



Australian Government
**Department of Agriculture,
Fisheries and Forestry**

INTERIM INSPECTOR GENERAL OF BIOSECURITY

**INTERIM INSPECTOR GENERAL OF BIOSECURITY
Annual Report 2009-10**

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Introduction

This report marks an important milestone—the first annual report to the Minister for Agriculture, Fisheries and Forestry from the Interim Inspector General of Biosecurity.

Sound biosecurity systems are crucial for Australia's agricultural, food, fibre and natural resource industries to maintain our export advantage in overseas markets and to safeguard our economy and Australia's unique natural environment. A great deal of investment and hard work of many people around Australia contribute to delivering Australia's biosecurity services. Continual improvement in business process is important in meeting our challenges now and in the future. I see the role of the Interim Inspector General of Biosecurity as being an important contributor to continual improvement in biosecurity service delivery. The achievements over the past year are tangible progress toward the Australian Government's commitment to better practice biosecurity.

The first year's program of the Interim Inspector General of Biosecurity focussed on:

- building a sound planning and delivery platform to support the future challenges of the role
- engaging with the Biosecurity Services Group of the Department of Agriculture, Fisheries and Forestry (the department) to increase awareness of the independence of the role and the interface with Biosecurity Services Group activities
- undertaking audit activities that deliver reports, recommendations and advice to support continual improvement to Australia's biosecurity systems
- delivering a forward work program for 2010–11 and beyond of risk-based systems audits across the biosecurity continuum.

A number of key themes have emerged from interactions with the Biosecurity Services Group and other stakeholders and from audit activities over the past year, including the need to:

- increase public awareness of and confidence in the strength of Australia's biosecurity systems
- refine the intellectual basis of 'risk return' decisions in order that future activities are directed to areas of high risk and/or high return in accordance with the *One Biosecurity — a working partnership* (Beale review) report
- foster a coordinated mix of activities that ensure breadth and depth of assurance effort and coverage across the biosecurity continuum
- balance the ongoing focus on horse importation within the other assurance priorities across the biosecurity continuum to ensure that the gains post-equine influenza are not lost.

The Interim Inspector General of Biosecurity audit work program for 2010–11 builds on these themes. The program also reflects a maturing view of the role and significant stakeholder input to the identification of prospective biosecurity audit priorities. This is another significant step forward in establishing this independent role.

I have been privileged to serve in the role of Interim Inspector General of Biosecurity over the last year, after having fulfilled the role of the Interim Inspector General of Horse Importation during 2008–09 which has been subsumed into my current role. I gratefully acknowledge the

support of the Secretary of the department, Dr Conall O'Connell, the Biosecurity Services Group and my secretariat team in achieving the success of the past year. I believe that this continuing support reflects the strong priority the department accords to delivering better practice biosecurity systems.

The role of the Interim Inspector General of Biosecurity

*'Australia's biosecurity regime seeks, through careful management, to minimise the risk of the entry, establishment or spread of exotic pests and diseases that have the potential to cause significant harm to people, animals, plants and other aspects of Australia's unique environment.'*¹

In February 2008, the Australian Government commissioned a review of the national biosecurity system. The Independent Review of Australia's Quarantine and Biosecurity Arrangements, known as the Beale review after its leader Mr Roger Beale AO, was the most intensive, wide-ranging and independent study of the effectiveness of Australia's quarantine arrangements since the earlier 1996 review led by Professor Malcolm Nairn. The Beale review report *One Biosecurity — a working partnership* was published in September 2008.

Among the many recommendations of the Beale review was the establishment of a statutory office of the Inspector General of Biosecurity. The Beale review proposed that the Inspector General of Biosecurity would have broad powers of audit and investigation and be responsible for conducting systems audits and reviews of the performance of biosecurity programs carried out by the National Biosecurity Authority. The role would also subsume the role of Interim Inspector General of Horse Importation, recommended to the Australian Government by the Honourable Ian Callinan AC in his formal inquiry into the 2007 equine influenza outbreak.

The role would be established under the new biosecurity legislation. In advance of this enabling legislation and the establishment of a National Biosecurity Authority interim arrangements have been put in place. On 1 July 2009, the government appointed Dr Kevin Dunn as the Interim Inspector General of Biosecurity to provide independent assurance of the performance and appropriateness of biosecurity systems and risk management measures that are the responsibility of the Biosecurity Services Group in the department. This remit also includes the biosecurity measures related to human health and environment that are undertaken by the department on behalf of the Department of Health and Ageing and the Department of the Environment, Water, Heritage and the Arts. The Minister for Agriculture, Fisheries and Forestry, the Hon. Tony Burke MP, agreed the charter for this role on 9 April 2009.

The Interim Inspector General of Biosecurity will conduct systems audits, investigations and reviews and report directly to the Australian Government Minister for Agriculture, Fisheries and Forestry. The role of the Interim Inspector General of Biosecurity is independent of the department.

¹ Beale, R, Fairbrother, J, Inglis, A and Trebeck D 2008, *One Biosecurity A Working Partnership — The Independent Review of Australia's Quarantine and Biosecurity Arrangements Report to the Australian Government* Commonwealth of Australia, Canberra. Available at <http://daff.gov.au/about/publications/quarantine-biosecurity-report-and-preliminary-response>.

The Interim Inspector General of Biosecurity is accountable to the Secretary of the department on matters of governance and administration. As such, all financial reporting is included in the department’s annual report for 2009-10. The department provides administrative support to the role through a dedicated secretariat.

Interim Inspector General of Biosecurity activities in 2009-10

During 2009-10 the Interim Inspector General of Biosecurity has worked to build a sound platform to support the future operation and challenges of the role. These challenges will need a coordinated approach underpinned by strong stakeholder consultation. In establishing the role, the Interim Inspector General of Biosecurity has put in place an operating model including a governance framework, communications strategy and audit guidelines.

In 2009–10 there was significant investment in establishing and fostering stakeholder relationships. In particular, a clear priority was set to engage with the Biosecurity Services Group to increase awareness of the independence of the Interim Inspector General of Biosecurity role and the interface with Biosecurity Services Group activities. This has been achieved through conducting frequent meetings about, and seeking input to, Interim Inspector General of Biosecurity activities. Communication with the Biosecurity Services Group will be strengthened from 2010–11 with the commencement of quarterly briefing sessions. The Interim Inspector General of Biosecurity has initiated ongoing consultation also with Plant Health Australia and Animal Health Australia.

In 2009-10, the Interim Inspector General of Biosecurity conducted a series of audit activities (see Table 1). These audit activities are a practical step to deliver reports, recommendations and advice to the minister to support continual improvement to Australia’s biosecurity systems. The audit reports are key in increasing public confidence in Australia’s biosecurity systems, which is discussed below in more detail.

Table 1. Audit activities undertaken by the Interim Inspector General of Biosecurity in 2009–10.

Audit Title	Objective
Equine pre-export quarantine facilities	Assessments of overseas pre-export quarantine facilities used for the preparation of horses for importation to Australia ²
Horse health certification for horses imported to Australia	To check the compliance with import health certification requirements of certification accompanying a number of horse consignments imported to Australia
Quarantine surveillance for horses following post-arrival quarantine	To assess the compliance by the Biosecurity Services Group regional offices with quarantine surveillance procedures for live horses imported to Australia

² This audit was undertaken by the Interim Inspector General of Horse Importation. The audit report was finalised by the Interim Inspector General of Biosecurity.

Table 1 continued

AUSVETPLAN	To examine the discharge of obligations by the Department of Agriculture, Fisheries and Forestry in relation to the maintenance and update of AUSVETPLAN
Sandown quarantine facility	To independently review the audit performed in 2009 by AQIS/Biosecurity Services Group of the Sandown post-entry quarantine facility
Management of seaports quarantine waste	To examine the performance of the Biosecurity Services Group's systems to manage the biosecurity risks associated with the collection, transportation, storage and treatment of quarantine waste from international sea vessels
Singapore	Inspection of the pre-export operations and procedures in Singapore for horses for import to Australia

Key themes

The following key themes have emerged from interactions with the Biosecurity Services Group and other stakeholders and audit activities over the past year.

Increasing public confidence in Australia's biosecurity systems

Australia has an excellent track record in the effectiveness of its biosecurity methods. Such routine success does not often attract media or public accolades. The accountability of the role of the Interim Inspector General of Biosecurity will facilitate greater transparency and exposure of our biosecurity successes but also help to highlight areas for improvement. The Interim Inspector General of Biosecurity reports, recommendations and advice are routinely made public (unless they contain confidential material, for example commercial-in-confidence information). This is important to raise public awareness and confidence in the role and the strengths of Australia's biosecurity systems.

In illustration, the outcomes from two of the 2009–10 audits are discussed here in more detail.

The Interim Inspector General of Biosecurity examined the department's discharge of its obligations to maintain and update the Australian Veterinary Emergency Plan (AUSVETPLAN). AUSVETPLAN is the national contingency planning framework for the management of emergency animal disease (EAD) incidents in Australia. The purpose of AUSVETPLAN is to ensure coherent operations and procedures among national, state and territory animal health authorities, and emergency management organisations in the management of an EAD incidents. In response to concerns that inadequate maintenance of these documents may result in costly coordination issues, an audit was conducted. The Interim Inspector General of Biosecurity concluded that the department provides an adequate level and quality of input to the AUSVETPLAN development processes and that overall the department is meeting its obligations.

The Interim Inspector General of Biosecurity audited the systems to manage the biosecurity risks associated with the collection, transportation, storage and treatment of quarantine waste from international sea vessels. There are biosecurity risks associated with quarantine waste in that potential pests and diseases within the waste may contaminate other goods or may be introduced into Australia through unauthorised access (by humans and or foraging animals) or failures in containment or treatment processes. The audit found that, in general, an adequate level of biosecurity is provided. However, the Interim Inspector General of Biosecurity did make a number of recommendations to support policy and procedural improvements with a view to ensuring effective risk management.

Prioritisation of Interim Inspector General of Biosecurity activities

An underpinning principle of the reforms recommended in the Beale review is a move towards a comprehensive risk-return approach to determine the application of effort and resources across the biosecurity continuum. This premise also applies to the activities of the Interim Inspector General of Biosecurity. The priority or timing of the audits will be determined using a systematic risk-based approach, with the focus being towards high risk and/or high return goods or services. As tasked under the Interim Inspector General of Biosecurity Charter an audit work program has been developed. This program prioritises the potential audit topics identified by stakeholders by assessing the consequences and likelihood of a breakdown in the audited biosecurity system. Potential audit topics were collated from departmental and industry consultation, departmental plans and risk assessments, outcomes of relevant reviews/inquiries, media coverage and Interim Inspector General of Biosecurity expert advice. Flexibility has also been built into the work program so that it can be adjusted to meet emerging issues and/or the priorities of the day.

As acknowledged in the Beale review the transition to a risk-return approach will take some time. The Interim Inspector General of Biosecurity is aware of significant work within the Biosecurity Services Group to analyse risk and implement data capture and analysis systems to support such decision making. A systematic methodology has been used to assess consequence and likelihood, however, the qualitative and indicative nature of this assessment must be acknowledged. The continuing maturation of the Biosecurity Services Group's governance, business planning and risk assessment and mitigation processes over the coming years will provide valuable information regarding biosecurity risks and priorities that will in turn further inform the setting of the Interim Inspector General of Biosecurity audit work program.

Ensuring a breadth of assurance activities

There is a need to have a mix of activities to ensure breadth and depth of assurance effort and coverage across the biosecurity continuum. Broadly, this should be from:

- management verification systems that check that their officers are doing the right job
- organisational assurance schemes (such as internal audit) that ensure risk management systems are effective, through to
- independent assurance (such as the Interim Inspector General of Biosecurity and the Australian National Audit Office) that provide broad assurance that the systems are designed effectively and they are being implemented as designed.

Within the mix of assurance activities there also needs to be coverage of the multi-factorial systems in place to manage biosecurity risks. Adding to the complexity is that these systems can be viewed from numerous perspectives—for example, end to end systems along the biosecurity continuum within sectors³; for example animals or plants, or a component of common system crossing all sectors; for example border inspections for animals, plants and food.

The role of the Interim Inspector General of Biosecurity is to provide independent assurance of the performance of the biosecurity systems for which the Biosecurity Services Group⁴ is responsible. The work program is designed to provide comprehensive coverage and depth of investigation of the systems in place to manage biosecurity risks. The scope of Interim Inspector General of Biosecurity audits will be from various perspectives including some which will cross-cut program or sectoral components of Biosecurity Services Group. Another perspective will be the examination of the effectiveness of the verification mechanisms employed within the Biosecurity Services Group to test internally that management and operations are on track.

An integral part of the development of the Interim Inspector General of Biosecurity work program is ensuring good use of audit effort and resourcing. How the Interim Inspector General of Biosecurity activities fit within the broader sphere of biosecurity assurance activities has also been considered. In 2009–10 the Interim Inspector General of Biosecurity developed an assurance map that charts the assurance activity across the biosecurity function undertaken by the Biosecurity Services Group. This map is a valuable tool in setting the annual work program as it assists in determining the timing of Interim Inspector General of Biosecurity audit activities to avoid duplication of assurance effort and to maximise and build on outcomes provided by other assurance activities. The Interim Inspector General of Biosecurity plans to undertake this mapping exercise regularly and to share the results so that this tool can be used by other providers operating in the biosecurity arena to set their assurance programs.

Biosecurity risk management measures for horses

In response to the report of the inquiry into the August 2007 equine influenza outbreak in Australia (also known as the Callinan Inquiry) there has been significant effort into ensuring systems are in place to manage the biosecurity risks associated with the importation of horses. Professor Peter Shergold AC has been independently assessing the implementation of the government's response to the Callinan Inquiry and released his fifth, and final, report in August 2010. Overall, Professor Shergold considers the government has done a model job in implementing the recommendations but correctly identifies that one of the continuing risks is to ensure that the realisable gains post-equine influenza are not lost as time passes. Part of the remit of the Interim Inspector General of Biosecurity is the undertaking of the functions of the Interim Inspector General of Horse Importation as recommended in the Callinan Inquiry. During 2009-10, the Interim Inspector General of Biosecurity undertook a number of horse specific activities, including inspecting the horse health certification for some stallion import consignments, assessing compliance with the quarantine surveillance arrangements for horses,

³ Sector refers to animal, plants, food, human health, marine and aquatics and the natural environment.

⁴ As described in the Beale review, upon enactment of the biosecurity legislation, the role will transition to providing independent assurance of the performance of the biosecurity systems for which the new National Biosecurity Authority is responsible.

and audits of two horse quarantine facilities—the Singapore Turf Club pre-export facility and the Sandown post-arrival facility in Victoria. Throughout these activities, the Interim Inspector General of Biosecurity found that no major system weaknesses existed. Minor deficiencies identified have been addressed subsequently by the Biosecurity Services Group.

Based on the audit findings and coupled with Professor Shergold's advice, I am confident that the measures and controls in place in 2009–10 to mitigate the potential biosecurity risks associated with the importation of horses to Australia are appropriate and are being implemented as designed. In order to avoid complacency it will be important to allow for horse specific audit activities in the Interim Inspector General of Biosecurity audit work program over time. However, as also noted by Professor Shergold, the Interim Inspector General of Biosecurity will be seeking to ensure a balance of these activities within the broad range of priorities across the biosecurity continuum.

2010-11 and beyond

Australia invests considerable financial and intellectual resources in its biosecurity systems. By comparison, few countries invest as heavily in biosecurity as Australia. However, few countries have as much at stake if biosecurity fails, especially in areas of agricultural production and associated exports. Australian exports enjoy a competitive advantage globally because of Australia's pest and disease free status. In environmental and social dimensions, the effectiveness of our systems against global biosecurity risks offers an immeasurable return on investment.

Of particular relevance to the current role of Interim Inspector General of Biosecurity is the performance outcome from investment in the Biosecurity Services Group. Funding available for biosecurity is not open-ended. A risk-return approach is being adopted by the Australian Government following the Beale review. In investment terms this endeavours to ensure the lowest possible risk and the highest possible return for a given investment. In biosecurity, investment in decision making across and within the range of risk areas depends on the application of best practice scientific and technical risk assessment.

Significantly, the Beale review reinforced the concept of a quarantine continuum that must be managed to safeguard Australia's primary industry production base and environment as well as public health from the damaging effect of pests and diseases. It also endorsed the shared responsibility approach to biosecurity. Fundamentally, this recognises that national biosecurity relies not only on the statutory responsibilities of the Australian Government and state/territory governments but on the responsibility and actions of industry and the community.

The Interim Inspector General of Biosecurity believes that the initial findings of audits conducted in this role are encouraging for the Australian public. However, as shown from the findings of the 2008 Report of the Equine Influenza Inquiry, avoidance of deterioration—perhaps imperceptible over short time spans—in the effectiveness of biosecurity services must be an aim that the role of the Interim Inspector General of Biosecurity contributes to in a significant way.

As the role of the Interim Inspector General of Biosecurity evolves into the future, the focus should expand and extend to cross-over areas of biosecurity responsibilities between the Australian and the state/territory governments. Seamlessness at these interfaces in the delivery of biosecurity services is integral to effectiveness on a national scale.

Future reform to secure Australia's standing as a world leader in biosecurity can only be achieved through a comprehensive program of ongoing assurance. Integral to that process is building and sustaining a collaborative partnership between the role of the Interim Inspector General of Biosecurity, industry and the Australian Government.

A handwritten signature in black ink, appearing to read 'K. J. Dunn', written in a cursive style.

Dr Kevin Dunn
Interim Inspector General of Biosecurity