



Tasmanian Salmonid Growers Association Limited
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Submission to:
Joint Committee of Public Accounts and Audit

Review of Australia's Quarantine Function

September 3, 2002

1. Introduction

The Tasmanian Salmonid Industry (producing the species Atlantic Salmon *Salmo salar* and Ocean Trout *Oncorhynchus mykiss*) is typical of a growing number of new rural industries that underpin regional Australia's employment prospects and economic revival.

Commercial volumes of sea run Atlantic Salmon and Ocean Trout began to attract consumers in our domestic and export markets less than 15 years ago. Today the industry turns over \$160 million at first point of sale, value adds a majority of its harvest in Australia and creates employment for some 3,000 people in provincial areas throughout Tasmania. Despite recent economic setbacks; the industry continues to grow.

Salmonid production in Victoria and South Australia have also expanded and provide increasing employment opportunities in rural areas.

Similar to terrestrial-based animal industries, the freedom from disease and Australia's clean green image is an important aspect of the salmonid industry's cost of production and marketing success.

The Tasmanian Salmonid Grower's Association (TSGA) was involved in one of several defining Import Risk Assessment challenges termed the "Canadian Salmon Import Issue" during the middle of the last decade. The issue continued from Jan 1994 through to the WTO determination in favor of Canada's appeal in October 1998 and the release of the negotiated settlement terms with Canada in May 2000.

Over this period and beyond, the TSGA has committed substantial resources to making submissions to the Canadian Salmon IRA process as well as past Parliamentary inquiries, the last being the Report of the Senate Rural & Regional Affairs and Transport Legislation Committee released in June 2000:

This submission addresses three of the terms of reference :

- the identification of potential risks to Australia and the application of resources to meet those risks
- the impact of international agreements on quarantine activities, including any proposed free trade negotiations
- the development of import risk analyses

2. Overview

The TSGA supports a number of common issues raised in submissions to the JCPAA review by the NFF and major livestock associations : -

- That there should be no trade-off of quarantine protection in negotiating free trade agreements.
- That Australia has, in global terms, achieved an enviable position in "disease-free" status, through a very prudent and conservative quarantine *policy*.
- This unique status has been acknowledged as being critical to Australia's market position and costs of production, in the face of heavily-subsidised rural industries overseas.
- The loss of this disease-free, clean and green image for food would remove one of the most competitive advantages available to Australian producers.
- Important as this disease-free status is now, many indicators suggest that future benefit will be greater, as consumers around the world become more informed and of sufficient affluence to choose healthy food.
- Just as our predecessors have wisely passed on industries to us that are free of many of the world's economically devastating diseases, so policy makers today have the same duty of care to pass this advantage to future generations.
- It is evident in many, if not most, submissions that there is strong support for the tightening of quarantine measures following the 2001 FMD outbreak in Europe, which once again demonstrated the consequences of Governments believing that quarantine measures can be relaxed with impunity.
- There is still considerable concern about the vagueness of Australia's ALOP

3. Impacts of International Agreements on Quarantine Activities

In issues of fish health, the OIE can be considered to be Eurocentric in its policy determinations.

This is reflected in its lists of *notifiable* diseases and *diseases of concern*. Neither of these lists contain many of the diseases that would economically decimate the Tasmanian industry.

One example is the salmonid strain of *Aeromonas salmonicida salmonicida* (the cause of iculosis in salmonids).-It is a devastating bacterial disease, that has been' so widely spread as a result' of trade, that the OIE has deemed it not necessary to be on its lists.

As a result of the WTO ruling against Australia, the salmonid industry is now exposed to greatly reduced quarantine measures. The measures have been influenced by the lowest common denominator principle of acceptability by OIE rulings.

It is acknowledged that imported salmonid products will contain disease organisms.

Whereas Biosecurity Australia *will* argue that the risk of disease establishment *is* low, it is noted that a similar risk would not be tolerated with FMD.

Nevertheless once the policy principal is established that product with disease organisms of concern are permitted to be imported, what legitimacy remains for excluding beef products that are sourced from a FMD contaminated area.

In its application of SPS measures a country must be consistent and cannot apply such measures in a more stringent way in one area than in another like area. It is contrary to Article 5.5 of the SRS agreement to adopt a low risk policy in one field, while not doing so in a complimentary field.

Canada was able to successfully use this argument in the WTO salmon dispute in relation to ported pilchards and other species. With the SBS Agreement being interpreted this widely, there need to be consideration as to how much further will the definition of "complimentary field" be argued in international law.

In effect it would seem that the application of 5.5 selects the lowest level of disease protection adopted by Biosecurity Australia and requires that this ' lowest common denominator is applies to all quarantine protocols.

Accordingly the ramification of the regular decisions being made by Biosecurity Australia could have far reaching consequences in maintaining Australia's disease free integrity.

Such issues of concern are identified below.

4. Identification of Potential Risks

The TSGA has additional concerns to those expressed by other animal industries.

The tightening of quarantine measures in response to the FMD outbreak have not b reflected in similar actions to prevent disease entry into the marine environment.

As advised above current protocols applied to Salmonid imports permit product - organism to enter the country.

Once disease enters a marine environment eradication is almost impossible,. in that the traditional terrestrial approaches to disease outbreak of containment, burn and bury cannot be plied in the aquatic environment.

Tasmanian. Atlantic Salmon and Ocean Trout are naive to most of the 20 plus diseases that afflict salmonid production overseas. Further, the higher average water temperatures erienced in Tasmania exacerbate many of the disease conditions, particularly during the warmer months. Hence disease introduction would be more devastating than the same disease being found in overseas stock:

In reports prepared for the Canadian Import IRA, ABARE found that the introduction of a disease would wipe out the salmonid industry in Tasmania.

Government compensation is provided for compulsory slaughter for terrestrial animals. Aquaculture industries have no such assurance.

5. Examples of Current Risks

Whirling Disease

An example of the risks that currently exist is the agreement to allow eviscerated, head-on salmon from New Zealand into the Australian trade without restrictions.

New Zealand has whirling disease, *Myxobolus cerebralis*, an uncontrollable disease that has decimated wild salmonids in rivers in the USA and Europe. It is spread mechanically in the water and by birds.

Cartilage is the major target site for *M. cerebralis* spores. Research has found nearly 80% of spores have been contained in skeletal elements (the majority of which are found in the skull) and the other 20% in soft tissue.

The host tubificid worms are widespread in the Australian environment which means all the vectors are available for the spread of this parasite in our rivers, lakes, fresh water farms and hatcheries.

Import protocols for Salmonid products other than New Zealand require the removal of head and gills.

However it is not a requirement for the head (ie. cartilage, the main site for the pathogen) to be removed from New Zealand fish imported into Australia leaving open the risk of Whirling disease impacting Australia's recreation and commercial fisheries.

Pilchards

Fish products imported for human consumption have risks, however product imported for direct use in the aquatic environment clearly has greater risk. For many years, pilchards have been imported for bait fish applications and feeding to farmed species. These have been shipped in a whole form without any processing.

In 2001, pilchards imported from the USA were identified as having VHS, one of the OIE notifiable diseases.

Biosecurity acted quickly on this notification, however the outcome is not entirely in keeping with Australia's often-stated conservative stance on quarantine.

Whereas Biosecurity has banned the import of pilchards for bait fish use, whole pilchards are still permitted to be imported for aquaculture purposes. A freeze-thaw cycle is now required as a risk management measure, however this is less than the minimum measures allowed by OIE.

The OIE minimum guidelines recommend evisceration of dead product if an importing country has a better health status than an exporting country, for diseases listed in the Fish Health Code.

For Australia to adopt import protocols below the minimum OIE guidelines is a long way from the stated policy that Australia continues to maintain a highly conservative quarantine policy.

It would seem that there are potentially serious precedents for Australian rural being set by adopting this policy.

6. The Development of Import Risk Analyses

Previous enquiries have addressed the shortcomings of past IRA procedures particular in relation to the Canadian Salmon import issue. Many of the deficiencies in the process have

been addressed and yet the TSGA still has concern about the final decision making process as with the recent Pilchard decision.

Another point for consideration is a policy regarding potential conflict of interest for officers involved in the IRA & policy making process.

7. Conclusion

The TSGA confirm's it's support for the concern expressed by other animal industries that there should be no trade-off of quarantine protection in negotiating free trade agreements.

We request that this Review notes that the current import protocols permit the entry of Salmomd products with disease organisms in particular the risk associated with the import of New Zealand Salmon with head on.

That the import of Pilchards do not meet the minimum protocols established by the OIE and are setting a lowest common denominator precedent under the SBS agreement.