



Steve Fielding **Family First** Senator for Victoria



## **Protecting Australia's Apple and Pear Industry from Fire Blight**

Senate Standing Committee on Rural and Regional Affairs and  
Transport  
Monday, 18 February 2008  
Canberra

### **AGRICULTURE, FISHERIES AND FORESTRY PORTFOLIO**

Senator Sterle (*Chair*)

#### **In Attendance**

Senator the Hon Nick Sherry, Minister for Superannuation and Corporate Law,  
representing the Minister for Agriculture, Fisheries and Forestry

#### **Department of Agriculture, Fisheries and Forestry Executive**

Dr Conall O'Connell, Secretary  
Mr Stephen Hunter, Deputy Secretary

#### **Australian Quarantine and Inspection Service**

Mr Colin Hunter, Acting National Manager, Food Exports Branch  
Ms Jenni Gordon, Executive Manager, Quarantine Division

**Senator FIELDING**—Thanks, Chair. My questions are regarding the fire blight issue, and I think we have the right people. I will give just a bit of background to start with before I ask the question. The Australian government's own risk assessment calculated that four per cent of apples imported into this country from New Zealand will carry fire blight bacteria. That is something that has been put on the record before. So the Australian government's own risk assessment is that four per cent of apples, if they were imported into this country from New Zealand, would carry the fire blight bacteria.

Since then you would also be aware of some independent research commissioned by the apple and pear industry carried out in Spain at the Agricultural Research Institute of Valencia. Its major finding was that fire blight bacteria can take a different form than what has been known in the past. Would I be correct in assuming then that this research would add to the four per cent that you have originally estimated?

**Mr Roberts**—The risk analysis that you are referring to estimated that up to—not all—four per cent of apples could carry fire blight bacteria if there was no risk management in place. That is in the total absence of any risk management measures. The level goes down very substantially when risk management is applied. It is known in the risk analysis as the unrestricted risk. The approach we take to these risk analyses is that we look at the risk. If there was no risk management in place, we then determine whether it is acceptable or not.

If it is unacceptable, then we look at risk management measures to bring it down to an acceptable level. So the four per cent level does not reflect the level we estimate would be carried on apples from New Zealand with risk management in place. It is before risk management is applied. So that is just the first point.

With regard to the additional research done in Spain, there was actually some published work available on that research by the same research group that was available to us before we finalised our risk analysis. So if you look into the report itself, you will find that that issue has been discussed and considered in reaching a final conclusion and recommendations on the risk analysis. I am quite happy to provide those specific references to the committee if they wish to see them.

**Senator FIELDING**—If you could supply those, that would be great. Thank you. Very good. I understand that Biosecurity Australia will only allow New Zealand apples to be imported into the country if there are quarantine procedures in place that achieve 95 per cent efficiency of discovering one tree infected with fire blight from that orchard and that region. Australia is giving the New Zealand government the freedom to propose how they are going to reach this benchmark by submitting work plans and standard operating procedures which AQIS will then need to approve. Where are the Australian and New Zealand governments up to with these work plans and standard operating procedures?

**Dr O'Connell**—This is all taking place against the background of a World Trade Organisation dispute. I do not know, Senator, if you know the background to that, but New Zealand has declared the dispute with us and is claiming a range of things about our import risk standing in the area. To a significant degree, there has been no movement on work plans or standard operating procedures since that dispute has been taken.

Both countries are keen to look for a mutually agreed solution which keeps us out of a WTO dispute settlement, but that matter is still being worked through by both governments in terms of its WTO position. So I guess there has not been any significant move forward in the development of work plans or the operating procedures. We really had largely some tentative work around the WTO dispute that we have had, but that is where we are at. So we would still need to see firm proposals put by the New Zealanders or ourselves on how to manage this dispute.

**Senator FIELDING**—With regard to the question though about the work plans and standard operating procedures, what have they submitted? I am not going to the WTO now; I am going back now to what has been provided. What has already been provided on New Zealand stating that they have standard operating procedures proposed? Where are they at?

**Ms Gordon**—Senator, we have received proposals from New Zealand about how they would go about meeting the standard that is set out in the IRA and we had been finalising agreements with New Zealand about Australia's expectations and how we might put in

place audit procedures to confirm that the procedures that New Zealand was putting in place would actually meet the standards set out in the IRA.

**Senator FIELDING**—With regard to those standard operating procedures that have been proposed—again, the concern that you have just raised was about how they would be audited—can I have a look at those?

**Ms Gordon**—Senator, the documents have been provided by the New Zealand government in confidence.

**Dr O’Connell**—It is a standard practice that these are government to government in confidence and at present they are certainly not settled. As you know, we have legal disputes at the moment through the WTO.

**Senator FIELDING**—How long have you had those standard operating procedures?

**Ms Gordon**—Senator, I would have to confirm, but I think it was about August of last year—August 2007—but they were not finalised. We were still in the process of assessing the proposals and had not yet reached agreement.

**Senator McGAURAN**—But that has been suspended now; is that correct?

**Dr O’Connell**—During the period, particularly just around the election period, the New Zealanders decided that they would proceed to a WTO dispute.

**Senator FIELDING**—I am not going to the issues surrounding the WTO, because these are things that have come in prior to that. With regard to these standard operating procedures, from what I can see from your earlier answer, you were more worried about the auditing because you were looking at trying to work out how you could audit how those standard auditing procedures were working.

Why hasn’t AQIS consulted with industry in allaying their concerns about these standard operating procedures? In other words, they have no idea what these standard operating procedures are. I do not think they have seen them either. How are we supposed to get a handle on that, ‘Look, this is some confidential thing where nudge-nudge, wink-wink the \$450 million apple and pear industry’—\$450 million apple and pear industry—‘is at risk here with fire blight’?

We have had some standard operating procedures proposed from New Zealand—not proposed but that is what they said. They said, ‘Take that. That’s what we’re doing to meet it,’ and you have not worked with the industry with those standard operating procedures. It is all hush-hush and quiet and confidential. This is a huge industry and a huge concern for the farmers.

**Dr O’Connell**—I think the way you have put it, Senator, misses one significant point which was a workshop that was held with the industry on the nature of the operating procedures that were proposed. But, again, Ms Gordon might help.

**Ms Gordon**—Yes. In August 2007 we did have a workshop with representatives of Australian industry and some other experts nominated to us by state governments to look at

the key proposals in terms of how we might assess and then subsequently audit the procedures in place to manage the various pests and diseases identified in the IRA. We did consider quite closely the advice put to us by Australian industry in doing further assessments on the proposals. But the way in which the process proceeds is that the country which is to export product to Australia, in this case New Zealand apples coming into Australia, has to put to us how they will meet the standards and we have to be satisfied after our own assessment that their proposals would meet those standards. If we are not satisfied that they would meet the standards, we would not agree to them and we would continue the negotiations about the nature of the processes in place.

**Senator FIELDING**—And that would be my very point. Why would you not consult with the industry on those standard operating procedures—an industry that is worth \$450 million to Australia—with the risk of fire blight, knowing that fire blight can ravage a whole industry? Why would you not consult with the industry that has the most at stake here with those standard operating procedures so that they can have a look themselves with their expertise and experience and work in partnership with you folks rather than you going away in secret saying, ‘Commercial-in-confidence’ or something or other and the industry is left high and dry, not knowing what the hell is going on, other than sort of saying, ‘We’re are working on it’? Why would you not use their experience and expertise?

**Mr Hunter**—I think the obligation on us is to bring to bear the expertise on the issue. The workshop that Ms Gordon has described involved significant experts in this field in Australia. We also engaged the Australian Centre of Excellence for Risk Analysis to provide advice on aspects of the sampling regime which was proposed in the work plan and standard operating procedures. So our obligation, I think, is to bring to bear the expertise and the scientific assessment of what is taking place here, because we work in a global system whereby we are required to apply science to these judgements, and that is what we are doing.

**Senator FIELDING**—And I appreciate that you are engaging certain areas, but why would you not engage a \$450 million industry to Australia—the apple and pear industry—that has expertise and experience? Why would you not consult them on those standard operating procedures? It seems to me it is a slap in the face to them. They are professional, they are well meaning and really I think that you should be working with them. I do not understand why you would not. Why would you not engage them?

**CHAIR**—Dr O’Connell is trying to answer, but I just remind the honourable senator that we did have a couple of inquiries on this going back last year. I know that there was a lot of input coming from senators who were members of that committee but it is not all new, Senator Fielding, and we do share some concerns with you. It is now five minutes to four. You have five minutes to answer, Dr O’Connell. Can you answer very quickly?

**Dr O’Connell**—I will answer very quickly. I may not have been clear. A representative of APAL, the lead association for the industry, was actually at that workshop. The key elements of the standard operating procedures were the subject of that workshop. So we have, as far as it is possible to do so while maintaining the government to government confidentiality of the specific document, dealt with the substance through that workshop with representatives of the industry.

**Senator FIELDING**—So when would the industry see the standard operating procedures that were going to be put in place by New Zealand to say, ‘Everything’s hunky-dory. We’ve been ravaged by fire blight. Everything’s okay’? When was the industry going to see these?

**Dr O’Connell**—At present, of course, we have the WTO dispute. So we do not have any procedures under agreement.

**Senator FIELDING**—If the WTO was in agreement, when would the industry see this? When it was already a done deal?

**Dr O’Connell**—As I say, the substance of the operating procedures was precisely what was worked through at that workshop. So to the degree that that was the draft that was being discussed between government, the substance of the work was dealt with through that workshop on all the key issues.

**CHAIR**—We really are going around in circles now, with the greatest respect. Senator McGauran—

**Senator FIELDING**—I have further questions on this.

**CHAIR**—I understand, but Senator McGauran has waited patiently. I said that we had five minutes. So Senator McGauran, to add to the same issue—

**Senator McGAURAN**—The same issue.

**Senator FIELDING**—Point of order—

**Senator McGAURAN**—You have asked the same question already.

**Senator FIELDING**—No, I have more questions.

**Senator McGAURAN**—I know.

**Senator FIELDING**—So I think—

**Senator McGAURAN**—You have made a good point and emphasised it. But you have wasted 10 minutes—

**CHAIR**—Excuse me, Senators. I will just say that we did make note of the timing and the questions to be asked. Senator Fielding, you will be heard, but I would say that you have quite a few more questions to ask. We are taking a break at four o’clock. We have two minutes left to go. I did request earlier on that senators and department officials, if there is either a simple yes or no, give that answer and, if you are reading something, table it to get to the point so we can get through these questions. Senator Fielding, you are aware that the AQIS officials have to leave by five o’clock. So that puts a great constraint on our time and there are a host of other questions to ask.

**Senator FIELDING**—I understand that.

**CHAIR**—Yes, but you obviously have a few more questions to ask. If Senator McGauran could ask just one very quick question and we will go to smoko in two minutes.

**Senator FIELDING**—Point of order: are we going to come back to my questions?

**CHAIR**—Yes, we are, at 4.15. Senator Heffernan has a host of questions, too. Senator Fielding, if you can divvy up the time between yourself and Senator Heffernan, we will have three-quarters of an hour to get through more questions.

**Senator FIELDING**—If I can just raise a point of order: I did not know that Senate estimates was a place to gag senators.

**CHAIR**—There is no gag.

**Senator FIELDING**—No, I am sorry, I came into the Senate on behalf of the Australian public.

**CHAIR**—Senator Fielding, you are wasting valuable time. I will request a private meeting if we cannot sort this out.

**Senator FIELDING**—Just five minutes

**CHAIR**—I have asked for order. We will have a private meeting if we have to. I hope everyone understands that they will all get a turn. Senator Fielding, you have now chewed up more of Senator McGauran's time. Senator Fielding, please come back from 4.15 onwards and you will get a chance to ask more questions.

**Senator McGAURAN**—I am happy to yield to Senator Fielding.

**CHAIR**—In that case, Senator Fielding, you have about 13 seconds. While you are catching your breath, it is four o'clock. We will go to afternoon tea and at 4.15 sharp we will kick off. Thank you.

### **Proceedings suspended from 4.00 pm to 4.18 pm**

**CHAIR**—Senator Fielding?

**Senator FIELDING**—I believe Biosecurity Australia has received New Zealand's proposal and sent it to the Australian Centre of Excellence for Risk Analysis to get advice on whether it would achieve the 95 per cent benchmark. What was the centre's response and will it be released into the public domain?

**Mr Hunter**—As I mentioned earlier, Senator, the Australian Centre of Excellence for Risk Analysis were asked to provide advice on certain aspects of the sampling methodology that had been proposed by New Zealand in their SOP and work plan. Broadly, they confirmed the statistical advice that had been provided to AQIS but recommended a simpler approach to field sampling than that proposed by New Zealand. Essentially, that would require 400 trees be sampled in all orchards except for those orchards which have 300 to 400 trees, in which case all trees would be sampled. Basically, they recommended a simpler approach to the sampling methodology.

**Senator FIELDING**—Can their response be tabled?

**Dr O'Connell**—I would have to take that on notice, but I do not see any significant reason why we could not provide that to the committee.

**Senator FIELDING**—Does AQIS or even, say, DAFF or you folk have any intention of compromising Biosecurity Australia's benchmark to avoid World Trade Organisation intervention?

**Dr O'Connell**—The answer is no.

**Senator FIELDING**—The research by the Valencia institute that I mentioned earlier said that if fire blight bacteria can take the form of viable but non-culturable, which is a type of dormancy and can form biofilms, that means it will not be detected through traditional testing. Does this mean that there is even greater threat of fire blight being introduced and spreading through Australia where the government originally thought there was not? Are you saying this has already been taken into account by your previous analysis?

**Mr Roberts**—Yes, we are fully aware of the potential for fire blight bacteria to be viable but nonculturable. Indeed, this Valencia group had published some research work when we were finalising our risk analysis. Our risk analysis was finalised in the full knowledge of that phenomena for fire blight bacteria.

**Senator FIELDING**—Is this, in your opinion, how only nine of the 48 countries around the world know how they got fire blight—knowing that this form cannot be seen and is dormant?

**Mr Roberts**—I do not want to speculate on how countries did or did not get fire blight. I am conscious, for example, that we are in a WTO dispute with New Zealand, and I do not think it is appropriate to go into a whole lot of scientific and technical detail and express my opinions that may come back on us in terms of that dispute.

**Senator FIELDING**—You are obviously aware that nearly every garden in Australia could be seen as a host for fire blight bacteria. With garden trees and plenty of other carriers with insects, once this does come, if we are infected, it will be very hard to stop, knowing how quickly it has ravaged other countries. Are you aware of that?

**Mr Roberts**—I fully agree. If you look in our risk analysis, you see our conclusion in that risk analysis was that if it did establish in Australia it would be almost unstoppable.

**Senator FIELDING**—I will put further questions on notice.