

QEAC Supplementary Submission to Beale Review

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The main body of the QEAC submission to the Beale Review was based on discussion about the principles of quarantine and related key themes and issues including:

1. Managed Risk, Based on Science
2. A Continuum of Quarantine
3. Quarantine as a Shared Community Responsibility.
4. Structural Arrangements of BA, AQIS and Product Integrity, Animal and Plant Health (PIAPH)
5. Leaks, Holes and Gaps in our Border
6. Funding Arrangements
7. Research -quantitative tools to assist with aligning resources with the risk.

The key QEAC findings included the need for:

- *Significant investments in AQIS's operational risk profiling and risk management capability;*
- *Modernisation of AQIS's Information Technology systems;*
- *Re-institution of the links between BA, AQIS and PIAPH;*
- *Significant improvements in respect to general post-border arrangements and associated Commonwealth and State/Territory responsibilities; and*
- *More appropriate models for resource allocation that would achieve a better balance of national interests.*

At QEAC 54 members discussed the submission and identified the following issues that required further consideration:

Risk profiling tools

Risk based resource allocation is fundamental to the operations of a modern national quarantine system.

Quarantine has always laboured under the lack of comprehensive quantitative information. Until the advent of sophisticated computer systems it has been too difficult to deal with the enormity of information which may lead to sensible analysis. As a result, qualitative assessment and operator experience have been the best tools available.

The ACERA project has been a first attempt at using quantitative capacity. It is fair to say that until perhaps 2008, this project has not had the level of enthusiastic support that it needs to begin to change the culture within both CA and AQIS.

It is also the case that AQIS has been a very poor cousin to the ATO, Customs and other disciplines within Government when we look at the IT systems that it has available to it.

If Australia is to manage its exposure to biosecurity risk in the most cost effective manner, it needs to be able to use the best tools in a systematic and intelligent manner.

Translated, that means a significant expenditure on systems which accurately capture the necessary data and can manipulate it to observe patterns of risk, in conjunction with key people who are experienced at both biosecurity risk and quantitative data analysis. These people need to be sufficiently senior or have the full support of senior management to ensure that their analysis is given the weight necessary, and the results of this analysis become the major cornerstones of risk assessments on imported goods on a day to day basis, as well as in a policy sense.

This type of process becomes even more important when quarantine becomes more integrated in company QA and management systems and where the company has more control over day to day assessments of risk.

Shared Responsibility

In any system which relies upon the interaction of private parties with Government regulators, the spreading of the message in a digestible and logical format becomes a prerequisite for a successful outcome.

Messaging

AQIS needs to Manage the messaging to ensure stakeholders understand that it is a shared responsibility and that our systems are based on a managed risk approach not a 'zero' risk. The line is often blurred between advisory help and the regulator. This is unavoidable but must be properly managed so that industry knows that it has to comply, and what it has to comply with. Industry also must be well informed on the costs of not complying, both for itself and for other Australians.

Increased social and environmental responsibility

Government has implemented policies and procedures to manage the impact on the environment. Increasingly quarantine is seen as having a role in ensuring the integrity of our unique environment. We are a country and continent which has avoided the worst ravages of a number of diseases and pests due to our relative isolation.

It is increasingly difficult to maintain this position due to the reduction in travelling times, increase in travel from previously less well developed countries and the enormous increase in the volumes of goods and people.

These factors mean that the message will be increasingly difficult to sell and the result will be increasingly difficult to achieve unless there is a continuing pro-active response. This needs to be directly with importing companies and individuals and with the public as a whole. Statements after an outbreak always carry the weight of suspicion of a cover-up or less than satisfactory

performance. They are necessary but must be linked to an ongoing message that risk is a management process not an absolute.

Shared Risk

AQIS currently shares risk in a proactive way but still maintains control over high risk commodities. The concept of shared responsibility is to share the risk beyond AQIS. However, a shift from 100% inspection to shared risk approach is a paradigm shift in the Government's approach to managing risk. As discussed above, move in this direction are essential because of the growth in imports and the need to avoid expensive duplication with private importer expertise.

Nevertheless with any approach the ultimate responsibility lies with the Government. Government needs to ensure that its key operatives are capable of working in this sort of environment in an effective and co-operative manner, whilst being able to maintain ultimate control of the risks.

Corporate Australia governance model

The responsibility of managing risk should not be a sole AQIS responsibility but be spread across corporate Australia. There should be a legislative mechanism to ensure corporate Australia and importers take responsibility for managing the risk by ensuring appropriate systems and procedures are in place.

Legislation is a key driver. Statutory change is required to develop a culture to share the responsibility. Consideration needs to be given to the nature of change in legislative structure to allow change in culture. Corporate responsibility works when there is a dollar cost. Penalties for non-compliance must be sufficiently high to encourage compliance. Cost penalty does not have to be by way of fine or court action. Delays in processing and clearance required by a failure to self control can be much more immediate and more effective.

Australian Institute of Company Directors – A component on quarantine could be built into the course. Instil Quarantine as a *modus operandi* of business where appropriate. Industry should relish the opportunity to take greater control of the supply chain.

Supply chain management systems

Management of supply chains from gate to plate is a very sophisticated process. Industry has complex quality assurance systems in place to manage and meet food safety and human health standards. Quarantine could be incorporated into these systems without subjecting industry to complex administrative systems and burden them with extra regulation. AQIS' focus would be on monitoring of systems for compliance. Shifting responsibility to managed systems and monitoring compliance is the next logical phase of a shared responsibility.

Structure of Biosecurity

The issue of whether the three arms of Biosecurity, AQIS, BA and PIAPH should be a part of the department or in a statutory authority is one which has caused a great deal of discussion over years. Initially Mal Nairn in the Nairn Review recommended it. Later he saw it as less important.

QEAC has traditionally taken a view that it was unlikely to happen and the more important issue was co-ordination between policy and implementation.

The current situation where BA is statutory and AQIS is not is clearly not practical in the long term. Policy and implementation should be in constant communication.

QEAC now takes the view that putting all of biosecurity in a Statutory Authority can be a very good solution, provided the following criteria are met:

1. It is truly independent and seen to be so in the way that the Reserve Bank and ACCC are seen by all.
2. It is properly resourced to be able to deal with the complexity of quarantine and biosecurity issues.
3. It has the IT, personell and support systems to be able to accurately predict high risk situations.
4. It has the resources to maintain a positive dialogue with both industry and the community about a shared responsibility and the bounds of possibility, particularly about the concept of a “leaky border” rather than a barrier.
5. The right balance between trade facilitation and regulation is maintained.
6. It has a strong responsive, industry focused board which understands the needs of importers and exporters, but has an understanding of the community needs as well.