

Inquiry Into Review of the Citrus Industry in Australia

To The Committee Secretary
Senate Rural and Regional Affairs and Transport References Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Submission - Inquiry Into Review of the Citrus Industry in Australia

Dr Gavin Ward Porter (CEO, ANFIC LTD)

My name is Dr Gavin Porter, Chief Executive Officer of the Australian Nurserymen's Fruit Improvement Company (ANFIC) Ltd. We are located in Kallangur, Queensland and are one of the largest Australian Intellectual Property (IP) Management Companies specialising in fruit variety commercialisation for the Australian Fruit Industries. ANFIC Ltd has been managing new fruit varieties in Australia for the past 27 years and has 12 ANFIC Nursery members supplying fruit trees to Australian growers. ANFIC has been managing new citrus varieties on the request of the Australian Citrus Industry since the year 2000 when owner/breeders of these new citrus varieties required a Fruit Variety Commercialiser/Agent in Australia to manage

the protection of their Intellectual Property associated with their new citrus varieties and assist in the collection and remittance of tree and fruit production royalties. The Australian Citrus Industry was not in a position to provide these services as all previous citrus varieties had not incurred royalties.

Within the ANFIC Nursery group we employ in excess of 500 nursery staff.

a) Scale and structure of the industry

There needs to be greater transparency and accountability of all organisations associated with the Australian Citrus Industry. Several cases in point:

- **Auscitrus (National Citrus Clean Budwood Scheme)** – This is a not-for-profit company with no direct association to Citrus Australia. There is a huge responsibility from all sectors of the industry to protect the Australian Citrus Industry from major disease outbreaks both within Australia and of course from overseas. BUT Citrus Australia has no direct influence over the organisation which provides this continued protection through managing the clean healthy supply of citrus budwood. This National Citrus Budwood Scheme is critical as the last line of defence against any of the severe diseases which could be introduced from outside Australia's borders and rapid recovery for the industry. It is well known that several variety managers in Australia are commercialising new citrus varieties and NOT using clean citrus budwood from the scheme. This not only places the industry at risk but also places compliant variety managers at a significant commercial disadvantage. Any divergence from this National Citrus Budwood Scheme could leave the citrus industry wide open to serious disease outbreaks. The Auscitrus Board Membership is also not entirely representative of the citrus nursery industry and Australian Citrus Industry.
- **Citrus Industry Advisory Committee (IAC)** – This committee recently asked for applications for Non-Executive Independent Directors. I understand there was a short-listing process for interviews where I was unsuccessful. Given my 30 years experience in Australian Fruit Industries as well as International Marketing, to not receive an interview at least, does not provide an applicant

with any confidence of an independent and transparent application process associated with this industry.

The ways in which Government can help protect and grow the Australian Citrus Industry include:

- **Assist Citrus Australia protect the health status of its industry through providing a greater association and management between Auscitrus and Citrus Australia.** ALL propagation of citrus trees for commercial growers and the home gardener should use propagation plant material from the National Citrus Clean Budwood Scheme.
- **Assist in legislating the registration/licensing/accreditation of ALL citrus nurseries to comply with only sourcing propagation material from the National Citrus Budwood Scheme.** This would ensure the traceability of clean, high health citrus trees throughout Australia.
- **Assist the citrus and nursery industries comply with the interstate quarantine restrictions of the transport of citrus trees for home gardeners** which may occur differently to tree propagation for commercial orchardists.
- **Assist Citrus Australia in ensuring more appropriate representation of the citrus industry and nursery industry on the Auscitrus Board.**
- **Review the Industry Advisory Committee procedures** for new applications of non-Executive Directors.

b) Opportunities and inhibitors for growth of the Australian industry

Opportunities

- **New citrus varieties** provide both domestic and export opportunities for the Australian citrus industry. New seedless, easy peeler citrus varieties are much sought after by consumers in all markets. The commercialisation of these new citrus varieties will provide Australian Citrus growers and marketers with great opportunities to increase their market share as competition increases in Australian and export markets. Opportunities to market citrus fruit globally with other Licensees of these new citrus varieties will also provide opportunities not available before. Changes will be required within

the Citrus Industry as many owner/breeders of these new citrus varieties request both tree and fruit production royalties. The Australian Citrus Industry has not been required to pay these royalty levels in the past as most varieties were public citrus varieties with no royalties.

Inhibitors

- **Significant delays to Plant Quarantine releases** of new citrus varieties (highly sought after by Australian Citrus Growers), is causing serious industry concern as these delays may lead growers to import new varieties illegally, therefore placing an entire industry at risk to serious pest and disease risks such as Huanglingbing (HLB), Asiatic Citrus Psyllid, Bacterial Canker and many others.
- DAFF Biosecurity, through the Eastern Creek (Sydney) Plant Quarantine Station, has a monopoly on Plant Quarantine services for high risk citrus varieties. Variety Importers have **NO** alternative facility or Government or Private Quarantine Service available for these citrus varieties. The high cost associated with variety importation and plant quarantine and now Post Entry Quarantine delays in citrus variety releases, is placing Variety Importers and the Citrus Industry at a significant commercial disadvantage in the Australian and International fruit world. (ANFIC has one citrus variety in quarantine since 2005.)
- The new Post-Entry Quarantine facility at Mickleham, Victoria (which is yet to be built and will replace both Eastern Creek (NSW) and Knoxfield (VIC) Plant Quarantine facilities), will need to transfer existing experienced laboratory staff to ensure the continued operation of their citrus shoot tip grafting procedures. Failure to do so will lead to years of delays in plant quarantine continuing.
- **Greater influence by the Australian Citrus Industry is required to ensure the entire Industry's compliance through all propagation material access from Auscitrus and the National Citrus Clean Budwood Scheme** – There is a huge responsibility from all sectors of the industry to protect the Australian Citrus Industry from major disease outbreaks both within Australia and of course from overseas. BUT Citrus Australia has no direct influence over the

organisation (Auscitrus) which provides this continued protection through managing the clean healthy supply of citrus budwood. This National Citrus Budwood Scheme is critical as the last line of defence against any of the severe diseases which could be introduced from outside Australia's borders and to aid in a rapid recovery. It is well known that several variety managers in Australia are commercialising new citrus varieties and NOT using clean citrus budwood from the scheme. This not only places the industry at risk but also places compliant variety managers at a significant commercial disadvantage. Any divergence from the entire industry compliance through propagation material access from the National Citrus Clean Budwood Scheme could leave the citrus industry wide open to serious disease outbreaks and spread.

The ways in which Government can help grow the Australian Citrus Industry include:

- **Reducing the Significant delays to Plant Quarantine releases** of new citrus varieties through ongoing and increased support for DAFF Biosecurity. Ensure there is no loss of experienced laboratory staff through the transfer of Plant Quarantine facilities to the new facility.
- Assist Citrus Australia protect the health status of its industry through providing a greater association between Auscitrus and Citrus Australia. ALL propagation of citrus trees for commercial growers and the home gardener should use propagation plant material from the National Citrus Clean Budwood Scheme.
- **Assist in the registration/licensing/accreditation of ALL citrus nurseries** to comply with only sourcing propagation material from the National Citrus Budwood Scheme.
- **Assist Auscitrus in sourcing funding to provide 'global industry standard' facilities** to protect the Clean Budwood Scheme from any incursions of pests and diseases.
- **Assist the citrus and nursery industries comply with the interstate quarantine restrictions** of the transport of citrus trees for home gardeners which may occur differently to tree propagation for commercial orchardists.

c) Competition issues in the Australian market

- **Healthy competition between Australian Variety Managers and new citrus varieties is welcomed.** There is a significant requirement though for high quality scientific research about new citrus varieties and rootstocks. The current National Citrus Variety trials provide independent and commercially relevant information which is available to Australian growers to make commercial decisions.
- While Variety Managers involved with some of the initial importations of new citrus varieties included these varieties in these National Trials, there are a significant number of other new citrus varieties not included.
- **These new citrus varieties are being promoted to Australian growers without Australian production information based on scientific and commercial input.** While it is agreed Australian growers will make their own commercial decisions, the Australian Citrus Industry can greatly assist in this decision making process through ensuring all new citrus varieties are included in the National Citrus Variety trials.

The ways in which Government can help grow the Australian Citrus Industry include:

- **Continue to assist in matched funding** citrus research and development.
- **Provide industry policy assistance to the Australian Citrus Industry** to require the inclusion of all new citrus varieties in the National trials.

d) Adequacy and efficiency of supply chains in the Australian market

e) Opportunities and inhibitors for export and export growth

Opportunities

- **New citrus varieties provide Australian growers with greater access to overseas markets**, particularly where there are global marketing programs in place for these new citrus varieties. New citrus varieties provide both domestic and export opportunities for the Australian citrus industry. New seedless, easy peeler citrus varieties are much sought after by consumers in all markets. The commercialisation of these new citrus varieties will provide Australian Citrus growers and marketers with great opportunities to increase

their market share as competition increases in Australian and export markets. Opportunities to market citrus fruit globally with other Licensees of these new citrus varieties will also provide opportunities not available before. Changes will be required within the Citrus Industry as many owner/breeders of these new citrus varieties request both tree and fruit production royalties. The Australian Citrus Industry has not been required to pay these royalty levels in the past as most varieties were public citrus varieties with no royalties.

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f) Any related matters