

**Rural and Regional Affairs and Transport Committee**

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2012

**Agriculture, Fisheries and Forestry**

**Question: 15**

**Division/Agency:** Biosecurity - Plant Division

**Topic:** Grain export phytosanitary rejections

**Proof Hansard page:** 23

**Senator BACK asked:**

**Senator BACK:** Can you, on notice, give us an outline of quarantine failures, respectively, for bulk, bagged and 'containerised' grain in the last financial year? I want get to some understanding of the overall security of our exported grain in terms of failures by producers-exporters please.

**Ms Calhoun:** Yes, we can do that.

**Ms Mellor:** So by failures, Senator, you mean where it has not met the protocols?

**Senator BACK:** Yes, that is correct. I suppose that is a way to put it. Where the inspection has indicated a failure of quality and/or where it has indicated the presence of organisms, weevils et cetera, that we would find unacceptable in the export market.

**Ms Calhoun:** We do inspections for phytosanitary purposes. We do not actually do quality inspections. I can provide you with phytosanitary.

**Senator BACK:** So you can provide us with the information?

**Ms Calhoun:** Yes.

**Answer:**

A summary of the estimated number of phytosanitary rejections reported by authorised officers for the period 1 January 2012 to 30 September 2012 for prescribed grain specified in the Export Control (Plant and Plant Products) Order 2011 is provided in the table.

Package	Number	Reason
Bagged Prescribed Grain	23	Live Insect, Contaminants (rodent droppings)
Containerised Prescribed Grain	70	Live Insect, Contaminants (soil, rodent)
Bulk Prescribed Grain	307	Live Insect, Contaminants (soil)
Package not defined – (Combined bagged, containerised and bulk)	39	Live Insect

Note that the numbers are minimum estimates of rejections as all documentation is currently collected manually and not all data for this period was able to be collated due to resourcing availability.

**Rural and Regional Affairs and Transport Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Supplementary Budget Estimates October 2012  
**Agriculture, Fisheries and Forestry**

**Question:** 16

**Division/Agency:** Biosecurity - Plant Division

**Topic:** Biosecurity Australia guidelines of Import Risk Analysis

**Proof Hansard page:** 27

**Senator NASH asked:**

I know, and we will probably go through it again in the inquiry. Thanks, Dr Grant. Could you take something on notice for me? If you would not mind, could you give the committee a detailed analysis of the Biosecurity Australia guidelines for the IRA, when they were drafted, who did it and on what basis they were done—the factors that were taken into account.

**Dr Grant:** The actual risk assessment?

**Senator NASH:** Yes.

**Dr Grant:** Yes, we can do that. We have already done that partly in questions on notice.

**Senator NASH:** You have, and so if you could do that a bit more fully, perhaps, for us that would be very useful. Thanks.

**Answer:**

The *AQIS Import Risk Analysis Process Handbook* was first published in **1998** in response to the recommendations of the major review of Australian Quarantine, “Australian Quarantine: a shared responsibility” carried out by a committee established in December 1995 and chaired by Professor Malcolm Nairn. The committee reported in October 1996.

The IRA Guidelines were drafted in 2000 and published in 2001 to identify, assess and manage risks associated with the importation of animal and plant products. They were drafted by Commonwealth Officers of the Biosecurity Development Unit in the Australian Quarantine and Inspection Service within the Department of Agriculture Fisheries and Forestry Australia (now DAFF).

The original purpose of the guidelines was to provide guidance on the different types of import risk analysis methods to be used. These guidelines were consistent with the standard principles of risk assessment that were, and still are, used across a broad range of activities including human health, mining, banking and other commercial and non-commercial enterprises.(examples can be provided)

The methods for risk analysis, including the relevant risk matrices, are now included in each individual risk analysis document.

A copy of the original IRA Guidelines 2001 can be found at [www.daff.gov.au/\\_\\_data/assets/pdf\\_file/0016/22561/iraguidelines.pdf](http://www.daff.gov.au/__data/assets/pdf_file/0016/22561/iraguidelines.pdf) or a hard copy can be provided if required.

**Rural and Regional Affairs and Transport Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Supplementary Budget Estimates October 2012  
**Agriculture, Fisheries and Forestry**

**Question:** 180

**Division/Agency:** Biosecurity - Plant Division

**Topic:** Chief Plant Protection Officer

**Proof Hansard page:** Written

**Senator COLBECK asked:**

What are the qualifications of our current Chief Plant Protection Officer?

**Answer:**

The Chief Plant Protection Officer (CPPO), has a Bachelor of Science (with Honours) from the University of Queensland and a Ph.D. in pest and disease immunology from the University of Tasmania.

In addition to formal qualifications, the CPPO has considerable experience, having held senior roles in agriculture, fisheries and forestry for 15 years, with much of this time leading biosecurity policy and risk analysis teams and technical market access delegations.

**Rural and Regional Affairs and Transport Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Supplementary Budget Estimates October 2012  
**Agriculture, Fisheries and Forestry**

**Question:** 181

**Division/Agency:** Biosecurity - Plant Division  
**Topic:** Horticultural sector fees and charges  
**Proof Hansard page:** Written

**Senator COLBECK asked:**

1. Is it correct that DAFF Biosecurity inspectors and auditors are employed according to the Enterprise Agreement 2011-14?
2. Is it correct that the standard hours of work according to this agreement is 37.5 hours per week?
3. Is it correct that exporters who chose a daily rate pay for 8 hours?
4. Is it correct that exporters who chose a weekly rate pay for 40 hours?
5. Do businesses have the option of paying for auditors/inspectors on the hourly / quarter hourly rate instead of paying the daily or weekly rate?
6. If auditors / inspectors work 8 hour days and / or 40 hour weeks are they paid overtime?
7. Is that overtime payment factored into the hourly or quarter hourly rate?

**Answer:**

1. Yes
2. Yes.
- 3 & 4. There is an anomaly between the *Export Control (fees) Orders 2001* and the Department of Agriculture, Fisheries and Forestry Enterprise Agreement 2011-14. The Department will be correcting this matter in the Orders in 2013. In the interim the department is correcting this anomaly through administrative practice.
5. Yes
6. No
7. No

**Rural and Regional Affairs and Transport Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Supplementary Budget Estimates October 2012  
**Agriculture, Fisheries and Forestry**

**Question:** 182

**Division/Agency:** Biosecurity - Plant Division

**Topic:** CRIS Horticulture – cost recovery

**Proof Hansard page:** Written

**Senator COLBECK asked:**

1. What is the justification for the apportioning of departmental overheads apportioned, as detailed on p13 of the Horticulture Export Program CRIS, to the following areas:
  - i. Management and Administration (84%)
  - ii. Audit and Inspection (14%)
  - iii. Certification and Documentation (2%) determined?
2. During the development of the cost structure and during the impact assessment process did the Department consider reducing the proportion of overheads from Management and Administration and allocating it to Audit and Inspection fees?
3. What would be the impact of adjusting the proportions to effectively reduce establishment registration fees and increase audit and inspection fees?

**Answer:**

External consultants, conducted an extensive review of the Horticulture Exports Program's financial arrangements, for example the actual cost of conducting inspections and audits or the cost of operating a regional office. This allowed the budget for the Horticulture Exports Program to be developed using objective data in consultation with industry.

1. The Australian Government Cost Recovery Guidelines provide that agencies undertaking regulatory activities should generally include administration costs when determining appropriate charges. Overhead Costs are apportioned based on cost drivers such as FTE's and work points (floor space). The philosophy is that the drivers attract a proportion of overhead such as Finance, Human Resources and Information Technology.
2. Yes. Several models were developed during the impact assessment process.
3. If the fees were adjusted as suggested the arrangement would be more exposed to over or under recoveries. This would result in the need for more frequent adjustment to prices for inspection and certification services.

**Rural and Regional Affairs and Transport Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Supplementary Budget Estimates October 2012  
**Agriculture, Fisheries and Forestry**

**Question:** 183

**Division/Agency:** Biosecurity - Plant Division

**Topic:** CRIS Horticulture – reduction in establishment numbers

**Proof Hansard page:** Written

**Senator COLBECK asked:**

1. What analysis is the Department planning to identify reasons for the expected 20% reduction in the number of export establishments?
2. What analysis is the Department planning to quantify impact on packhouse / producer income as a result of reduction in export markets?
3. Will these sorts of analyses be included in the review of fees and charges in future and in the Cost Recovery Impact Statement for next financial year?

**Answer:**

The Department of Agriculture, Fisheries and Forestry used external consultants, Price Waterhouse Coopers, to conduct an extensive review of the Horticulture Exports Program's financial arrangements, for example the actual cost of conducting inspections and audits or the cost of operating a regional office. This allowed the budget for the Horticulture Exports Program to be developed using objective data in consultation with industry.

- 1.&2. Registration levels are being monitored and will be reported to and discussed with industry consultative committees. Industry consultative committees will explore all options for aligning program costs with revenue.
3. Yes

**Rural and Regional Affairs and Transport Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Supplementary Budget Estimates October 2012  
**Agriculture, Fisheries and Forestry**

**Question:** 184

**Division/Agency:** Biosecurity - Plant Division  
**Topic:** CRIS Horticulture – demand assumptions  
**Proof Hansard page:** Written

**Senator COLBECK asked:**

1. Is the predicted 20% reduction in number of registered establishments proving to be correct (given seasonal variations)?
2. Is this expected 20% reduction an admission of the negative impact registration costs are having on horticultural exporters?
3. What are the implications of a greater than 20% reduction in the number of registered establishments? What assessment has been undertaken of the point at which the cost recovery model ceases to be valid? The CRIS states that "the department will monitor actual demand closely and adjust accordingly in the next CRIS".
4. What actions are able to be taken if there is likely to be a significant variation in the cost recovery?
5. What is the frequency of closely monitoring demand?

**Answer:**

The Budget for the Horticulture Export Program and the new fees and charges have been subject to extensive consultation with export representatives over several years. Various fee structures were considered. The orders underpinning the fees and charges has also been subject to Parliamentary Scrutiny.

1. This is not yet known as export registrations for horticulture entities are being invoiced in December.
2. No, the reduction assumes the expectation that a number of establishments are likely to consolidate their activities into other establishments, in order to reduce their costs, and that some participants are not likely to renew their registration given that the facility was not previously being used for export.
3. If a greater than 20 per cent reduction occurred charges for registered establishments needs to be adjusted up/down accordingly. The model would need to be adjusted if there were significant changes in the regulatory environment or if there were significant changes in the level of export participation and activity.
4. The horticulture export cost recovery arrangement is supported by an Income Equalisation Reserve (IER). The reserve exists to manage the impact of over recoveries or under recoveries across the life of the arrangement.
5. Cost Recovery arrangements are monitored on a monthly basis through the Department's internal budget process. Results are also reported through consultative committee arrangements as convened from time to time.

**Rural and Regional Affairs and Transport Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Supplementary Budget Estimates October 2012  
**Agriculture, Fisheries and Forestry**

**Question:** 185

**Division/Agency:** Biosecurity - Plant Division

**Topic:** Summary of annual charging arrangements

**Proof Hansard page:** Written

**Senator COLBECK asked:**

1. How many export establishments are expected to be registered this year?
2. Does this equate to a 20% reduction?
3. What is the expected over-recovery in dollars and as a percentage of expenses?
4. Is any over-recovery from the horticultural sector maintained for use within this sector or is it consolidated with other industry sectors?
5. What is the process for use of any over-recovery

**Answer:**

1. It is anticipated that there will be approximately 530 registrations.
2. In 2011–12 there were 642 horticulture establishments registered. This equates to an estimated reduction of 18 per cent.
3. Budget forecast an over-recovery \$112 751, equating to approximately 1.6 per cent of estimated expenses, based on current estimates.
4. Any over recovery is maintained for use only within the program.
5. Any over or under-recoveries are held in an industry equalisation account, the balance of which is taken into account when assessing the need to adjust fees and charges in future financial years.



**Rural and Regional Affairs and Transport Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Supplementary Budget Estimates October 2012  
**Agriculture, Fisheries and Forestry**

**Question: 186**

**Division/Agency:** Biosecurity - Plant Division

**Topic:** Monitoring mechanisms

**Proof Hansard page:** Written

**Senator COLBECK asked:**

1. A footnote on p25 of the CRIS states: "At the time of this CRIS the department is working with industry and government to establish the best arrangements for ongoing consultation arrangements to ensure all industry sectors are afforded appropriate representation". What is the current status of this work? What is the likely consultation model to be used in future to ensure all industry sectors are afforded appropriate representation? When will a decision be made as to the make-up of the next industry group to provide input into the next CRIS be made?
2. What is the current financial position of the program and has this been reported to industry?

**Answer:**

1. An industry consultative committee for horticulture will be settled in November 2012. The business policy on consultative committees limits the scope of these committees to act in a consultative capacity and not regulatory or decision making bodies. Prospective industry members are required to demonstrate that they represented a commodity organisation or a broad industry stakeholder group. An individual's expression of interest must be endorsed by an industry sector or stakeholder organisation.
2. Current financial position is outlined in Table 1. This has not yet been provided to industry and will be provided in the financial report to the consultative committee at the first meeting.

Table 1: Horticulture Exports Program: 1 July 2012 to 30 September 2012 Finances

<b>\$'000</b>	<b>Actual YTD</b>	<b>Budget YTD</b>	<b>Variance</b>
<b>Revenue</b>	1747*	2436	(689)
<b>Expenditure</b>	3048	2885	(163)

\*no revenue has yet been received for registrations as these are being invoiced in December 2012

**Rural and Regional Affairs and Transport Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Supplementary Budget Estimates October 2012  
**Agriculture, Fisheries and Forestry**

**Question:** 187

**Division/Agency:** Biosecurity - Plant Division  
**Topic:** Horticulture sector assistance package  
**Proof Hansard page:** Written

**Senator COLBECK asked:**

Has the Horticultural sector assistance package been finalised?  
How much is it?  
How is the assistance package being distributed / accessed

**Answer:**

The Australian Government is providing \$6.5 million in transitional funding to support the new export certification arrangements with \$2.7 million applied in 2011-12, \$2.2 million for 2012-13 and \$1.1 million for 2013-14, and \$0.5 million for market access initiatives over 2012-14.

- Assistance will be allocated against accumulated operating deficit of the program and balance against fees paid 2011-12.
- Fee rebate 2012-13 and fee rebate 2013-14.

The fee rebate in 2012-13 and 2013-14 will be allocated against registration changes.

**Rural and Regional Affairs and Transport Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Supplementary Budget Estimates October 2012  
**Agriculture, Fisheries and Forestry**

**Question: 237**

**Division/Agency:** Biosecurity - Plant Division

**Topic:** Closure of Eagle Farm quarantine facility in QLD

**Proof Hansard page:** Written

**Senator NASH asked:**

1. Can the Minister provide an update on this matter, was a resolution reached at the reported meeting on 28 September? Will the centre remain open?
2. When did the Minister first become aware the eagle farm centre was to be closed?
3. Was there any funds directed toward the eagle farm centre in the 2012-13 budget to assist in keeping it open?
4. Queensland Agriculture Minister John McVeigh has claimed the Queensland Government has been subsidising the Federal Government's trade obligations as the state government is not responsible for international regulations and entry assessment, does the Minister deny that international regulations and entry assessment is a Federal responsibility?
  - i. In light of this why has the Federal Government not stepped in to ensure the centre can continue to operate?
5. Given the importance of this centre for disease screening imports of crops, bananas, avocados and sweet potatoes, why did the Government refuse the state Government's offer to hand over the state owned facility?
6. I understand Users have been advised to use facilities at Knoxfield and Eastern Creek? Won't this place extra pressure on these facilities which are reported to be close to full? Do the staff at the two suggested facilities have adequate experience with growing summer crops?
7. Toowoomba based seed developer and distributor Du Pont Pioneer has warned the closure could result in up to \$10 million in lost income for corn and grain sorghum growers, is this correct?
8. Can you provide an update on the closure of quarantine centres at eastern creek, Knoxfield, Spotswood, Byford and Torrens Island, when they are expected to close and what transitional arrangements are in place?

**Answer:**

The attached correspondence responds to the Senator's questions.



**Senator the Hon. Joe Ludwig**

---

**Minister for Agriculture, Fisheries and Forestry  
Senator for Queensland**

REF: MNMC2012-08051

The Hon. John McVeigh MP  
Queensland Minister for Agriculture, Fisheries and Forestry  
GPO Box 46  
BRISBANE QLD 4001

Dear Minister

I write to you on behalf of the users of the Eagle Farm Post-Entry Quarantine facility (the Eagle Farm PEQ) including researchers sponsored by your own department, and in response to your correspondence of 2 November 2012 in which you seek to abdicate responsibility for the future of the Eagle Farm PEQ.

Your correspondence conveys a lack of understanding of the Commonwealth's role in protecting Australia's biosecurity. To be clear, the Commonwealth sets the conditions of import for products that present a biosecurity risk to Australia and manages those conditions. The Commonwealth is the regulator.

Where an importer like the Queensland Department of Agriculture, Fisheries and Forestry proposes to import a product presenting a risk requiring a period of post-entry quarantine prior to its release, and there is no appropriate post-entry quarantine pathway, my department will not issue an import permit.

You closed the facility with ten days notice to your stakeholders.

There are roughly 3000 approved post-entry quarantine arrangements across Australia. Five are managed by the Australian Government Department of Agriculture, Fisheries and Forestry and six, including Eagle Farm, are managed by states. The rest are private arrangements, under the regulatory oversight of the Commonwealth. There could be no better example of biosecurity being a shared responsibility, where the Commonwealth, states and the community each have a role, than in the management of post-entry quarantine. The concept of biosecurity as a shared responsibility is one Queensland has acknowledged as a signatory to the Inter-Governmental Agreement on Biosecurity.

As stated on your department's website, the Eagle Farm PEQ facilitates the safe (pest and disease free) importation of plants and seeds into Australia. It lists the clients as various and many, including 'plant breeders, scientific researchers, seed companies, State agriculture departments, CSIRO, orchardists, plant propagators, private nurseries, botanic gardens, private collectors, universities and members of the general public'. Your department has provided examples of success stories achieved through the Queensland Government's previous support of the facility, including the Mung Bean Research Program which 'has led to

improvements in yields and grain quality attributes ... resulted in increasing profits for this regional industry [and] has increased demand for Queensland-grown mungbeans’.

Despite the demand for and ongoing use of the facility, your letter of 2 November was the first approach the Newman Government has made to the Commonwealth positing any form of Commonwealth takeover of the Eagle Farm PEQ, although I understand the contents of your letter were discussed between officials for the first time on 17 October 2012. Unfortunately you made this approach almost two months after stakeholders were told that the facility would no longer be accepting plant material, and more than a month after Queensland officials advised a meeting of stakeholders that the decision to close the facility was ‘not negotiable’.

Your 2 November letter to me now says you have a ‘flexible approach’ to the facility and put forward your various positions on its future operation. You say the facility is no longer accepting new material and will be closed next year. You say that it is the Newman Government’s intention to dispose the property ‘in coming years’. You also propose a full Commonwealth takeover of the facility from 1 July 2013.

Your department’s comments and your letter to me are contradictory and inconsistent with instructions provided by the site property manager, UGL Services, to my department, stating that you are ‘planning to sell 160 Curtin Avenue by public auction or tender in 2013’, and requesting that DAFF exit adjacent space housing kennels for DAFF biosecurity dogs on the same site by 31 January 2013 to facilitate such a tender or public auction.

Given this, it is unclear what your position on the site is.

If, as you say in your letter of 2 November, the Queensland Government would consider accepting new plant products until 30 June 2013 should the Commonwealth subsidise the net operating loss for the remainder of the financial year, why will you not accept industry proposals to make up this loss? I have met with users of the facility who have advised me that you already have an offer of this nature.

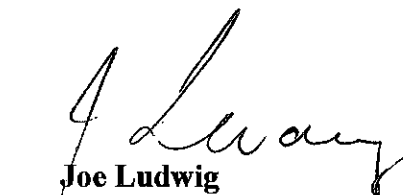
It has become clear that you do not understand the importance of the site or how to ensure its future operation for the benefit of stakeholders. I am now liaising with the industry and will consider transitional arrangements to meet the gap left by your hasty decision. However, in order to find a solution, could you please clarify what your intentions are for the site, including what timeframes you will commit to.

In order to assess the quantity of the loss you are claiming, could you please make available to the Commonwealth and to industry proponents an auditable profit and loss statement for the facility over the previous three financial periods. I ask that you provide them to me within 14 days so that I may liaise with industry proponents.

Ultimately, it is Queensland’s right to determine what to do with its own assets. I am, however, concerned about the haste with which you have implemented this decision, the various messages you are giving stakeholders and the Commonwealth, the disregard you have shown for the impact of the decision on Queensland’s farmers and on your own department’s research activities, and the inaccurate reporting about the role of Queensland in protecting Australia’s biosecurity.

I note there has been some media interest in the eviction notice your department has issued to the DAFF biosecurity dogs, whose kennels are on the same site as the QDAFF Eagle Farm PEQ facility. DAFF is working assiduously to ensure it complies with that notice, which was given with little, if any, regard to the increased biosecurity risks presented by a significant increase in mail and passenger traffic through Brisbane at this time of year.

Yours sincerely



**Joe Ludwig**

Minister for Agriculture, Fisheries and Forestry  
Senator for Queensland

*rr* November 2012

**Rural and Regional Affairs and Transport Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Supplementary Budget Estimates October 2012  
**Agriculture, Fisheries and Forestry**

**Question:** 241

**Division/Agency:** Biosecurity - Plant Division

**Topic:** National Fruit Fly Strategy

**Proof Hansard page:** Written

**Senator RUSTON asked:**

To complement the National Fruit Fly Strategy (NFFS) Implementation Action Plan prepared by the NFFS Implementation Committee in April 2010 an economic analysis of the specific recommended projects was commissioned. The benefit cost analysis was to outline general benefits to growers, government agencies and the wider community and form the basis of an investment plan that will match actions with costs and benefits.

What is the status of the Fruit Fly benefit cost analysis conducted by ABARES applying to the application of the National Fruit Fly Strategy? When will the final report be released and what is the proposed circulation strategy?

**Answer:**

The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) provided a draft of the benefit-cost analysis to Plant Health Australia (PHA) in early 2012. ABARES is currently reviewing technical feedback and comments from PHA. A date for the release is expected to be known soon.

The circulation strategy will be determined by the National Fruit Fly Strategy Governance Body whose membership includes government, industry and research providers.

**Rural and Regional Affairs and Transport Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Supplementary Budget Estimates October 2012  
**Agriculture, Fisheries and Forestry**

**Question:** 242

**Division/Agency:** Biosecurity - Plant Division

**Topic:** National Fruit Fly Strategy

**Proof Hansard page:** Written

**Senator RUSTON asked:**

Recommendation 10 of the National Fruit Fly Strategy released March 2008, requested the development of a national position on the application of Sterile Insect Technology (SIT) including the feasibility of a multipurpose insect rearing facility. Recommendation 19 requested the assessment of all tools including SIT for the future management of Queensland Fruit Fly to reduce the impact in endemic areas and reducing the threat of its spread to fruit fly free areas. Furthermore project 9 in the National Fruit Fly Strategy Implementation Action Plan released April 2010 called for the commissioning of a specific review of current SIT practices to develop a national position on the use of SIT to manage fruit flies in Australia.

What are the details of the project signed between Kalang Consultants and DAFF on Friday 12<sup>th</sup> October 2012, covering the National Fruit Fly strategy and elements related to the use of Sterile Insect Techniques (SIT)? What are the Terms of Reference, methodology and proposed completion date?

**Answer:**

In accordance with project 9 of the 2010 National Fruit Fly Strategy Implementation Action Plan, a review of the sterile insect technique was conducted. The review considered the future prospects of Sterile Insect Technology (SIT) in Australia. The review was presented to Plant Health Australia (PHA) members in November 2011.

Discussion of the outcomes of the review identified a need for a comprehensive business case to support a national position on the application of SIT. PHA members agreed that the business case should consider four scenarios:

1. The use of SIT to eradicate Medfly from Western Australia, and as a result, from Australia, drawing on earlier projects and benefit-cost analysis but adapted to accommodate contemporary use of SIT and other tools,
2. The efficacy of SIT to eradicate small populations of exotic fruit flies following incursion and as part of emergency response, or outbreaks of established species, based on the application and efficacy achieved through use of sterile flies to eradicate outbreaks of Medfly from metropolitan Adelaide,



**Rural and Regional Affairs and Transport Committee**

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2012

**Agriculture, Fisheries and Forestry**

**Question:** 242 (continued)

3. The efficacy of SIT as the basis for area wide suppression of fruit flies, including the potential to push Qfly back to historical habitats and out of production areas in Southeast Australia, and
4. A 'do nothing' scenario, where SIT is not maintained for fruit fly management in Australia and where ongoing management relies on current technology, albeit where this technology is applied in contemporary and innovative ways to minimise fruit fly impacts.

The terms of reference for the consultancy being undertaken by Kalang Consultants are to:

- a) prepare the business case based on the four scenarios with recommendations on a national position for the use of SIT for management of fruit flies by 30 April 2013.
- b) prepare a report outlining the key elements of a national position for the use of SIT to manage both exotic incursions of fruit fly and established populations for the National Fruit Fly Strategy Governance committee.

The terms of reference also state that the development of the national position will be undertaken in consultation with the Department of Agriculture, Fisheries and Forestry; state and territory departments of agriculture; research organisations and relevant horticulture industry groups.

**Rural and Regional Affairs and Transport Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Supplementary Budget Estimates October 2012  
**Agriculture, Fisheries and Forestry**

**Question:** 243

**Division/Agency:** Biosecurity - Plant Division

**Topic:** National Fruit Fly Strategy

**Proof Hansard page:** Written

**Senator RUSTON asked:**

Recommendation 13 of the NFFS calls for the maintenance and enhancement of research capability, capacity and resources to assist in fruit fly control. Male only strain technology ensures that that only male fruit flies are generated for release under SIT programs. The technology has been used overseas on other species of fruit fly to improve the capacity of SIT facilities, production efficiency, to remove concerns about the release potentially unsterilized females and preventing possible damage to produce when sterile female fruit flies sting fruit. Work on male only strain technology has previously been funded under various Horticulture Australia Ltd (HAL) funding using industry and tax payer funds.

What is the status of the Queensland fruit fly male only strain Sterile Insect Technique (SIT) work funded to improve the efficiency and broader application of SIT? What is the prognosis for the successful application of this technology to improve use of Queensland fruit fly sterile insect technique in Australia?

**Answer:**

A male only strain of Queensland fruit fly for use in Sterile Insect Technique has not yet been developed, although research has identified a number of sex-specific genes that could make this possible. Kalang Consultancy Services has been contracted to develop a business case for the application of this technology.

**Rural and Regional Affairs and Transport Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Supplementary Budget Estimates October 2012  
**Agriculture, Fisheries and Forestry**

**Question:** 244

**Division/Agency:** Biosecurity - Plant Division

**Topic:** Fruit fly outbreaks in the Riverina

**Proof Hansard page:** Written

**Senator RUSTON asked:**

The Riverina has experienced a significant number of fruit fly outbreaks in the last 12 months with approximately 150 outbreaks recorded. This has resulted in significant financial and resource strains on the NSW State Government and activities of NSW DPI. In response NSW DPI has announced its intention to declare that the Riverina is no longer fruit fly free. The change in status for the Riverina area has placed significant financial hardship on horticultural industries impacted by fruit fly including the need for expensive disinfestations treatments and the potential loss of export and domestic markets worth millions.

What specific resources and funding is DAFF Biosecurity making and or prepared to make available to assist with the eradication of Queensland Fruit Fly from the Riverina to return the area to its status as fruit fly free?

**Answer:**

Queensland fruit fly is native to Australia and the Commonwealth does not have a regulatory or constitutional role in the management of native species that are considered pests in production agriculture. The role of the Commonwealth is to facilitate the sanitary and phytosanitary movement of agricultural goods into and out of Australia in accordance with the internationally agreed World Trade Organisation criteria. This is achieved through certifying Australian exports to meet importing biosecurity requirements of trading partners and establishing and implementing biosecurity controls on imports to Australia. The Commonwealth is therefore well placed to provide advice to domestic stakeholders, including state jurisdictions, on what the likely impact for a trading relationship could/would be in terms of importing market countries' protocols (where they exist) in relation to changes in pest status in Australia. This is achieved through joint meetings of Commonwealth - state, officials, including in relation to the National Biosecurity Committee and the National Fruit Fly Strategy. Information can then be used by domestic stakeholders to determine how they wish to manage such changes. The Commonwealth is also obligated under international agreements to report relevant changes in its pest status and pest management practices to trading partners.

**Rural and Regional Affairs and Transport Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Supplementary Budget Estimates October 2012  
**Agriculture, Fisheries and Forestry**

**Question:** 245

**Division/Agency:** Biosecurity - Plant Division  
**Topic:** Queensland Fruit Fly Code of Practice  
**Proof Hansard page:** Written

**Senator RUSTON asked:**

The Queensland Fruit Fly Code of Practice provides the international agreed protocol describing Australian government and industry management practices that must be implemented and maintained for areas seeking export access for horticultural crops known to be hosts of Queensland fruit fly. While some international markets accept alternative fruit fly treatments in the event of an outbreak in a pest free area others markets are less clear as to what action they are likely to implement if a region cannot be returned to its fruit fly free status.

What assurances can DAFF Biosecurity provide that if fruit flies are allowed to become established in the Riverina due to a departure from the application of methodology under the Queensland Fruit Fly Code of Practice that all export markets will be retained using alternative available treatments? Which markets are at risk and what is their estimated value?

**Answer:**

The Code of Practice (the Code) is a domestic policy/standard providing guidance on the management of fruit fly for those producers wanting to access interstate and international markets. It establishes the mechanism under which trade within Australia from domestically acknowledged pest free areas can occur. It is the prerogative of each state and territory government to accept, or not, the Code as a basis for interstate trade. It is Australia's position that the Code complies with the relevant international standards but under international law, it is the sovereign prerogative of an importing market to make its own assessment as to whether the Code satisfies its import requirements. Some markets require measures beyond those outlined in the Code to accept pest free area (PFA) status.

The Riverina PFA is acknowledged by only three markets – United States, New Zealand and Thailand. It is yet to be accepted by other markets. Indonesia previously recognised the Riverina as a PFA but this was rescinded in July 2012 after an inspection visit due to outbreak status. Given that the Riverina PFA has been in outbreak for some time, currently these three markets can only be accessed under alternative treatments – Cold treatment.

If changes are made to the management of fruit flies in the Riverina then further negotiations will be needed in these three markets to determine access arrangements. The Commonwealth continues to engage with trading partners to protect existing trade and adapt as the circumstances within the PFAs change.

**Rural and Regional Affairs and Transport Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Supplementary Budget Estimates October 2012  
**Agriculture, Fisheries and Forestry**

**Question:** 245 (continued)

For the Riverina to be considered by other markets as a PFA it must meet and maintain the minimum pest freedom requirements of each market, often a minimum of 12 months freedom from any detections of fruit fly at all, not just freedom from outbreak situations. Failure to maintain pest freedom typically resets consideration back to the beginning. Riverina is yet to meet those requirements for a number of export markets for the past 10 years.

**Rural and Regional Affairs and Transport Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Supplementary Budget Estimates October 2012  
**Agriculture, Fisheries and Forestry**

**Question:** 284

**Division/Agency:** Biosecurity - Plant Division

**Topic:** Auditing and accreditation process for imports

**Proof Hansard page:** – Written

**Senator MCKENZIE asked:**

Some questions in relation to a constituent who has contacted my office in relation to the auditing and accreditation process for imports.

Under what circumstances does AQIS travel overseas to audit plants producing goods for import into Australia?

How does AQIS minimise the costs to importers of these trips? Do staff fly economy?

How often are the audits required? Does the volume of imports matter? An importer may not be able to recover the costs of the audit in the time before the next one.

**Answer:**

When undertaking risk assessments Department of Agriculture, Fisheries and Forestry (DAFF) can recommend audits of systems to provide assurance that the company or government can meet the conditions set out in the risk assessment.

DAFF is always considering ways to minimise costs to industry. Dependent upon the risk, DAFF does consider third party audits as an alternative to DAFF officers auditing systems. Under the current Australian Public Service guidelines, DAFF officers usually travel economy class for domestic and business class when travelling overseas, consistent with broader Australian Government policies for international travel.

The frequency of audits can vary but are generally contingent upon the risk level. Audits could be associated with “one-off” imports, or could be linked to changed circumstances or import permit applications. Audits undertaken to assess production systems would not generally be linked to volume of import.