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**Submission to Senate Standing Committee
on Rural and Regional Affairs and Transport:
Inquiry into biosecurity and quarantine
arrangements**

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Background

Citrus Australia is the national peak industry body for the Australian citrus growing industry. There are approximately 2,000 citrus growers based in every mainland state and territory, but concentrated in the Murray Darling Basin regions of SA, VIC, NSW and the Central Burnett region of QLD.

The Australian citrus industry is one of the largest fresh fruit industries in Australia, and certainly the largest fresh fruit exporter with an annual average export volume of 170,000 tonnes and a value of \$190 million. Citrus is also one of the largest fresh import categories in Australia, with annual volume of around 23,000 tonnes valued at \$33 million. The Australian citrus industry produces only around 1% of the global citrus production and competes directly in export markets with lower cost southern hemisphere citrus exporting countries such as South Africa, Chile and Peru.

Citrus Australia is heavily involved with export and import quarantine issues as well as biosecurity/plant health issues, and their related government agencies. Citrus Australia strongly supports increased resources and collaborative action towards strengthening quarantine and biosecurity arrangements in Australia.

Adequacy of current biosecurity and quarantine arrangements, including resourcing

The plant biosecurity sector is currently significantly under resourced¹.

The Beale review concluded that at the Commonwealth level alone, a funding increase of \$260 million per annum was required to implement the review's findings.

With ever increasing movement of people and produce across state and national borders, Australia's plant biosecurity status is constantly being challenged, with some 40 potential biosecurity threats per annum. On average only 2-3 warrant serious consideration of an emergency response, which has stretched the capacity of both government agencies and industry organisations.

The citrus industry has unfortunately experienced firsthand the devastating impact of an exotic pest incursion with the citrus canker outbreak in Emerald, Queensland in 2004.

The citrus canker outbreak and eradication campaign waged in Emerald between 2004 and 2009 resulted in the destruction of over 500,000 commercial citrus trees, backyard citrus trees and large tracts of native citrus and suspect host plants. It destroyed the livelihoods of Emerald citrus growers and severely affected the Emerald community.

¹ Beale review pXXVIII

Growers were allowed to replant commercial citrus orchards in 2007, and today one main orchard has over 500 hectares of citrus with production slowly returning to pre-2005 levels.

Industry representatives have been on record during the canker eradication campaign in seeking agreement from state and federal plant health representatives to utilise some remaining funds to update the draft citrus canker contingency plan. Unfortunately the repeated request was not agreed to.

Citrus Australia continues to express deep disappointment with the lack of agreement and sense of urgency from some plant health government representatives in utilising actual learning's to update an important document.

The citrus industry nonetheless is funding through its own R&D program the development of a Huanglongbing (HLB)², and its associated vector the Asian Citrus Psyllid (ACP), contingency plan with assistance from the Commonwealth Office of the Chief Plant Protection Officer.

In addition Citrus Australia is committed to protecting the industry from exotic and endemic pests through:

- The Emergency Plant Pest Response Deed and a national biosecurity levy
- Maintaining the citrus industry biosecurity plan
- Maintaining a citrus orchard biosecurity plan
- Developing awareness material eg canker and HLB poster
- Request re-categorisation of the Asian Citrus Psyllid
- Supporting a national high health budwood and seed scheme
- Targeted R&D funded through Horticulture Australia Ltd
- Supporting the CRC Plant Biosecurity re-bid

Conflicting policy and applications in dealing with biosecurity and import quarantine issues

Citrus Australia remains concerned regarding the substantial policy change in allowing the importation of unshui mandarins from Japan (a canker country) and the treatment of citrus fruit during the Australian citrus canker eradication campaign, and the implications to set a precedent.

Australian state and Commonwealth plant quarantine officers rejected an approach made to allow access of asymptomatic fruits from the then canker-infected area of

² The importance of this citrus disease is highlighted in the Riverina Citrus submission to the same Senate inquiry

Emerald to Australian domestic markets, yet Biosecurity Australia now allows access of asymptomatic fruit from 4 areas in Japan.

The QDPI & F Submission to the Senate Rural and Regional Affairs and Transport Committee Inquiry into the Citrus Canker Outbreak, July 2005) is a good summary of how Emerald growers were treated differently to the proposed Japanese imports:

“In April 2005 Queensland informed the national Management Group (NMG) that a Pest Risk Analysis (PRA) had been completed in relation to the sale of citrus from PQA properties to domestic markets. The PRA used the standard methodology used by Biosecurity Australia in the Import Risk Analysis process. The pathway by which citrus canker might be carried on citrus fruit, and enter, establish and spread outside of the pest quarantine area was modelled and probability estimates were made for each step. It was found that, for restricted domestic market access of Emerald citrus fruit, the probability of entry, establishment and spread was ‘extremely low’, meeting Australia’s appropriate level of protection of ‘very low’. It was therefore recommended by Queensland that domestic market access for Emerald citrus fruit should be restored, on the condition of property freedom certification, inspection and approved fruit treatment and the continuance of the National Citrus Canker Eradication Program. The CCEPP convened on Wednesday 11 May 2005 to consider the proposal put forward by DPI&F, that restricted market access should be allowed for PQA citrus fruit. States and territories were required to provide responses and make a decision in relation to market access for produce from Emerald Growers. The Consultative Committee on Emergency Plant pests (CCEPP) noted preliminary advice from the Technical Market Access Strategy Branch that the export trade consequences of domestic movement of fruit from the PQA could range from no impact, through to an inability to continue to certify export citrus from Australia, to uncertainty as to whether citrus exports would proceed.

CCEPP sought advice from Biosecurity Australia on what implications acceptance of the Pest Risk Analysis (PRA) and subsequent domestic market access would have, in terms of minimum standards that may subsequently be applied to import proposals for canker-infested countries or regions.

Biosecurity Australia advised that:

- legal interpretation under the WTO/SPS agreement is unequivocal. If you apply measures domestically to deal with particular risk then you are obliged to offer the same measures to deal with the same risk from an international source*
- the application of measures to deal with the risk must be based on a risk assessment*
- the PRA does conflict with the current policy, in that Australia now only accepts fruit from citrus canker free areas. Acceptance of this PRA would mean that we would accept fruit from within Quarantine Areas where the disease would be assumed to occur. So it would change Australia’s current minimum standards*
- if the Commonwealth engaged with other countries on the trade implications of domestic market access for the PQA, Australia would be dependent on response times from other countries, which based on past experience, would not be rapid. It is difficult to approach countries on a hypothetical basis.*

The NMG decided that taking into account the judgement of all states, territories and industry, as well as international considerations, movement of harvested fruit from the Pest Quarantine Area (PQA) would not proceed to the domestic market at this point in time.”

Increased collaboration and urgency required

The Plant Health Australia Emergency Plant Pest Response Deed (EPPRD) became operational on 26 October 2005. The EPPRD provides a mechanism for governments and industry to work together to reduce the risks and share the costs and responsibility of responding to Emergency Plant Pests. The EPPRD reduces delays in securing funding, provides industry with greater involvement in eradication efforts, and removes disincentives to report suspect pests. Citrus Australia is a signatory to the Deed.

An agreed component of the EPPRD is the framework for Owner Reimbursement Costs (ORC), and the relative share of the total cost of incursion management that will be covered by industry and government respectively varies according to the relative public and private benefits obtained from eradication. Each priority pest is classified under these 4 categories.

Federal and state plant health representatives need to work closely with industry to be better prepared for incursions. Draft contingency plans and ORC guidelines need to be progressed, tested and communicated to industry to assist in preparedness and early detection.

Citrus Australia formally requested the re-categorisation of ACP in September 2009, due to its relationship with HLB and the seriousness of the disease and its vector. The categorisation process stalled early in 2010 due to the inability of the process (lack of policy) to deal with a pest and its vector as a 'package'. This issue will now be considered as part of the 5 year review of the EPPRD commencing in 2010/11.

Stakeholders need to agree that a high priority pest and its vector such as HLB and ACP need to be dealt with urgently as a package, considering the devastating impact currently in countries such as USA and its close proximity to Australia's northern borders.

Progress toward achievement of reform of Australian Quarantine and Inspection service export fees and charges

Progress has been slow.

It has been over a year since the Federal government announced a move to full cost recovery by removing the 40 per cent AQIS rebate on 1 July 2009.

Citrus Australia, in its submission to the Senate Rural & Regional Affairs & Transport Committee inquiry into the removal of fee rebate for AQIS export certification functions September 2009, did not support the removal of the 40 per cent rebate prior to the implementation of reform of AQIS's export inspection and certification services.

AQIS fees reverted back to pre-July rates from mid-September. Citrus Australia subsequently requested that the difference paid by citrus exporters from July to mid-September 2009 were refunded or re-credited, and this was only allowed in June 2010.

This confusing operational and political process distracted heavily from the real need to reform AQIS fees and charges, and the mounting pressure to find 40 per cent savings in a relatively short time frame is unrealistic.

Citrus Australia is committed to working in partnership with the Australian government in identifying and implementing reforms but seeks a commitment to retain the 40 per cent rebate until reforms demonstrate equivalent savings and efficiencies.

Progress in implementation of the 'Beale Review' recommendations and their place in meeting projected biosecurity demand and resourcing

The Beale review provides a welcome focus on biosecurity and import quarantine reform BUT does not provide the same focus on export quarantine, market access and development reform and poorly targets cost recovery to fund biosecurity reform through export certification.

There is general in principle support for the 84 recommended reforms, except recommendation 79.

Citrus Australia, through Plant Health Australia, has been involved and supportive of the draft National Plant Health Strategy as a blueprint for a strengthened national plant biosecurity system. The draft National Plant Health Strategy has been reviewed in light of the findings of the Beale review; developments in Emergency Response Agreements (such as EPPRD) and reflects the current development of the Inter-Governmental Agreement on Biosecurity.

The National Plant Health Strategy specifically calls for:

1. Adoption of nationally consistent plant biosecurity legislation and regulations
2. Establishment of a National Surveillance Coordination Centre
3. An increase in Australia's ability to prepare for and respond to emergency plant pest incursions
4. Expansion of Australia's biosecurity capacity and capability
5. The creation of a nationally integrated diagnostic network
6. An enhanced national management system for endemic quarantine pests
7. The establishment of an integrated national approach to biosecurity and awareness
8. The development of a national framework for biosecurity research
9. Adoption of systems and mechanisms for the efficient and effective distribution, communication and uptake of biosecurity information

10. The ongoing monitoring of the integrity of the plant biosecurity system.

Citrus Australia also strongly supports the National Fruit Fly Strategy and its recent implementation action plan. This commitment is evidenced by the industry's continued financial contribution to a comprehensive cost benefit analysis for the implementation of the national fruit fly strategy, due for completion by the end of 2010.

Citrus Australia is also seeking, in parallel to quarantine and biosecurity reforms, significant reforms in horticultural export market access and development. These reforms should assist industry access and increase market share in global markets and increase the horticultural industry's capacity to service global markets with significant competition from low-cost countries.

An example of a poor focus on horticultural export trade outcomes would be the ASEAN-Australia-New Zealand FTA.

Citrus Australia supports in principle the concept of free trade agreements as a means to liberalise trade in citrus to our industry's key markets. However, any specific FTA must be judged on its merits, and in that regard, the recent Australia-New Zealand-ASEAN FTA was a considerable disappointment.

An analysis of the AANZFTA reveals that there are only minimal gains for citrus. However, there are disappointing outcomes for mandarins to Indonesia and oranges and mandarins to Thailand in particular, where in both cases the AANZFTA outcomes fail to improve on the pre-existing MFN tariff for Indonesia, and TAFTA for Thailand.

The outcome is estimated to be costing the mandarin sector alone over \$6 million in lost trade per annum.