth Office of the Chief Veterinary Officer (OCVO) and the Office of the Chief Plant Protection Officer (OCPPPO) and the states, there currently isn't sufficient sharing of information between AQIS and state and territory agencies for information such as quarantine intercept data. Data on post entry quarantine interceptions and border interceptions is generally not provided to state jurisdictions. This information represents an important resource for states when determining threat profiles.

Currently, risk analyses, import policy determinations and permit conditions are not sufficiently informed and updated through monitoring of actual experience in the application of import risk management measures. The quarantine continuum should be evaluated by publishing regular update lists of post entry quarantine (PEQ) detections, escapes and incursions of exotic pests and diseases. This data could be compared with results from other jurisdictions, such as those results published by the Ministry of Agriculture and Forestry New Zealand.

6. The legislative framework (C2)

Despite a series of recent amendments, the *Commonwealth Quarantine Act 1908* is antiquated legislation. Contemporary Commonwealth quarantine or biosecurity legislation is needed to best serve the national interest. A new act could better deal with environmental and human health risk management, given that a new act would necessarily involve a comprehensive review and reform process that would identify and incorporate best practice in a biosecurity legislative framework. There is a more natural synergy between risk management of threats to agriculture and the environment, than to human health in the context of the quarantine barrier. There may be a good argument for separate legislation for human quarantine, to the extent that such a thing now exists. A new quarantine or biosecurity act could better reflect the AusBIOSEC frameworks aimed at a seamless approach to managing biosecurity risks to agriculture, social amenity and both the built and natural environments.

Contemporary Commonwealth biosecurity legislation that dovetails with state/territory biosecurity legislation, together with further clarification of the roles and responsibilities of governments, will also support the desired seamless approach between pre-border, border and post-border risk management functions and activities.

It is clear that the current legislative arrangements do not adequately manage the relevant environmental and marine threats. Marine and freshwater biosecurity requires review and definition of roles and responsibilities. The *Environment Protection and Biodiversity Conservation Act 1999* is used as a substitute for managing biosecurity issues for potential invasives. This Act has an inadequate range of tools for dealing with the risks that invasives pose.

In addition, potentially invasive species in captivity (e.g. pets or garden plants) are often not adequately dealt with by legislative mechanisms at either Commonwealth or State/Territory levels.

The Commonwealth should take a leadership role in harmonising cross-state regulations as there is considerable inconsistency, and the national ALOP is not always applied by states (e.g. some states often use so-called precautionary principles when formulating import restrictions). Risk assessment processes used for domestic trade should be consistent with the processes used for international trade by Biosecurity Australia. This was discussed recently at the Primary Industries Standing Committee Meeting, but needs constant reinforcement.

Generally, domestic quarantine and biosecurity issues are left to each state to manage, whilst the Commonwealth focuses on exports. There is an opportunity for the Commonwealth to undertake a national leadership role in domestic quarantine and biosecurity issues, by providing oversight and commitment to developing a system and framework for managing the cross over of endemic and exotic disease issues. If all the parties could be brought together on a tri-partite basis (Commonwealth, States and industry) to develop a system and framework, this could assist both the Commonwealth and the States to know and understand what pest and disease interceptions and incursions have occurred, and would assist in providing confidence to states in managing both endemic and exotic diseases.

For example, Queensland Fruit Fly, whilst an endemic disease, creates major issues for the horticulture industry as this disease can impact on industry's ability to access both domestic and export markets. Given this cross-over, the establishment of tri-partite arrangements could assist in managing and dealing with market access issues for such diseases. The Commonwealth acting as the honest broker to ensure states and territories don't set up higher barriers (i.e. such as under WTO principles), coupled with the establishment of uniform standards between jurisdictions, would make it easier for the Commonwealth to undertake its export negotiations, whilst enhancing the ability of the jurisdictions to manage domestic quarantine issues.

Interstate trade as it relates to endemic pests and diseases such as Queensland Fruit Fly, Phylloxera and Potato Cyst Nematode is excluded from the scope of the review, however, Victoria considers it important that domestic trade within Australia is also based on WTO and SPS standards.

The issues paper poses the question as to whether an import permit should restrict access to regions of Australia based on regional freedom from a pest or disease. It is Victoria's view that there may be a case for import permits to be used to restrict an imported product to a certain State or part of the country, but only if this can be scientifically justified on the basis of evidence, on a case by case basis and consistent with interstate movement restrictions for that commodity.

7. Governance and institutional arrangements to deliver biosecurity, quarantine and export certification services (C3)

7.1 Food safety requirements

Over recent years, an enlightened approach to export certification of meat and dairy products has provided real and valuable opportunities for businesses to gain access to overseas markets. This approach as recommended in the Frawley Report, is sensibly based on the principle that Australian standards for health and hygiene (food safety) would apply to exports (Tier 1) with standards set by overseas government for market access (Tier 2) and additional market specific requirements (Tier 3). Tier 2 and Tier 3 requirements would only apply to producers/processors wishing to access those markets. This arrangement ensures that the most stringent controls of one country are not applied to all exports. It also eliminates the additional costs of implementing separate domestic and export food safety systems. Victoria is very supportive of this arrangement.

This important development has also highlighted the importance of minimising duplication and overlap at the interface between State and Commonwealth (AQIS) food compliance (inspection) and verification activities. It has also provided an insight into the institutional and governance arrangements operating within AQIS, and there is clear scope for what we believe to be necessary change and improvement.

Within AQIS there are a variety of competing functions. AQIS is responsible for verification functions that underpin its most important function, being export certification. In addition AQIS also operates a compliance service through which it is responsible for supervision and delivery of on-plant inspection for a number of export licensed abattoirs, export fishery processing facilities and some dairy establishments. In the case of dairy, Western Australia (WA) is the only state where AQIS currently provides compliance services. It is anticipated that under new food legislation, currently in the WA Parliament, WA health will align with other states with the expectation that WA Health will undertake compliance functions on behalf of AQIS.) Victoria believes that this creates a variety of conflicting business objectives that hinder AQIS in its ability to deliver all its functions effectively.

A priority function of AQIS is to provide export certification. This is a core responsibility for which it is highly respected internationally, and there is little doubt that the integrity of AQIS certification directly facilitates trade. To properly carry out this function, AQIS needs sound verification arrangements, and Victoria supports the development of a verification unit within AQIS to ensure compliance regimes are meeting trade and public health requirements.

Under this model, AQIS' role would then be limited to its core responsibilities of verification and certification, uncompromised by simultaneous responsibilities for day to day on-plant inspection which would be delivered under third party arrangements either under the management of state regulatory bodies or directly with third party service providers, (but no longer by AQIS). This would allow resources currently focussed on compliance, to be better utilised in verification and certification activities and advocacy of Australia's national food regulatory system with importing countries. This last function is important to reinforce Australia's reputation as a reliable and safe supplier of food and to maximise the opportunities for Australian companies to have the flexibility to supply both domestic and export markets with a single food safety system (refer 7.2 Market Access).

It is our strong contention that this would remove the current conflict between certification and compliance, reduce costs to industry, and lead to further harmonisation of domestic and export food safety standards.

Harmonisation of regulatory services to meet both domestic and export market needs is of enormous benefit to industry, particularly in removing duplicated regulatory audits. It also has the additional benefits of providing consistency in the interpretation and application of standards and compliance monitoring systems as well as meeting both Commonwealth and State Government policies of minimising the regulatory burden on industry. Victoria operates under a risk-based approach to food safety and the adoption of quality assurance systems provide scope for industry innovation while providing a robust system protecting public health and safety.

7.2 Market Access

The principle of the Australian Standards representing the highest level of food safety should be the starting point as the basis of negotiations in market access discussions. There should be greater emphasis by the Commonwealth government (currently AQIS) on demonstrating the equivalence of the Australian system in meeting food safety outcomes rather than passive accession to the imposition of additional, market-based and often costly regulations on exporters. Indeed there is a good argument to support having responsibility for management of export market access negotiations, and interactions with importing country authorities (e.g. access reviews), separated from AQIS, which under the current model is too close to the front line and too imbedded in current inspection systems.

7.3 Dairy

There is currently an agreement in place between AQIS and state regulators, which enables state delivery of compliance services for both domestic and export requirements as described above, this agreement expires 30 June 2008. Victoria is keen to see a new agreement in place that will ensure that no duplication of compliance services develops and the principles outlined above are maintained.

7.4 Integrating domestic and export certification systems

There is significant scope for better integration of domestic and international certification systems. This is particularly relevant as Victoria is embarking on development of a pilot electronic certification system with the horticulture industry, in association with QDPI. Industry participants are asking why there is not better integration between state and national systems (such as the ExDOC – system used for export certification by AQIS), especially when there may be some investment on their part to develop electronic systems that can be used for both state and international certification. There is also scope for domestic certification (such as certification produced under the Interstate Certification Assurance Scheme) to be used as a basis for international certification.

7.5. Livestock Export certification arrangements

For livestock export consignments AQIS requires the use of third party veterinary providers to inspect animals for health and fitness to travel, to carry out testing, to monitor biosecurity arrangements and to provide veterinary certification. The veterinary practitioners who provide this service are employed and contracted directly by the exporting company. The independent Keniry Livestock Export Review in 2004 identified that this arrangement lacks integrity, and is fundamentally flawed: there is a clear conflict between commercial imperatives, animal welfare considerations, and Australia's export certification integrity. There have been numerous examples where third party veterinarians, placed in such difficult circumstances, have not been able to properly manage this conflict of interest to the detriment of Australia's reputation and the international credibility of our veterinary services and export certification.

Keniry recommended tightening of arrangements for third party veterinarians responsible for the treatment and preparation of animals for export, in particular that they must be directly contracted and accountable to AQIS in the performance of their duties. While the Department of Agriculture, Fisheries and Forestry (DAFF) made some changes to procedures in response to the Keniry Review, it failed to address this fundamental problem: third party veterinarians continue to be contracted by the exporter. Unless and until this fundamental flaw is fixed (by the simple measure of AQIS contracting third party veterinarians (at full cost recovery)) ongoing animal welfare and export certification issues will remain highly likely.

C6 Research

A national biosecurity strategy should allow for the identification of policy needs and thus inform priorities for research. It would be beneficial for the Commonwealth to take the lead in coordinating and developing a national strategy. Currently there is no system in place to allow this to occur and consequently there is no national research and development (R&D) strategy to guide the investment decisions of the various beneficiaries, industry, state and national agencies. Biosecurity research remains fragmented and to a large extent disconnected from policy. Some coordination has occurred via the activities of the two Cooperative Research Centres (CRCs) but this requires improvement.

Australia requires a national biosecurity R&D strategy that is driven by policy. Analysis is required to ascertain who is the appropriate body to lead its development and future governance. The State Agencies, Animal and Plant Health committees, Animal Health Australia (AHA), Plant Health Australia (PHA), relevant CRCs and Rural Industry Research Corporations (RIRCs) should all have a role in developing the strategy and evaluating its effectiveness.

The strategy must clearly identify a pathway to market for all research findings whether they are recommendations for changes in policy and regulation or changes in biosecurity protocols. The strategy should also clearly articulate how the research findings will be implemented by the recipients and inform changes in their operations/policies. The strategy should have a rigorous evaluation plan that is subject to regular scrutiny and should be refreshed regularly.

During the development of the strategy consideration should be given to who should be the appropriate funders for specific activities. Government should fund R&D where public and environmental health are the outcomes, and by industry where it involves market access or benefits to industry. Additionally, the social impacts of biosecurity incidents should also inform funding decisions.