

26 August 2022

Committee Secretary
Senate Standing Committees on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600

Australian Dairy Farmers Limited
Level 4, Farrer House
24 Collins Street,
MELBOURNE VIC 3000
Tel: +61 3 8621 4200
Fax: +61 3 8621 4280
www.australiandairyfarmers.com.au
ABN 76 060 549 643

Dear Sir/Madam,

Thank you for the opportunity to provide a submission to the Senate's inquiry into the adequacy of Australia's biosecurity measures and response preparedness, in particular with respect to foot-and-mouth disease. As you would appreciate this topic is of critical importance to our industry given the current situation in Indonesia.

The dairy industry is Australia's fourth largest rural industry. It generates \$4.7 billion in farmgate value from 8.8 billion litres of milk per annum and employs 37,400 people directly in dairy farming and processing. While the bulk of milk production occurs in south-eastern Australia, all states have dairy industries. These regions produce a range of high-quality consumer products, including fresh milks, custards, yoghurts, cheese and other dairy products. Approximately 32% of milk produced in Australia is exported at a total value of \$3.3 billion. More than 88% of these exports are destined for Asia with Greater China comprising almost half of total exports.

Australian Dairy Farmers is the peak body for dairy farmers nationally. We develop and advocate industry policy and work with stakeholders in particular the industry's service body Dairy Australia to deliver projects consistent with those policies and for the benefit of our dairy farmer members.

We understand that all or part of our industry is at risk in the event of a biosecurity incursion. Foot and mouth disease alone would close our export markets and according to ABARES create a potential direct economic impact of around \$80 billion over 10 years.

It is our submission that the committee endorse the Australian Government's *National Biosecurity Strategy* as a framework for transformational change to our biosecurity system. Significant reforms to governance, funding, disease categorisation, surveillance and detection, diagnostics and vaccine development, compliance and continuous improvement is required to ensure we have a world class biosecurity system. Explanation of the rationale and direction of these reforms are outlined in the attached table in accordance with the direction and commitments in the strategy.

As usual if the committee requires further explanation and discussion on our submission, we are available for attendance at any of the committee's hearings.

Yours sincerely,



Rick Gladigau
President
Australian Dairy Farmers Ltd



Proposed reforms to Australia's biosecurity system – submission to the Senate inquiry into the adequacy of Australia's biosecurity measures and response preparedness, in particular with respect to foot-and-mouth disease (26 August 2022)

Topic	Issue / Comment	Recommendation
Strategy	<p>The <i>National Biosecurity Strategy</i> was launched on 9 August 2022 by the Minister for Agriculture. This is the culmination of work undertaken by the Department of Agriculture, industry and stakeholders since October 2021. Having the strategy signed off by state, territory and federal governments and a reference group that included industry paves the way for a far more collaborative, efficient and effective approach to biosecurity in the future.</p> <p>Australian Dairy Farmers (ADF) supports the strategy. The priorities are consistent with the enabling themes and recommendations for pursuing the transformational trajectory recommended by the CSIRO in its publication <i>Australia's Biosecurity Future – unlocking the next decade of resilience (2020-2030)</i>. In general, the key issues identified in previous strategic reviews of the biosecurity system (Nairn Review 1996, Beale Review 2008, Matthews Review 2011 and Craik Review 2017) are covered. Having sustainable funding as one of the six priority areas implements an action in ADF's <i>Federal Election Policy Statement</i> (December 2021). The shared culture, stronger partnerships and coordination priorities are consistent with ADF's long standing policy for biosecurity. A skilled workforce using science, data and technology to drive better decision making is the basis for productivity and effectiveness. Finally, the functions, responsibilities and priorities of the Australian biosecurity system are well articulated in the strategy.</p>	<p>The committee should endorse the <i>National Biosecurity Strategy</i> as a framework for transformational change of Australia's biosecurity system.</p>

Topic	Issue / Comment	Recommendation
Governance	<p>Biosecurity is an ongoing priority for industry and government. It features in strategic and operating plans of most agriculture industry peak bodies and research development corporations (RDCs). This establishes the basis for partnerships and agreements with bodies such as SafeMeat and Animal Health Australia (AHA) and industry response arrangements e.g. Dairy Australia's <i>Issue Management Framework</i>. The <i>Intergovernmental Agreement on Biosecurity</i> (IGAB) establishes biosecurity commitments for the Australian Government, and state and territory governments, including agreed national goals and objectives and roles, responsibilities and governance arrangements. This establishes the basis for the National Biosecurity Committee (NBC) and associated taskforces and sub-committees.</p> <p>These arrangements often make decision making and action slow, reporting burdensome and creates sub-optimal transparency about work being done on biosecurity. As a result, there is a high degree of duplication and wasted resources in the system. Some examples are:</p> <ol style="list-style-type: none"> 1. SafeMeat's proposal to digitalise traceability across the livestock industry has taken several years of analysis and approval with limited action and outcome. 2. Since Lumpy Skin Disease (LSD) was first detected in Indonesia in March 2022 ADF has been involved in several response taskforces focused on LSD and Foot and Mouth Disease (FMD). This reactive 'crisis management' approach could have been avoided if a more proactive 'strategic and collaborative' governance arrangement had been in place. <p>This year Marsden Jacobs and Associates (MJA) analysed governance options for enhancing decision-making and accountability frameworks underpinning Australia's livestock traceability arrangements (a key part of the biosecurity system). They recommended improving efficiency through consolidation and other processes to address these issues.</p>	<p>The <i>National Biosecurity Strategy</i> commits to:</p> <ol style="list-style-type: none"> 1. reviewing governance arrangements to ensure they include relevant stakeholders 2. identifying and implementing opportunities for greater industry and community involvement in decision-making bodies 3. strengthening frameworks to agree and deliver priority investments 4. development of a system performance and evaluation framework. <p>These commitments are best achieved by consolidating the separate governance models into one biosecurity governance model for animals and one for plants. Representation in each model should comprise state and federal governments, relevant industry peaks and RDCs, importers, transporters and either Animal Health Australia (AHA) or Plant Health Australia (PHA) depending on the focus. Each body would be responsible for settings priorities, validating investments and responsibilities and receiving progress reports and evaluations of projects and programs.</p>

Topic	Issue / Comment	Recommendation
Funding	<p>Over the past ten years plus there has been significant amount of funds allocated via state and federal budgets to biosecurity. Many of this has been targeted specifically at 'FMD preparedness'. Other than what is written in the Budget statements there has been limited consultation and disclosure to industry on how these funds have been spent and their effectiveness. This has made it difficult to determine execution of many recommendations in the Craik Review.</p> <p>Presently there is an over reliance on government funding for biosecurity. This has resulted in funding being provided as initiatives or over the short term consistent with election cycles and to satisfy other priorities e.g., infrastructure at state and federal level. Peak industry bodies like ADF have virtually no resources of their own yet are required to lead or respond to actual or potential biosecurity incursions. RDCs provide support where possible but this is limited due to delivery of their core service priorities (research, development, extension and marketing).</p> <p>To illustrate, ADF's current biosecurity deliverables and obligations are:</p> <ol style="list-style-type: none"> 1. Deed for Government and Livestock Industry Cost-Sharing of Emergency Animal Disease Responses 2. National Livestock Standstill Preparedness and Response Plan 3. AUSVETPLAN 4. Dairy Enterprise Manual 5. AHA Service Level Agreement 6. FMD and LSD manuals, webinars and taskforces. <p>These deliverables and obligations are being met by one full time equivalent (FTE) staff member. There are no available funds beyond this resource.</p>	<p>The <i>National Biosecurity Strategy</i> commits to 'advancing co-funding and investment strategies with stakeholders' and 'increasing the transparency of biosecurity funding.'</p> <p>These commitments can be achieved by:</p> <ol style="list-style-type: none"> 1. providing a clearer explanation of what is being delivered with biosecurity funding in Budget papers. The government should avoid vague terms such as 'improving surveillance' or 'increasing preparedness'. Instead, they should specify actions like 'purchasing of foot baths for deployment at all international airports' for example. 2. in concert with state and territory governments, announce a commitment to maintaining ongoing biosecurity funding at or above 2016-17 levels in real terms, as recommended by the 2017 Craik review (recommendation 31).

Topic	Issue / Comment	Recommendation
		<p>3. That government work with industry to explore establishing a dedicated biosecurity levy to provide a clear industry funding stream for biosecurity and contribution to the new governance model. This requires the current 'zero-rated' emergency response levies to be amended to allow the raising of additional funds specifically for biosecurity purposes. This action is consistent with the Emergency Plant Protection Response Deed (EPPRD) and Emergency Animal Disease Response Agreement (EADRA) which states that 'emergency response levies are established to enable industry signatories to meet financial liabilities for eradication of pests and diseases.'</p>

Topic	Issue / Comment	Recommendation
Recategorisation of LSD	<p>On 11 August 2022, ADF presented AHA with a submission calling for LSD to be changed within the EADRA from a Category 3 disease to a Category 2 disease to bring it into line with the other two capripox viruses (sheep pox and goat pox). For this to occur the following process is followed:</p> <ol style="list-style-type: none"> 1. AHA (up to 30 days to consider) 2. Animal Health Committee (up to 30 days to consider) 3. AHC Emergency Animal Disease Categorisation Panel (up to 90 days to consider) 4. recommendations handed to AHC (30 days to consider) 5. advice to AHA who will consult with ADF, CCA and ALFA before implementing. <p>ADF was advised on 18 August 2022 that AHA has accepted the submission for presentation to AHC. At the time of this submission being drafted AHA were preparing the necessary paperwork.</p> <p>The shift from a Category 3 to 2 will mean change in the split of government/industry cost sharing arrangements from 50/50 to 80/20. ADF acknowledges that this is a disincentive for government, however this should not be the basis for assessment of the application. As per assessment guidelines it should be based on scientific evidence i.e. disease equivalency.</p>	<p>The <i>National Biosecurity Strategy</i> commits to 'continually review and update risk information to inform priorities.' In accordance with this commitment ADF recommends that its application for LSD to be recategorised from a Category 3 to Category 2 disease under EADRA be supported.</p>

Topic	Issue / Comment	Recommendation
Quarantine screening target and model	<p>Until 2009 the <i>Increased Quarantine Intervention</i> (IQI) required the department to achieve a national average of at least 81 per cent of passengers arriving in Australia, using X-rays, detector dog teams and baggage inspection (DAFF 2001). Following publication of the Beale review <i>One biosecurity</i>, the department's concept of operations for border quarantine was changing from mass screening to a risk-based approach, referred to as 'risk-return'.</p> <p>In his July 2022 report <i>Efficacy and adequacy of department's X-ray scanning and detector dog screening techniques to prevent the entry of biosecurity risk material into Australia</i> the IGB said that 'details about what potential risk material has been screened or inspected in the mail and traveller pathways is not routinely captured; therefore, assessment of relative risk, profile development and evaluation of effectiveness is problematic.' He adds that 'there continue to be gaps in data, and this reduces the accuracy of risk assessments and thus the effectiveness and efficacy of current operating models for the effective deployment of detector dogs and X-rays.'</p>	<p>The <i>National Biosecurity Strategy</i> commits to 'enhancing our national surveillance and early detection arrangements.' Consistent with this commitment, it is recommended that the government establish an 80 per cent screening target to address the lack of capability in the department's 'risk return' framework. This should be included in the department's budget papers to ensure reporting and accountability.</p>

Topic	Issue / Comment	Recommendation
Detector dogs and handlers	<p>For the past 3 decades, the department has used detector dogs and X-ray to identify potential biosecurity risk material at the border in and on imported consignments, as well as pre-arrival data-based profiling and manual inspection by biosecurity officers. The department's detector dog program was significantly reduced from 80 dogs in 2012 to 43 in 2018 and to 39 dogs in March 2020 (IGB, 2020; IGB, 2019a), despite their proven efficiency in detecting a wide range of biosecurity risk material.</p> <p>As at March 2022, the number of detector dogs has slightly increased to 42 dogs in operation. These dogs work at some of Australia's international airports – one at Cairns airport, one at Darwin, four at Perth, six at Brisbane, 12 at Melbourne and 20 at Sydney. The decrease has been largely due to the department's 'over-emphasis on 3D X-ray as its primary detection tool' (IGB 2022). This is despite 'detector dogs being the frontline detection capability for which there is no technological alternative.' In Australia there are 613 airports, of which 13 are international, and 17 nationally significant ports. 42 dogs are simply not enough to cover this footprint.</p>	<p>The <i>National Biosecurity Strategy</i> commits to 'enhancing our national surveillance and early detection arrangements.' The Australian has an election commitment to recruit a further 20 biosecurity detector dogs and 10 biosecurity detector dog handlers. This is a step in the right direction. However, it is critical that detector dogs and handlers are located at all international airports and ports to maintain strong border protection.</p>

Topic	Issue / Comment	Recommendation
Vaccine and diagnostics development	<p>Vaccines and diagnostics for LSD, FMD and many other biosecurity threats are undertaken or procured from overseas. This arrangement can be more expensive, inefficient, and subject to supply chain bottlenecks than if the capability were developed and expanded domestically.</p> <p>Over recent months the Department of Agriculture has been undertaking risk assessments and stakeholder consultation on the feasibility of importing live LSD virus for vaccine and diagnostics development at the CSIRO's Australian Centre for Disease Preparedness (ACDP). ADF has provided support for this initiative. It will ensure we have access to a high-quality vaccine and diagnosis tools should they be required (as opposed to sub-optimal vaccines and tools that exist currently).</p>	The <i>National Biosecurity Strategy</i> commits to 'further supporting innovations to build science and research capacity.' In accordance with this commitment ADF recommends the LSD vaccine and diagnostics development initiative at the ACDP be considered the start of a more expansive capacity and capability building program domestically. The government should work to transform the ACDP into a 'centre of excellence' for vaccine and diagnostics capability for livestock diseases threatening our industry.
Penalties	In June last year the <i>Biosecurity (Strengthening Penalties) Bill 2021</i> received royal assent. This increased the maximum financial penalties, both civil and criminal, for a number of offences that are in the <i>Biosecurity Act 2015</i> (28 separate provisions). This initiative will only provide deterrence if they are applied to offenders. At this stage we do not know whether maximum penalties were even handed out prior to the amendment coming in.	The <i>National Biosecurity Strategy</i> commits to 'driving positive biosecurity behaviours and incentivising compliance.' Consistent with this strategy ADF recommends conducting a review of the total number of biosecurity infringements and penalties issued over the past ten years. If maximum penalties have never been issued and/or penalties issued generally are weak, then change the Parliament should change Bill further to introduce minimum penalties for infringements.

Topic	Issue / Comment	Recommendation
Continuous improvement and accountability	<p>In the IGB's November 2021 report <i>Accountable implementation of Inspectors-General recommendations</i> (2015–2021) it is clear the department has significant deficits and no capacity for practice improvement. Key comments made by the IGB to validate are:</p> <ol style="list-style-type: none"> 1. 'The department's implementation of Inspectors-General recommendations has been previously reviewed in 2019, 2018, 2016 and 2015 (IGB 2019; IGB 2018; IIGB 2016; IIGB 2015) and now in 2021. None of these reviews would have been necessary if the department had a well-established commitment to and a sound process for continuous improvement; and appropriate accountability mechanisms within biosecurity divisions and the department more broadly.' 2. 'It appears that the department has approached Inspector-General recommendations as an administrative, rather than transformative, process and not treated them with the level of importance that seemed to be envisaged by the Australian Parliament when it established the statutory role in the <i>Biosecurity Act 2015</i>.' 3. 'Australia needs the department to be better at what it does in providing biosecurity functions for our nation. That improvement requires better governance, not just more resources and more hard work from its committed workforce.' <p>It is noted that recent changes in departmental leadership and management have seen a far more concerted effort to respond to IGB reviews. While these efforts are welcomed by ADF it is not a satisfactory model to rely on staff and culture to determine the level of responsiveness to IGB reviews. Limitations and deficiencies in the <i>Biosecurity Act 2015</i> need to be addressed to secure a guaranteed (legislative) commitment to continuous improvement.</p>	<p>The <i>National Biosecurity Strategy</i> makes commitments to 'collaboratively review and refine roles and responsibilities' and 'actively embed continuous learning'. To deliver these commitments ADF recommends:</p> <ol style="list-style-type: none"> 1. implementing the IGB's recommendation in <i>Accountable implementation of Inspectors-General recommendations</i> that 'the department's corporate areas' establish and support corporate systems, including practical tracking and reporting software; integration of improved biosecurity planning, delivery and monitoring into corporate improvement approach; and timely, valuable reporting.' A report against outputs and outcomes should be provided publicly and to the new governance bodies for scrutiny and action. 2. amending the <i>Biosecurity Act 2015</i> to expand the scope of the IGB and improve departmental responsiveness and accountability. This should involve the following under Division 2—Reviews by the Inspector-General:

Topic	Issue / Comment	Recommendation
		<ul style="list-style-type: none"> • removal of '(2) Subsection (1) does not permit the Inspector-General to review only a single performance of a function, or a single exercise of a power, by a single biosecurity official.' This will expand the scope of IGB reviews to include specific areas and individuals in the public service. Completing these reviews provides the basis for execution of a stronger performance management system. • inserting a clause requiring the department to implement and report on recommendations of the IGB. Only where exceptional circumstances can be demonstrated should the department be exempted from this requirement.

Topic	Issue / Comment	Recommendation
		<p>To complement these recommendations the government will need to:</p> <ol style="list-style-type: none"> 1. commit more funding to the office of the IGB. This will ensure it has the resources to deliver the added work 2. review the efficiency dividend to determine whether it compromised the department's biosecurity capability in the areas identified by the IGB as requiring improvement.