



COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT
LEGISLATION COMMITTEE

ESTIMATES

(Supplementary Budget Estimates)

TUESDAY, 27 OCTOBER 2009

CANBERRA

CORRECTIONS TO PROOF ISSUE

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Tuesday, 29 December 2009

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SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT**LEGISLATION COMMITTEE****Tuesday, 27 October 2009**

Members: Senator Sterle (*Chair*), Senator Nash (*Deputy Chair*), Senators Heffernan, Hutchins, O'Brien and Siewert

Participating members: Senators Abetz, Adams, Back, Barnett, Bernardi, Bilyk, Birmingham, Mark Bishop, Boswell, Boyce, Brandis, Bob Brown, Carol Brown, Bushby, Cameron, Cash, Colbeck, Jacinta Collins, Coonan, Cormann, Crossin, Eggleston, Farrell, Feeney, Ferguson, Fielding, Fierravanti-Wells, Fifield, Fisher, Forshaw, Furner, Hanson-Young, Humphries, Hurley, Johnston, Joyce, Kroger, Ludlam, Lundy, Ian Macdonald, McEwen, McGauran, McLucas, Marshall, Mason, Milne, Minchin, Moore, Nash, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Stephens, Troeth, Trood, Williams, Wortley and Xenophon

Senators in attendance: Senators Back, Boswell, Colbeck, Heffernan, Hutchins, Milne, Nash, O'Brien, Siewert and Sterle.

Committee met at 7.31 pm

AGRICULTURE, FISHERIES AND FORESTRY PORTFOLIO

Consideration resumed from 19 October

In Attendance

Senator Stephens, Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector

Department of Agriculture, Fisheries & Forestry**Executive**

Dr Conall O'Connell, Secretary

Mr Daryl Quinlivan, Deputy Secretary

Mr Rob Delane, Deputy Secretary, Biosecurity Services Group

Mr Phillip Glyde, Executive Director, Australian Bureau of Agricultural and Resource Economics

Australian Fisheries Management Authority (AFMA)/Bureau of Rural Sciences (BRS)

Professor Glenn Hurry, Chief Executive Officer, AFMA

Dr James Findlay, Executive Manager, Fisheries Management, AFMA

Dr John Kalish, General Manager, Fisheries, Land and Forestry Sciences, BRS

Australian Pesticides and Veterinary Medicines Authority (APVMA)

Dr Eva Bennet-Jenkins, Chief Executive Officer, APVMA

Dr Raj Bhula, Program Manager, Pesticides, APVMA

Ms Joanne Mitchell, Program Manager, Corporate Services, APVMA

Trade and Market Access

Mr Craig Burns, Executive Manager, Trade and Market Access

Mr Paul Morris, Executive Manager, Technical Market Access

Mr Paul Ross, General Manager, Bilateral Trade (Americas, South East Asia, Subcontinent, NZ and the Pacific)

Ms Victoria Anderson, General Manager, Bilateral Trade (North Asia, Europe, Middle East and Africa)

Ms Sara Cowan, General Manager, Multilateral Trade

Biosecurity Services Group (includes divisions formerly known as Quarantine and Biosecurity Policy Unit; Australian Quarantine and Inspection Service (AQIS); Biosecurity Australia; and Product Integrity, Animal and Plant Health (PIAPH))

Ms Karen Schneider, Executive Manager, BSG-Animal Division

Dr Andrew Cupit, Acting General Manager, Animal Biosecurity Branch

Dr Bob Biddle, General Manager, Animal Health Programs Branch

Dr Ann McDonald, General Manager, Animal Quarantine and Export Operations Branch

Ms Jenny Cupit, General Manager, Biological Quarantine Operations and Marine Pests Branch

Dr Colin Grant, Executive Manager, BSG - Plant Division

Dr Bill Roberts, Principal Scientist, BSG - Plant Division

Mr Bill Magee, General Manager, Plant Biosecurity (Grains & Forestry) Branch
Dr Vanessa Findlay, General Manager, Plant Biosecurity (Horticulture) Branch
Dr Mike Cole, Senior Manager, Office of the Chief Plant Protection Officer, BSG
Mr Chris Adriaansen, Director, Australian Plague Locust Commission
Ms Louise Van Meurs, General Manager, Plant Quarantine and Export Operations Branch
Mr Greg Read, Executive Manager, BSG - Food Division
Dr Narelle Clegg, General Manager, Residues and Food Safety
Dr Mark Schipp, General Manager, Export Standards Branch
Mr Colin Hunter, General Manager, Food Exports Branch
Mr Dean Merrilees, General Manager, Export Reform Branch
Dr Chris Parker, Acting Executive Manager, BSG-Quarantine Operations Division, General Manager, Passengers and Mail Branch
Ms Julie Hicks, General Manager, Co-regulation and Support Branch
Mr Jonathan Benyei, General Manager, Cargo Branch
Ms Jenet Connell, Executive Manager, BSG-Regional & Business Services Division
Mr Tom Aldred, Executive Manager, BSG-Strategic Projects Division, Partnerships
Mr Russell Phillips, Acting Executive Manager, BSG-Strategic Projects Division, Biosecurity Policy Unit
Ms Kirsty Faichney, Acting General Manager, BSG-Strategic Projects Division, Biosecurity Policy Unit
Dr Andy Carroll, Chief Veterinary Officer, BSG

CHAIR (Senator Sterle)—I declare open this public hearing of the Senate Rural and Regional Affairs and Transport Legislation Committee. Tonight the committee will continue its consideration of supplementary budget estimates for the Agriculture, Fisheries and Forestry Portfolio. The committee has agreed to extend the date for the return of answers to questions taken on notice to this portfolio from 11 December to Thursday, 17 December 2009. Senators are requested that any written questions on notice arising from this hearing should be provided to the committee secretariat by 1 pm tomorrow.

Under standing order 26, the committee must take all evidence in public session. This includes answers to questions on notice. Officers and senators are familiar with the rules of the Senate governing estimate hearings. If you need assistance, the secretariat has a copy of the rules. I particularly draw the attention of witnesses to an order of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised and which I now incorporate in *Hansard*.

The extract read as follows:

Public interest immunity claims

That the Senate—

- (a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;
- (b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;
- (c) orders that the following operate as an order of continuing effect:
 - (1) If:
 - (a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and
 - (b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.
 - (2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.
 - (3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.

- (4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.
- (5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.
- (6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.
- (7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).
- (8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(Extract, Senate Standing Orders, pp 124-125)

As agreed, I propose to call on the estimates in the order shown on the printed program. I now welcome Senator the Hon. Ursula Stephens, Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector, representing the Minister for Agriculture, Fisheries and Forestry; Dr Conall O'Connell, Secretary of the Department of Agriculture, Fisheries and Forestry, and officers of the department. Minister, do you or Dr O'Connell wish to make an opening statement?

Senator Stephens—No, thank you.

Dr O'Connell—No, thank you.

CHAIR—We will go straight to questions.

Senator COLBECK—I want to go straight to some questions on the decision last week on southern bluefin tuna. Dr Kalish and Dr Findlay, I presume that you have just arrived back from the meeting in South Korea?

Dr J Findlay—No, not me.

Senator COLBECK—You did not get the gig, Dr Findlay?

Dr J Findlay—No.

Senator COLBECK—Firstly, can you tell us who our delegation was? How many did we have in the delegation and how did it compare with previous events?

Dr Kalish—I cannot give you the exact numbers of our delegation off the top of my head, but I can go through the individuals. There was me, as head of delegation; Anna Willick, from this department; Ben Player and Megan Watson, both from the Department of Foreign Affairs and Trade; Robyn Frost, from Attorney-General's; Gavin Begg, from this department, in the Bureau of Rural Sciences; two representatives from the Department of Environment, Water, Heritage and the Arts, Nigel Routh and Tina McLachlan; and industry representation including Brian Jeffries, Chief Executive Officer of the Australian Southern Bluefin Tuna Industry Association, and Andrew Wilkinson, also from the Australian Southern Bluefin Tuna Industry Association.

Senator COLBECK—Were those two people part of the official delegation?

Dr Kalish—Yes, they were part of the delegation.

Senator COLBECK—It is my understanding that members of the environmental movement decided to attend but not as part of the official delegation. Is that correct?

Dr Kalish—Yes. They were given the opportunity to attend on the delegation but chose to participate in the meeting as observers.

Senator COLBECK—How many positions were they offered?

Dr Kalish—It is not a case of offering positions. They were given the opportunity and they declined.

Senator COLBECK—Could they nominate as many as they liked to be part of the delegation?

Dr Kalish—Typically we seek to limit the numbers in order to avoid the delegation becoming too large. We would seek to have a representative from NGOs that is representative of the group.

Senator COLBECK—Are we at the stage where the report that was taken to the meeting can be released?

Dr Kalish—The report has not been released through the CCSBT website due to the need to finalise corrections in terms of spelling, grammar and the like, but for the most part the information would be considered public.

Senator COLBECK—It is not all that public if we cannot see it yet. When are we likely to be able to see it?

Dr Kalish—My understanding is by early next week.

Senator COLBECK—The information contained in the report is effectively available, but the report itself is not?

Dr Kalish—Yes.

Dr O'Connell—I will just clarify that you are talking about the scientific committee report to the commission. Is that the report you are talking about?

Senator COLBECK—I am assuming so. We talked about this at estimates last week. Mr Quinlivan told us that it was not available, because it was going to be considered at the meeting. That is effectively what I am assuming is the report that we are talking about. If I am wrong and there is more than one report, please enlighten me.

Dr Kalish—There is also a draft report of the 16th annual meeting of the commission and that is the one I was referring to. The reports of committees will be released simultaneously with the report of the annual meeting of CCSBT.

Senator COLBECK—To get this straight, there is a report of the meeting that was held last week?

Dr Kalish—Yes.

Senator COLBECK—That report will most likely be available next week?

Dr Kalish—Yes.

Senator COLBECK—The scientific reports that were presented by various parties at the meeting will also be released at the same time?

Dr Kalish—There is a similar consensus report prepared by the members of the extended scientific committee and that is presented to the commission by the chair of the scientific committee. He presented the report during the commission meeting last week. That report, which is a consensus report, will be released simultaneously with the commission's annual report.

Senator COLBECK—What was the process for building that report together? Is that where a number of different groups came together with their own perspectives and had input to build that consensus report?

Dr Kalish—Yes. There is work that goes on intersessionally prior to the meeting of the scientific committee, which this year took place in Busan, Korea, in September. There is work that is done in relation to a range of activities, including the stock assessment, which includes development of the so-called operating model. That work was carried out in July. There was also a meeting of the scientific committee that dealt with further refinements to the operating model and completion of runs of stock assessments that were agreed runs using parameters that had been agreed by the group, which includes scientists from all member countries and fishing entities.

Senator COLBECK—Is all of that information put into the public domain as part of this process?

Dr Kalish—Not all the information, due to the length that would be involved. Some of the papers remain on the website and are not necessarily released publicly. They are highly technical papers. A consensus report that essentially summarises the information from those papers is put together and then released.

Senator COLBECK—All of that information should be available early next week?

Dr Kalish—Yes.

Senator COLBECK—Can you tell me about the proposal that Australia took to the meeting as far as our position?

Dr Kalish—Your question, I believe, goes to the issue of negotiating tactics. We had a framework that we negotiated under, and that is what we did. We sought to reduce the global catch of southern bluefin tuna and to ensure—

Senator COLBECK—What proportion of catch reduction was Australia's position going into the meeting?

Dr Kalish—That goes to negotiating tactics.

Senator COLBECK—Are you not prepared to tell us that?

Dr O'Connell—We would have to take that on notice and have the minister potentially make an assessment as to whether or not that would have public interest immunity. That goes to the overall negotiating position of Australia in this forum, which of course is still a live issue over time.

Senator COLBECK—It is very much a live issue. There has been media reporting that I have seen that Australia's position was to cut the quota by 50 per cent. I would be interested to know whether that was in fact the position we took into the meeting. I think it is reasonable that we have some sense of what our position going in was given where we came out, and we will come to some of the results of that shortly.

Dr O'Connell—I am quite happy to take that on notice and get advice from the minister.

Senator COLBECK—I know you have taken it on notice, but I have to say I am not happy with being blocked like that. I think it is reasonable that we have some sense of what Australia's position was going in.

Dr O'Connell—There certainly was the opening statement, which is a publicly available statement, and we can provide that as the opening position of the government. I think what you were asking went to the negotiating position, which is perhaps something that I would quite reasonably have to take on notice.

Senator Stephens—As to the senator's suggestion that he is being blocked with this information, the question is being taken on notice and we will try to provide the—

Senator COLBECK—The simplest way is to—

CHAIR—The minister was halfway through speaking before you jumped in. I will go to you as soon as the minister has finished making her statement.

Senator Stephens—My point is that the officers are trying to be as helpful as they can within the constraints that they have. We will do the best we can for Senator Colbeck, but we are not blocking.

CHAIR—The question is taken on notice.

Senator COLBECK—The simplest way to put something outside the media cycle is to take it on notice. It comes back in three weeks when everyone has forgotten about this, and it is impossible for us to do anything. I understand the process—

CHAIR—I am sure you will not forget about it. We are running short of time. Do you wish to encroach on another area?

Senator COLBECK—Yes, please. I would be interested in knowing what our position is as far as the opening statement is concerned?

Dr Kalish—Excuse me?

Senator COLBECK—Can you table the opening statement for me?

Dr O'Connell—I think we could take that opening statement, yes.

Dr Kalish—I can provide a copy of the opening statement, but we were seeking meaningful cuts consistent with the recommendation of the scientific community.

Senator COLBECK—Is there a number in the opening statement?

Dr Kalish—No.

Senator COLBECK—There is no number in the opening statement? It does not say where we are looking to be? I just want to get a clarification around the date. I have some notes here about the 2009 CCSBT meeting. My understanding is that at that meeting—with Australia and New Zealand—a 1994 CCSBT(1) agreement to change country allocations would be triggered; is that correct?

Dr Kalish—Yes, based on agreements reached at CCSBT(13) in 2006 and reiterated at CCSBT(15) in 2008, all steps of a memorandum of understanding agreed at CCSBT(1) would be carried out.

Senator COLBECK—Under that process Australia's quota, under that triggered process from CCSBT(1), would have gone from 5,265 tonnes to 5,665 tonnes; is that correct?

Dr Kalish—Yes.

Senator COLBECK—Japan's quota would have gone from 3,000 tonnes to 2,600 tonnes?

Dr Kalish—No, based on simultaneous implementation of the steps of the MOU, Japan's national allocation would go to parity with Australia, which in this case means 5,665 tonnes. In other words, our national allocation would increase by 400 tonnes and Japan's would reduce by 400 tonnes.

Senator COLBECK—So, Australia's went up by 400 tonnes and Japan's went down by 400 tonnes.

Mr Quinlivan—We just need to be clear about this. That is not actually what happened.

Senator COLBECK—I understand that is not what happened.

Mr Quinlivan—That is what would have happened had there been nothing else that interfered with the implementation of that MOU.

Senator COLBECK—That is correct. At a previous meeting there was an agreement that CCSBT(1) would be triggered. This meeting intervened in that process and a different outcome came out at the end of the meeting, which is what I am coming to. I just wanted to clarify the figures that were around that agreement that happened in 2006 and then were ratified again in 2008, I think you said; is that correct?

Dr Kalish—It was placed in the record in 2008 again, yes.

Senator COLBECK—The allocations that came out of the process last week were that Australia would have 4,015 tonnes?

Dr Kalish—Yes.

Senator COLBECK—Japan would have 2,400 tonnes, and based on—

Dr Kalish—No, that is not correct. Japan's national allocation for 2010-11 is 2,261 tonnes.

Senator Stephens—I wonder if it would be helpful if the officers just gave a summary of the decisions and all of the tonnage. That might make it a bit quicker.

Senator COLBECK—I have a list of figures here. The next thing I want to come to is New Zealand, which went from 420 tonnes to 570 tonnes—a 35.7 per cent increase; is that correct?

Dr Kalish—No, that is not.

Senator COLBECK—What was their outcome?

Dr Kalish—New Zealand went from 420 tonnes to 709 tonnes.

Senator COLBECK—How come we took a 23 per cent to 24 per cent reduction in quota and New Zealand went up by 70-odd per cent? How did we manage to negotiate that position where we have gone down so far and New Zealand has gone up so far?

Dr Kalish—We essentially needed to negotiate a consensus agreement, and this was one of the elements of that consensus agreement.

Senator COLBECK—But Japan takes a 20 per cent cut. We take—

Dr Kalish—No, Japan took a 24.6 per cent cut and Australia took a 23.7 per cent cut.

CHAIR—It seems the figures you have are different from what the department have. Has the department got something that they could table on what the actual cuts are?

Senator COLBECK—I am interested in why the figures are so different when this is something that I have received from the industry today.

CHAIR—That is probably what I am leading to.

Dr O'Connell—We can provide you with a table quite readily, which I think would clarify all this.

CHAIR—I think that would be very helpful, because the figures are completely different on this side of the table from those on that side.

Senator COLBECK—The process from now is that the department is going to negotiate with industry as to how that cut is going to be applied; is that correct?

Dr O'Connell—Not strictly—

Senator COLBECK—The government through AFMA.

Dr O'Connell—AFMA needs now to consider the action.

Prof. Hurry—We are just working through with industry now to provide the maximum flexibility we can under the management plan to allow them to fish in the best way they can against the quota that they have.

Senator COLBECK—Dr O'Connell—

CHAIR—I am sorry. I have an agreement with the deputy chair. We have gone over time.

Senator COLBECK—We have gone over by five minutes.

CHAIR—It does not matter. I have an agreement with the deputy chair and if you want to check with your colleague, feel free.

Senator COLBECK—This is absolutely absurd.

CHAIR—I am going to go to Senator Siewert. You have had more than your fair share of time.

Senator SIEWERT—Could you tell me what the spawning stock is expected to be with these cuts? What do you predict the spawning stock to be as a result of the measures you have put in place?

Dr Kalish—We do not have short-term projections of the spawning stock to hand for various years. We have an estimate of the current spawning stock biomass, and the current level that is agreed and will be made publicly available to other tuna RFMOs and to the FAO is 3.6 per cent to 5.1 per cent of the unfished spawning stock biomass.

Senator SIEWERT—That is the figure now?

Dr Kalish—That is the current level.

Senator SIEWERT—With these measures that have been put in place have you made any projections as to what you expect the spawning stock to be, bearing in mind that I think the 14th CCSBT Extended Scientific Committee said it did not expect the spawning stock within 20 years under any future catch scenarios. In other words, we are really behind the eight ball before we even started this.

Dr Kalish—The basis for cuts made in 2006, cuts of 3,065 tonnes, was in order to ensure that the spawning stock biomass in 2014 was not less than the spawning stock biomass in 2004. The reason for that was that we recognised there were very poor year classes coming through from 1999, 2000, 2001 and 2002. Given the 12-year time lag until first maturity, those fish would produce a very weak set of spawning year classes around 2014. That target was set. Based on the most recent assessment it was recognised that at the current rate of depletion and replacement the spawning stock would fall below the 2004 level. In fact, the median was estimated at 11 per cent below that 2004 level. The intent of the cuts, in part, was to ensure that that biomass did not continue to fall below or far below the 2004 level. The cuts estimated that would be required to do that are in the order of 3,850 tonnes.

Senator SIEWERT—Are the cuts put in place now expected to meet that benchmark that you had set previously?

Dr Kalish—Yes. We are hoping that they will set that benchmark.

Senator SIEWERT—What is that level? What is the percentage by 2014 that you now expect to meet?

Dr Kalish—We would still be at a level that was on the order of 10 per cent, if not less, of the spawning stock biomass.

Senator SIEWERT—We are not going to be anywhere near the 20 per cent that Australia uses as our benchmark for a sustainable fishery?

Dr Kalish—No, we would not. It is estimated that it would take on the order of 25 years to achieve that benchmark with cuts on the order of 6,000 tonnes or so. The scientific committee did a stock assessment projection that looked at catch levels on the order of 6,000 tonnes and projected into the future the recovery to 20 per cent.

Senator SIEWERT—In other words, this is a significantly lower cut than what you would need to get to the 20 per cent benchmark?

Dr Kalish—It depends on your timeframe.

Dr O'Connell—It is probably worth Dr Kalish just explaining the full set of decisions, because it goes to the issue of putting in place a management procedure into the future. The current allocation decision is a two-

year decision, and there is an additional component of the decision that agrees to put in place a management procedure to go to the recovery with a default position in the event that that does not come through. The management procedure is really the key thing here in due course.

Dr Kalish—The intent is to work on the management procedure in 2010 for implementation in 2011. The management procedure would be used to determine harvest rates starting in the 2012 year. As Dr O’Connell said, if that management procedure is not agreed, there is a default and that default is between 5,000 and 6,000 tonnes for the total allowable catch in 2012.

Dr O’Connell—The sequence of events is one of developing the management procedure and getting agreement to it. The allocations in due course will depend on the calculations made as to the time to recovery and against the reduction in take.

Senator SIEWERT—That is to 2012, and then those cuts are implemented if those management procedures are not put in place?

Dr O’Connell—If the management procedure is in place there will be trigger points built into the management procedure, which will automatically bring in measures. That is the way management procedures work.

Dr Kalish—There will be a series of decision rules, including rules that determine the rate at which increases or decreases in total allowable catch might be taken, the rate of recovery and other factors.

Senator SIEWERT—I am aware that I will get pinged in a minute. Would you be able to take on notice the process that you are going to undertake to develop those management procedures? Also, did the meeting address the issues of albatross and, if not, why not? In other words, the ongoing issue around albatross, long-line and so on.

Dr Kalish—The issue of albatross by-catch and seabird by-catch in general was certainly discussed. That was following on from the discussions at the Ecologically Related Species Working Group that took place just prior to the scientific committee meeting in September. The issue was discussed in relation to the global problem and it was reiterated that it was a global problem and that there was value in continuing to ensure implementation of mitigation measures within the CCSBT, but also to further develop mitigation measures to minimise or prevent seabird by-catch through the WSPFC, the Western South Pacific Fisheries Commission, and also through the Indian Ocean Tuna Commission, since those are area based conventions that overlap with the CCSBT.

Senator SIEWERT—Did Australia participate in those discussions and take a position?

Dr Kalish—Yes, we do. In addition, there is a further process currently called the Kobe II process, which is a meeting of all five tuna RFMOs, and through that process they are seeking essentially to harmonise a range of activities, including procedures to mitigate seabird by-catch. It is hoped that if a uniform method were established it would be applied more effectively since fisheries would not have to change gear from location to location or ocean to ocean.

Senator SIEWERT—Thank you.

CHAIR—There is one last question from Senator Colbeck.

Senator COLBECK—Dr Kalish, you said that you had to reach a consensus agreement, which is why New Zealand ended up with a significant increase in its quota and Australia ended up losing 24 per cent. Your numbers differed from the attachment to the report that I have in front of me. Is it not correct that as part of reaching that consensus agreement New Zealand agreed to transfer 139 tonnes per annum to Japan, which is why the figures in the report bring Japan up to 2,400 tonnes and New Zealand back to 570 tonnes?

Dr Kalish—Those are bilateral arrangements.

Senator COLBECK—It is an outcome of the overall process, and that is what the quotas will be at the end of the day.

Dr Kalish—There is no mention of that in the report. It is a bilateral process. Of course, we had bilateral arrangements with Japan previously up until 1997, where they fished in our exclusive economic zone. We have been approached by Korea in the past regarding bilateral relationships in relation to southern bluefin tuna. These are options that are available to members and they can take up or not take up those options.

Dr O’Connell—It is not part of the allocation coming out of the CCSBT.

Senator COLBECK—My understanding is that the figures you have given me are a draft report and the final report will reflect the final figures that I have in the attachment that has been given to me.

Mr Quinlivan—That is not correct.

CHAIR—Do you have some figures that you could table for the committee that may assist?

Senator COLBECK—I think our figures are going to line up except for that, because there is obviously an agreement between New Zealand and Japan with respect to this 139-odd tonnes of quota.

Dr O'Connell—We can read out the allocation figures, if that would be helpful.

Senator COLBECK—Yes. There are only eight or nine of them, so it will not take long to go down the list.

Dr Kalish—I will read out the allocated catch for the 2010 and 2011 fishing years. Japan, 2,261 tonnes; Australia, 4,015 tonnes; New Zealand, 709 tonnes; Korea, 859 tonnes; Taiwan, 859 tonnes; Indonesia, 651 tonnes. There are also catches for cooperating non-members: the Philippines, 45 tonnes; South Africa, 40 tonnes; and the European community, 10 tonnes.

Senator COLBECK—Everything aligns to the numbers that I have except for that agreement that was between Japan and New Zealand; all the numbers line up. Is that not an official process as part of the proceedings?

Dr Kalish—No, it is not.

Mr Quinlivan—As Dr Kalish said, it is also not a new arrangement. These things have happened in the past and Australia has participated in them in the past. It is not a novel outcome.

Senator COLBECK—When does Australia actually regain its share of the total quota? In real effect, we have taken the major cut out of this process. We have obviously gone in with a position that is to cut; we are not going to find out what that is or we may not find out what that is. I apologise. When will Australia regain its share of the global quota and how?

Mr Quinlivan—If your question is when will Australia's national allocation return to the 5,665 number that we discussed earlier, I think the answer comes pretty much from the conversation that Dr Kalish and Senator Siewert were having before.

Senator COLBECK—I understand. I do not think I am going to get a direct answer, and I understand that it is not possible to give me a direct answer. I think the industry is feeling quite aggrieved at the outcome that we have received. I think they feel deceived. In fact, I know they feel deceived. They would like to know when we will come back to getting our share of the quota, particularly given Japan is known to have been overfishing by between 120,000 and 170,000 tonnes over a number of years. We have abided by the rules and ended up, in real terms, including the site agreement, with the largest cut in quota.

CHAIR—I thank officers from AFMA.

[8.02 pm]

Australian Pesticides and Veterinary Medicines Authority

CHAIR—I welcome officers from Australian Pesticides and Veterinary Medicines Authority. Senator Back.

Senator BACK—I will go straight to the cost recovery review, which you indicated to us earlier in the year had been undertaken and was concluded. I was anxious of course to learn of the outcome, but I now learn that it has now been delayed and is not due for implementation until next year. Could you tell us what the cause of the delay has been?

Dr Bennet-Jenkins—The initial delay for finalising the cost recovery review was that we received a large number of submissions and there were many issues that we needed to work through in terms of addressing those submissions and revising the CRIS to produce its final version. The CRIS has now been finalised and we have had notification from the Department of Finance and Deregulation that it meets the government's cost recovery guidelines, and it is with the minister for his consideration.

Senator BACK—Presumably implementation costs have been factored into the outcome of the review?

Dr Bennet-Jenkins—Yes.

Senator BACK—You might wish to take this on notice. Can you give me some idea of the backlog? At the last estimates I think you mentioned there were 2,500 registration applications before you and about 700 permit applications. Can you give us some advice on the status of the backlog, if anything, of both registration and permit applications?

Dr Bennet-Jenkins—The number of about 2,500 applications as work in process is quite the normal number of applications that we have had over the past few years. In the past year we had experienced a backlog in a particular scientific area, and that was the assessment of chemistry and manufacture. We have dealt with that backlog. We have made a concerted effort in terms of addressing it and we are now back on track in terms of getting our chemistry assessments done on time and, therefore, contributing to the overall timeframe of getting assessments done.

Senator BACK—Has this been due to extra staffing or improvements in efficiency of the management of the organisation? What do you put it down to?

Dr Bennet-Jenkins—We brought in extra staff. Also, we used to have one chemistry team that did both the assessments for veterinary medicines and for pesticides. We have now split into two teams and brought in extra pharmaceutical chemistry expertise to help us with the veterinary medicines. We have also put out an expression of interest for external expertise and put some contracts out to external experts to help us out.

Senator BACK—You have had some allegations levelled at you in the media, and in other sectors, of dysfunction. That relates, of course, to the regrettable disclosure of confidential commercial information about product formulation to competitors. I understand that the party affected by this was only advised in August 2008 that that occurred and yet that occurred back in 2007. Could you explain why there was a delay of 12 months before you advised that company?

Dr Bennet-Jenkins—There are a number of processes that we need to go through in terms of advising the person whose information was disclosed. The first step is to get assurance from the person who has received the information that they will not use that information. In this case, because there were applications in process involved that had not actually been accepted for evaluation, their existence was considered to be commercially in confidence. It was a complicated step of getting the authority from the various players in order to be able to speak with the other players. That was a process that we had to go through before we were able to contact the person.

Senator BACK—Did you establish where in the organisation this error or negligence occurred? Have you reviewed that and established it?

Dr Bennet-Jenkins—Yes. We did a full audit at the time when it occurred. That audit showed that it was one particular individual who inadvertently in writing letters disclosed information that should not have been disclosed. That person is no longer at the APVMA and we have put things in place. We have had a second audit. That audit has brought good results in terms of the processes we have put in place, which includes peer review of all letters that are written to applicants, in terms of information we need from them, and that continues. We have senior people oversighting the more junior staff in terms of the letters that they write.

Senator BACK—Just turning to the comment you made a moment ago in terms of establishing communication with the competitors, the allegation was made that in fact a bullying letter was sent to the competitor's registration consultant threatening even a jail term of up to two years if they disclosed it. Would you care to comment on that? Is that wide of the mark?

Dr Bennet-Jenkins—The basis to that is that the provisions in our legislation in terms of disclosure of commercial-in-confidence information actually has the provision for the penalties that might apply if that information is used. An important step is to get the assurance from the person who has received the information that they will not use it.

Senator BACK—Presumably the person who left the agency would have also been facing the threat of two years jail in that particular circumstance?

Dr Bennet-Jenkins—Certainly, yes.

Senator BACK—Obviously having left the agency they then were not likely to be liable to that threat of a jail term?

Dr Bennet-Jenkins—Perhaps I can take on notice the actual legal legislative procedures that would apply in this case.

Senator BACK—Thank you. I would appreciate that. I turn now to a Western Australian crop chemical company called Entrade. Again, there have been accusations levelled at the authority due to a claim that the APVMA had unlawfully deregistered the products. Would you care to give us some understanding as to where that circumstance is? Was that the case and could you explain the background to it?

Dr Bennet-Jenkins—The background to that information is that we received information to indicate that Entrade had registered products based on false information. We did some investigations and, given that the registrations were based on false information, took the step to consider those decisions to have been invalid. That was challenged at the AAT and then also to the Federal Court, where it was determined that the APVMA should not have made that decision to take the products off the register on its own. It should, at first, have received advice through the courts in terms of whether we should do so.

Senator BACK—Can you tell me how the processes and procedures have changed in the authority to ensure that you do not have a repeat of that circumstance?

Dr Bennet-Jenkins—Of having false information being received?

Senator BACK—Yes.

Dr Bennet-Jenkins—The registration system is a paper based trust based system. We are now working with the chemicals that are imported from other countries from the importing countries with the regulatory authorities there to be able to verify and check sources of chemicals that are claimed on application forms in that way and we are also being much more stringent in terms of verifying the authenticity of the paperwork that is submitted to us.

Senator BACK—Is it available, too, as to the level of the settlement and the legal fees incurred?

Dr Bennet-Jenkins—We will take that on notice.

Senator BACK—I think you have advised us in past estimates that APVMA is fully cost recovered through application fees and levies. Could you explain to us how the authority will now pick up presumably that shortfall that has occurred as a result of that judgment?

Dr Bennet-Jenkins—Our budget always considers the types of legal actions that might occur. In terms of our budget for the last two years, it would have been a larger amount than we had anticipated, but we have a reserve and we have a budget line that anticipates the types of legal fees that we might incur.

Senator BACK—Because of the shortness of time I will only ask one more question and place the others on notice. There was an allegation that Entrade attempted to bribe an official of your authority to accelerate consideration of its submissions. Would you care to comment on that?

Dr Bennet-Jenkins—That allegation is not correct. It is not true.

Senator BACK—You advise us categorically that it is not correct?

Dr Bennet-Jenkins—That is not correct.

Senator BACK—I will put my other questions on notice in favour of my colleague.

Senator MILNE—I wanted to ask about Endosulfan. I read an article this week suggesting that it has come closer to being listed as a persistent organic pollutant under the Stockholm convention. What is Australia's position in relation to it? Were you in attendance at that recent meeting? Can you update the committee in relation to that matter?

Dr Bennet-Jenkins—Certainly. It is actually the responsibility of the department in terms of providing input to the Stockholm convention. I might pass to my colleague to comment on that. I can give you some information that the department certainly was there at the Stockholm convention and participated at the meeting.

Mr Glyde—The convention POPs review committee met from 12 to 15 October and has agreed to undertake the second phase of a three-phase process for assessing the risk profile of endosulfan. The work plan is being developed and it will be considered under the third phase at the next meeting of the Persistent Organic Pollutants Review Committee in October 2010. They undertake that review before they make a recommendation to the conference of the parties for chemicals to be listed under the convention. I am advised that the earliest Endosulfan could be listed is May 2011.

Senator MILNE—Given that there is a reasonable probability at this stage since it has entered the second phase of the assessment that it may well be listed in 2011, what action is the department taking to keep Australian farmers informed about the process, because as I understand it this is a fairly widely used pesticide?

Mr Glyde—I would have to take that on notice. I am not quite sure what processes we have for keeping farmers informed about that. I am really not quite sure of the exact methods we use to do that.

Senator MILNE—Could you just inform me if you have anything?

Mr Glyde—Yes.

Senator MILNE—The second question I have is in relation to the triazines. I am sure you would be aware that there have been 139 positive contamination test results in Tasmanian streams in recent times, including in major water catchments. You would be aware of allegations about a cancer cluster in the Georges River area in St Helens in particular as a result of the use of the triazines both in agriculture but in particular aerial sprayed in forestry plantations. Has the APVMA any plans to review the use of the triazines in Australia and what is your response to this ongoing identification of these chemicals in waterways that are public drinking water sources?

Dr Bennet-Jenkins—The APVMA has done a review of atrazine, which is one of the triazines, and is currently close to finalising a project that is revisiting the data in terms of the health effects of atrazine. We are also preparing to review simazine, which is a related chemical, and that review is expected to commence next year.

Senator MILNE—Are you aware of the number of times that this is turning up in Tasmania's waterways and being identified in what is effectively public water supplies?

Dr Bennet-Jenkins—We certainly are aware. We work very closely with the Department of Primary Industries and Water in Tasmania and we have access to the results, which of course are on their website. In terms of the number of detections, the number of 139 detections does not relate to 139 different incidences. We are advised that there have been three incidences of atrazine detection and 12 incidences of simazine detection and the multiple measurements are when the department goes out and samples consecutively at the same site or up and down near the site to see what the levels are. That is how that higher number of detections is assumed.

Senator MILNE—Are you concerned or are you aware of the allegations of a significant cancer cluster in the St Helens area of Tasmania particularly. At the mouth of the Georges River there have been quite a number of detections in recent years.

Dr Bennet-Jenkins—We are certainly aware of the concerns about the cancer clusters. The issue of cancer was addressed in detail when the atrazine review was conducted in Australia. The issue has been looked at in detail both in Australia and internationally by the WHO, and in particular its joint meeting on pesticide residues has recently published a review and report of atrazine. The regulatory community and the scientific community in terms of these bodies has concluded that there is no evidence that atrazine will cause cancer in humans.

Senator MILNE—There was also an example in Queensland where a person with a fishery identified fish with two heads and all sorts of things, and it was identified as being from the triazines from a nearby macadamia plantation. Did you follow up that particular example?

Dr Bennet-Jenkins—Yes. A taskforce has been formed in Queensland that is actually investigating these, what they call, fish health incidents. Chemical trespass or chemical spray is one of the areas that they are investigating in terms of possible causes. We are closely involved in providing information to that task force, including such things as spray drift modelling. There is a potential for spray drift to actually travel from the macadamia farm to the fish farm. At this stage the taskforce has not concluded that there is a link with chemical use. The investigations are still going on. I understand there is to be an interim report to be published within the next month and then a final report is due next year.

Senator MILNE—I would appreciate it if you would inform this committee when those reports are available, as I am sure we would be keen to know about that.

Senator HEFFERNAN—I want to ask a question about that particular family of chemicals. I do not want to do a commercial ad here, but why have we not moved to the next generation of pesticides? The atrazine family of chemicals is old-fashioned now. One of the problems in Tassie, as with elsewhere, is that it is a large particle chemical that they put on at double the rate because it does not have the residual effect that the new

generation of chemicals has. Why the hell are we using it? There is a new generation of chemicals. If you do not know about it, go and ask someone. There is no need to use this. It is a deadhead policy.

Dr Bennet-Jenkins—Yes.

Senator HEFFERNAN—I do not know whether it explains the double-headed Tasmanian thing.

CHAIR—That comment was probably not called for whilst pointing to one of your colleagues. You might think it is hilarious at other times. We are running very short of time. Senator Colbeck has probably one question.

Senator HEFFERNAN—Are you aware of the new generation?

CHAIR—Senator Heffernan, we are running to a very tight schedule, with the indulgence of the rest of the committee—

Senator HEFFERNAN—I will put that on notice.

CHAIR—Yes, put that on notice.

Senator HEFFERNAN—And he can go and find out.

Dr Bennet-Jenkins—I will do that.

Senator COLBECK—What are the major agricultural uses for Endosulfan in Australia? Can you give us a sense of the volume that is used?

Dr Bennet-Jenkins—The approved uses, I would have to say, for Endosulfan are cotton, canola and vegetables mostly and some tree crops, such as citrus, mangoes, pome fruits, avocados, macadamias and some vine crops. I am unable to give you the volume of use. We do not collect the volume of use data, but I understand the volume of use has dropped considerably in the last few years particularly in terms of the greater use of genetically modified cotton crops.

Senator COLBECK—What is the key use in Tasmania?

Dr Bennet-Jenkins—I would have to take that on notice. I am not sure.

CHAIR—I thank the officers from APVMA.

[8.22 pm]

Trade and Market Access

Senator BACK—I draw attention to a joint media release we all received last week from Ministers Crean, Burke, Roxon and a parliamentary secretary. In conversation with various industry stakeholders, we understand they were consulted leading up to this release, beef and other related meat industry personnel; is that correct?

Dr O'Connell—Consulted by the relevant ministers?

Senator BACK—Yes, and the department.

Dr O'Connell—I would certainly have to take on notice the ministers part; the media releases were from the ministers.

Senator BACK—And yourself?

Dr O'Connell—Certainly not myself. I will pass over to Mr Morris.

Mr Morris—Yes, there was consultation with a number of the red meat national market bodies, including the Red Meat Advisory Council, Meat and Livestock Australia, the Cattle Council of Australia, the Australian Meat Industry Council and the Australian Lot Feeders' Association.

Senator BACK—Can you tell me whether they were asked or required to sign confidentiality agreements prior to those consultations taking place?

Mr Morris—They were not asked to sign any confidentiality agreements.

Senator BACK—They were not asked to do so?

Mr Morris—Not to sign any.

Senator BACK—Were they told to keep the information confidential?

Mr Morris—There was a very targeted consultation process here.

Senator BACK—Does that mean they were told to keep the information confidential or not?

Mr Morris—Let me take that on notice. I would have to be clear about precisely what the conditions were.

Senator BACK—Can I then ask a follow-up question, which again I would ask you to respond to, and that is: is it the fact that many of those industry bodies indicated to the department that they thought it was appropriate that the shadow minister and others associated with this in the opposition be advised or consulted in advance of this announcement?

Mr Morris—They advised us that that was a matter for ministers to decide.

Senator BACK—Can you indicate whether there was an undertaking from the department to actually concur with that?

Dr O’Connell—The department would not concur with such a suggestion. If what you mean is that we would support that approach, we would obviously just ensure that the ministers were informed.

CHAIR—I am sorry to interrupt you. Could you indulge me? I will go to Senator Milne and you and your colleagues might want to have a quiet chat.

Senator BACK—By all means. Yes, of course.

Senator MILNE—At the last estimates I did ask whether there had been any evaluation put in place of the claims made about all the benefits that were going to accrue to primary industry from the US-Australia Free Trade Agreement or indeed the Chile agreement. You indicated there had been no evaluation at that time but you would provide any information that came to hand. I do not believe I have received anything on that front. I am interested to hear whether you have subsequently done or intend to do an evaluation of the US-Australia one or can give me any update on the Chile one?

Mr Burns—I think last time we said that there were some difficulties around actually calculating the benefits because of movements in exchange rates and the fact that our largest agricultural export to the US, beef, had dropped off, et cetera. What we have done subsequently is more of a qualitative study than a quantitative study. We have been talking to some of the industry people about what some of the benefits are that they have received. We have, for example, anecdotal evidence about individual exporters who are benefiting, et cetera.

I think as we have said last time, it is very difficult to do a broad macroeconomic analysis of what the benefits might be. But we do have—and I would be quite happy to take this on notice—specific examples of where we have increased exports of certain cheese types to the US. We have had examples of significant increases in wine exports to Thailand since the FTA. A lot of people we have spoken to have said that the benefits are coming as much from what they refer to as a head-turning effect; the FTAs have increased the interest in sourcing products from Australia. A lot of the exporters are reluctant to say, ‘Well, this is the dollar benefit we have got out of it’, but they are saying that, yes, they are seeing in some cases increases in exports to the US and Thailand in particular. But we could table some of those examples for you.

Senator MILNE—My second question is: I am informed that at the recent meetings of the WTO there has been a lot of discussion about a fallback position if Copenhagen fails. One of the positions that is being discussed is the introduction of border taxes on carbon and looking at doing it with countries banding together to exclude goods and services from high-carbon countries. And they will do that by looking at specific products and specific production chains. Have you started to look at what the impact on Australian exports and agriculture would be if people, as a fallback position to a failure to agree in Copenhagen, go to border tax adjustment and the impacts on Australian agriculture. Were we at that meeting and are we involved in those talks?

Mr Burns—I am not aware of anybody from our department being at that element of the discussions. The Department of Foreign Affairs and Trade takes the lead on that element of WTO action, so they would be the ones tracking that issue more closely than we are. My general knowledge of those issues that you are talking about is that those discussions in the WTO are very much side discussions and a side event, if you like, from the main Doha Round negotiations. The direct answer to your question is, no, we have not done those calculations, but as those issues emerge they are the sorts of things we would look at, yes.

Senator MILNE—Is it not getting a bit late not to be looking at those, given that it is already a subject of discussions in side events in Geneva about the probability that they will get together and do that? Let me put it another way. What progress have we made in assessing the carbon in the whole food production cycle in Australia so that we would be in a position to argue, for example, that some of our products could be defined

as different goods in an environmentally accredited sense so that the WTO would not rule against them if the border tax issue was introduced, and also warning others that they may actually be ruled against in the same context?

Mr Burns—I know the Australian Food and Grocery Council was looking at some of those related issues some time ago, particularly the whole carbon cycle, calculating the footprints and so on—perhaps in anticipation of what they then saw as the food miles debate emerging. It would be useful for us—and we will follow up on that—to look at some of that data and how that might relate to those issues that you have raised. Again, I would have to say that we have not specifically looked at that issue at the moment. I am not sure if our colleagues in ABARE have done that analysis.

Mr Glyde—ABARE has not looked at that particular issue. The only thing that comes to mind is the possibility that in some of the research programs that the department has going more broadly in climate change there might be a research project on that, but I would have to get some further advice on that.

Senator HEFFERNAN—Can I ask a follow-up question on that?

CHAIR—Yes.

Senator HEFFERNAN—With respect to the impact of emissions trading and carbon, I understand that a couple of R&D papers/annual report-type papers were asked to be re-edited and have the ETS impact taken out of the reports. Do you know anything about that?

Mr Glyde—I am not aware of anything.

Senator HEFFERNAN—I am. That was a ministerial direction.

CHAIR—Senator Milne, you have the call.

Senator MILNE—I was suggesting to you that my information is that this is moving down the track very fast. I am concerned that we are not moving as fast in anticipating it and actually thinking it through. We could well get caught up very fast in this if Copenhagen fails in the way it is now being expected to. That is all. Thank you.

Senator COLBECK—I would like to get a sense of whether the department sees an impact from the dollar at the moment on our agricultural exports.

Mr Glyde—We publish each quarter our assumption about the exchange rate and what that is going to mean in the future for the full variety of commodities that we forecast. To that extent we take it into account. If that is the sort of thing that you are after, I am more than happy to—

Senator COLBECK—Do we have any current sense of what communication the department is having as a whole? Given that we have a group that is designated to market access in a range of jurisdictions around the world, do we get a sense of what the impact or the immediate feedback from the agricultural exporters that we are dealing with is as to what effect the dollar is having? Do we have any understanding of what is going on right now?

Mr Glyde—I think we have an understanding in general in terms of the impact on the individual sectors involved. Obviously a higher exchange rate means it is harder to compete, but it also means that some inputs are cheaper. It is a complicated issue. I would suggest it is best looked at on a commodity-by-commodity level, where you can start to make those sorts of judgments. If you are asking the question: do we go out and talk to individual companies and ask, 'How are you going? What are your expectations if the dollars stays here or goes to parity? What is that going to do to your business?' we do not do that. As far as I am aware we do not have any long-term research in relation to that.

Dr O'Connell—We had a bit of a discussion on this at the previous session, where Mr Glyde was talking about the significant number of factors and how it is not possible to simply model the effect of one of those parameter changes in the way—

Senator HEFFERNAN—You simply said you do not do modelling.

Senator COLBECK—I am not looking for modelling. I am just looking for what the feedback is from our international posts at the moment in relation to what is going on as to the impact of the dollar. Are we hearing from companies that are saying they are losing out on markets? Are we hearing from companies that are saying they are having product substitution? What is the feedback that we are getting right now from our exporting companies in the international markets?

Mr Burns—To be honest, we have not been getting that feedback. There have not been any reports coming back from the posts about those issues. That perhaps is either a reflection of the fact that things are not as bad as what the movement in the dollar might suggest they could be or simply that people are not telling us.

Senator HEFFERNAN—You do not read the papers, obviously. The wine industry is—

Mr Burns—I think the question was whether we have had any feedback from the posts, and the answer to that is, no, we have not been getting that.

Senator HEFFERNAN—You have not read the overseas reports of our wine industry's problems?

CHAIR—Senator Colbeck, do you have any more questions?

Senator COLBECK—I do. To take up Senator Heffernan's point, we do not have any sense from that perspective as to what is going on in our markets at all at this stage?

Mr Burns—To go to Senator Heffernan's point, yes, we do read the articles and we are aware of that, but I think the point is whether are people coming and making that case directly to us. No, they are not. We are reading about it in the general news.

Senator COLBECK—Is it having any impact on the level of inquiry that we are getting through our posts for representation in different markets to gain access?

Mr Burns—I have not seen a change in the level of engagement on that.

Senator COLBECK—Turning to the issue of kangaroo exports to Russia, my understanding is that there were 13 processing premises operating across Australia prior to the close of the market and it is now down to three. Is that your understanding of where we are at with that particular market?

Mr Burns—Some of our colleagues from the AQIS biosecurity side have been dealing directly with that issue. It might be best to ask them.

Dr Schipp—In total there are 10 kangaroo export establishments in Australia. All of those have been suspended from access to Russia. Prior to the suspension of all, there were six that were suspended prior to the suspension that took place following the audit. They were suspended for coliform violations at the border.

Senator COLBECK—There are 10 processors and they are effectively all now suspended. My understanding is that there are three that are left operating. Do you know what the situation is with that and whether that is correct?

Dr Schipp—Of the 10 export establishments registered in Australia, five are currently operating for the domestic and export markets, other than Russia.

Senator COLBECK—Do you have any sense of the employment that has been lost out of the five that have closed?

Dr Schipp—We have had estimates provided to us by the Kangaroo Industry Association of Australia. My recollection is that that was something like 2,500—

Senator COLBECK—Two and a half thousand jobs lost. I understand the response package, including some technical issues, is being put together. Where are we at with that package? This is a technical package back to Russia, I assume?

Dr Schipp—There is a comprehensive reform of the kangaroo industry that we are working on with both the processors and the state authorities. When those reforms have been completed we will be putting together an overarching submission that will go back to the Russian authorities.

Senator COLBECK—You are working in conjunction with the processors on developing that package?

Dr Schipp—Very closely.

Senator COLBECK—Do you have any sense of what sort of cost it might have to the industry to implement the proposed changes?

Dr Schipp—I do not—no.

Senator COLBECK—You have not gone that far through the development process.

Senator BOSWELL—What is the timing of that?

Senator COLBECK—That is a good question. Can you give us a sense of the timing of that? I suppose the important thing is that, without having some sense of what the cost is, are we aware as to whether it is going to be affordable for the industry given the circumstances they are currently in?

Mr Read—You are making reference to the cost of these reforms that the kangaroo industry is currently progressing?

Senator COLBECK—Obviously the department is talking to the industry about a proposed reform structure and a series of protocols that we can put to the Russians so that we can get the markets reopened. I understand that. Has there been any costing done on that process so that we can get a sense of what the costs might be and a sense of whether it is going to be affordable for the industry or not? There is no use developing a protocol that is not going to be cost effective or affordable for the industry.

Mr Read—It probably was not an exercise that started with the cost of the measures required to meet the market. The market is very specific on what it requires, as are a range of other markets. There was a fundamental level that the industry needed to get to, which is not above what would be an unreasonable bar to access those markets. That package is designed on the minimum required to enable sustained market access to ensure compliance with the Australian Standard and those import conditions. The measures are described. The costs that companies will incur as a consequence of compliance will be in the design and implementation of those particular measures by individual companies. Some will do that more competitively than others.

Senator COLBECK—Do you have a sense of the timelines on that?

Mr Read—At the moment we are reviewing a range of those arrangements being put in place by the industry. As soon as we verify that they are in place we will essentially move to the next step, which is recommending those arrangements to the markets. My sense is that it is in the next few months. I cannot give a precise time at this stage.

Senator COLBECK—I will have to finish there because we have to move on to AQIS.

Senator BACK—I was going to get into the BSE side of things.

Senator HEFFERNAN—I have one more question. In the last 18 months, China put a 150 per cent tariff on fertiliser coming out of China—the fertiliser market is a global cartel—so we could not access fertiliser out of China. This is in a year that we are doing an FTA with them. We then have Indian capital coming in as a major equity partner in the coal liquefaction plant in Western Australia.

CHAIR—Is there a question?

Senator HEFFERNAN—There is. Indian money is buying our sovereign wealth, and in turn, because it is sovereign money in our sovereign wealth, they have an agreement with the company that it is a two million tonne per year proposed urea plant and coal liquefaction—

CHAIR—I would urge you to ask the question.

Senator HEFFERNAN—Australia can have only 100,000 tonnes out of two million tonnes. Is your department and subdepartment giving consideration to the problem that could be created by other countries buying our sovereign wealth and then blocking access to our own sovereign wealth? It is happening in Canada.

Mr Burns—There is a general debate around the world about your issue.

Dr O'Connell—Are you referring to Foreign Investment Review Board processes?

Senator HEFFERNAN—I am referring to you and the government dealing with the problem that countries are using their sovereign wealth to buy other people's sovereign assets and then blocking countries from having access to their own assets. That is actually happening.

Dr O'Connell—I think that is a question that probably fits into the Treasury portfolio.

CHAIR—I think Dr O'Connell has attempted to answer that for you. You are in the wrong area. Dr O'Connell, can you tell us what efforts the government has made to improve access of kangaroo meat to Russia?

Dr O'Connell—I will go to our colleagues again, in terms of the representations that have been made by the minister and by officials. One of the officials who has recently been to Russia is with us here and can provide you with some detail, but the starting point is probably the minister's discussions in Rome some time ago.

Ms Anderson—As Dr O'Connell said, our minister met with Dr Yelena Skrynnik, the Russian agriculture minister, in Rome, in February this year. That is obviously quite a high-level representation. We have also been layering a number of different representations through the Russian market for over 12 months. The most recent efforts included a meeting in Moscow two weeks ago. We have established an agricultural working

group with Russia, and that working group met for the first time. We had a delegation go over and it discussed a range of issues—all of the market access and technical issues we have on the agenda—as well as discussing broader cooperation with Russia.

Over the last few years there has been a higher level of trade with Russia, particularly in meat products, and that brings with it the need also to build the relationship side of things with Russia. That is what we did through the agricultural working group. We agreed at that working group to develop an MOU on agricultural cooperation to try to look at our mutual interests at a market-to-market level. Like I said, there has been a range of technical discussions as well. I think we have had around eight interactions with the Russians over the last 12 months or so, and we are also developing an MOU on meat and meat products, which we hope to finalise soon. We have had some positive indications. To draw that together, we have had high-level discussions involving the minister, a range of technical discussions, and then more recently some more relationship building and looking at an MOU on ag cooperation through this agricultural working group process, which is going to meet every year.

Dr O'Connell—Coincident with the last meeting that Ms Anderson was talking about, Premier Bligh was also in Moscow and had discussions on improving the kangaroo access issues, so that fed into the same process.

CHAIR—I am mindful of the time. What about efforts to get kangaroo meat into other countries?

Ms Anderson—Yes. Others may wish to add to this. Earlier this year we received from China an agreement to a protocol on kangaroo meat access. AQIS is now working through the details of that. That has been a large focus. We are also making representations to the Ukraine, which is another key market. They are the main ones at the moment. There are others, of course, that we will look to, but they are the main two at the moment.

CHAIR—Thank you.

Senator BOSWELL—Has the kangaroo industry asked the government for assistance to get this protocol to enact the changes that will be required to get the meat back on the market?

Dr O'Connell—Just to clarify, assistance in financial terms?

Senator BOSWELL—Financial terms.

Dr O'Connell—Predominantly the assistance to date has been in terms of the technical discussions.

Senator BOSWELL—Has the industry asked for financial assistance to develop these protocols?

Dr O'Connell—Dr Schipp may be able to answer that.

Dr Schipp—The answer to your question is yes. The industry has asked for financial support.

Senator BOSWELL—Can you tell us how much they require?

Dr Schipp—It was in excess of \$20 million.

Senator COLBECK—Do we know if Russia is going to put a quota on our beef and red meat exports to Russia?

Dr Schipp—Sorry?

Senator COLBECK—Do we know whether Russia is about to impose quotas on our access to the country?

Mr Burns—There are discussions happening on the margins of the WTO. As you would be aware, Russia is trying to gain access to the WTO. There has been a protracted accession negotiation. We have been discussing that issue and those negotiations/discussions are fairly current. We have been in touch with the industry about what their preferences are in that, but I would not—

Senator COLBECK—There are some propositions to do that?

Mr Burns—There are some propositions on the table, but we have not progressed that and I would not like to declare our hand at this stage.

CHAIR—I thank the officers from Trade and Market Access.

[8.51 pm]

Biosecurity Services Group (includes divisions formerly known as Quarantine and Biosecurity Policy Unit; Australian Quarantine and Inspection Service (AQIS); Biosecurity Australia; and Product Integrity, Animal and Plant Health (PIAPH))

CHAIR—I welcome the officers from the Biosecurity Services Group.

Senator BOSWELL—I know the answer to this one, but I will put it on the record. Have you received any applications for Filipino bananas to enter Australia?

Dr O'Connell—The answer is no.

Senator BACK—Can I return to the line of questioning earlier regarding the joint media release from the various ministers? In Senate estimates last week we asked the Secretary to the Department of Health and Ageing whether or not that agency had the lead in this particular area and they assured us they did not. Could you advise whether your department was the lead agency in this area?

Dr O'Connell—I think the media release, as I understood it, was through Minister Crean's office originally. I may be mistaken there. I will have to take that on notice as to exactly which office the media release came from. The fundamental issue is a health issue, quite clearly, and it is one related to health standards.

Senator BACK—We thought it might have been a health issue whilst we were trying to get some answers from that department, but they were not all that forthcoming. They did not seem to have any answers. Can you advise us what the process—the presumably interdepartmental process—was that led to this decision?

Mr Morris—Essentially there was a number of departments involved in the review process—the three you mentioned, the Department of Foreign Affairs and Trade, the Department of Health and Ageing and our own department. The Department of the Prime Minister and Cabinet also attended some of the meetings. It was an interagency process that was used to undertake the review.

In addition, as was reported at the Senate estimates health committee, a review was undertaken as part of that process, which was sponsored and funded by the Department of Health and Ageing, which was looking at an update of the science around the whole issue. That provided a fairly fundamental part of the consideration of the issue, but not the only part. There were a number of other factors taken into account as part of the review, including obviously updates on animal health and other things as well.

Senator BACK—My understanding, from the way you have described it, is that the department of trade took the lead role in the interagency negotiations; is that correct? Or was it Prime Minister and Cabinet?

Mr Morris—I think the way DFAT described it in their estimates is a correct interpretation, which was that they coordinated the inputs from the various agencies. Whether you call that the lead role, I am not sure. All three of the main agencies are very active participants, but DFAT coordinated inputs for the three of them.

Senator BACK—Could I ask what involvement, if any, the US ambassador, on behalf of that country, had in the negotiating process?

Mr Morris—Do you mean the US ambassador here in Australia, as opposed to our ambassador in the US?

Senator BACK—That is correct.

Mr Morris—I do not recall his being involved. At least there was no contact with our department with the US ambassador that I can—

Dr O'Connell—I think you would have to take that up with the foreign affairs portfolio. We would not have had that access.

Senator BACK—I will direct it there. Returning to the meat industry, what involvement did they have in the consultation process?

Mr Morris—We initially raised the issue with them in a meeting of the Red Meat Market Access Committee, which was held on 28 July. In that meeting we asked for an expression of views from the industry as to their position on this particular issue. They were then consulted on a number of other occasions during the course of the review, including by way of a teleconference, to discuss their views. Then finally they were contacted just prior to the announcement to let them know that it was about to be announced.

Dr O'Connell—It is probably worth making it clear that much of the impetus for this examination of the policy did stem from our meat industry, which was concerned about the state of the policy as it was and the potential for it to be damaging to the trade.

Senator HEFFERNAN—Could we clarify that? It was drive by trade. I have been talking to them. The minister put out a press release saying they were contacted by the US and Canadian officials, and they were. They have been contacting me. We do not have BSE; they do. Then, when it all turned to custard—because, as you pointed out a minute ago, it was the view of the industry that we be consulted through your department, but the government took a decision not to consult us, which is fair enough, and did it as a very clandestine operation.

Dr O’Connell—The issues around consultation between the government and the opposition are quite clearly—

Senator HEFFERNAN—Yes, that is up to the government.

Dr O’Connell—a matter for ministers. They are not a matter for us.

Senator HEFFERNAN—But when it turned to custard he put out another press release—and talked to rural press—saying, ‘Actually it was the rural peak bodies that approached us, that drove the thing, and not the US and Canadian governments.’ Which is the truth?

Dr O’Connell—I think it has been clear for quite some time that the beef industry—particularly those interested in export but also the domestic industry, because of the potential for the ‘beef off shelves’ issue to—

Senator HEFFERNAN—Can I just pull you up there and ask: who are the people interested in export—

CHAIR—Give Dr O’Connell a chance to finish.

Senator HEFFERNAN—We just want to clarify who the people are that were interested in export. Is that AMIC?

Dr O’Connell—I think, for example, the Cattle Council has been very clear. It was quoted in the *Australian Financial Review* of 21 October as stating, ‘If domestic beef was removed from sale this would have a disastrous and long-term impact on the entire beef production chain’ and that, ‘All sales, deliveries, processing, wholesaling and retailing would grind to an immediate halt, with the loss of tens of thousands of jobs ...’

Senator HEFFERNAN—That is true, but it is absolute garbage—the solution that has been taken. If they removed mandatory SRMs—

CHAIR—Dr O’Connell has not finished. You will get your chance. Do not blow it. You are on a time limit here. Dr O’Connell, would you like to finish your answer?

Dr O’Connell—‘... would grind to an immediate halt with the loss of tens of thousands of jobs at the cost of many millions of dollars.’

Senator HEFFERNAN—Who backgrounded the *Financial Review* on that? What they did not say—and I have dealt with this in 2005—

CHAIR—You have jumped in again. Let Dr O’Connell finish and then you can follow on.

Senator HEFFERNAN—It is just someone backgrounding a journo.

CHAIR—You would know about backgrounding journalists. Let Dr O’Connell finish the answer.

Dr O’Connell—Just to clarify, it is a quotation from the executive director of the Cattle Council, David Inall. It is not—

Senator HEFFERNAN—Yes, we had it out with him last night. Can I just take you to the point everyone has missed? In 2005 we convened a meeting at Sydney airport of all the people you have consulted. We said to them, ‘You actually have decided as an industry to self-insure yourselves against the event of a BSE outbreak when all this meat has to be removed—\$4 billion—and about a \$7 billion total cost if we get a reactor.’ We know, and you know, what would have happened if people in the industry you have been consulting had gone a step further. The bulk of meat that is exported now has SRM removed mandatorily. As a matter of fact, the chairman of the Cattle Council last night told me it was 90 per cent. If they had gone to 100 per cent of mandatory removal of SRM, you remove the ‘meat off the shelf’ problem that Dr O’Connell has just referred to, because you do not have to remove the meat off the shelf.

CHAIR—Is there a question here?

Senator HEFFERNAN—They said it was going to cost \$200 million. Therefore, they did not think it was worth it because between the cost and the problem they have decided to do what they have done. The industry

was approached, as you say, in recent weeks and months. The government initiated this through trade. It is just a statement of fact. It is a whole-of-government decision.

Dr O'Connell—As I was saying before, I think industry has been quite clear on its interest in this issue and ensuring that our approach is properly science based. The scientific review we had demonstrated that with these controls there is minimal risk, and therefore there is no reason to control—

Senator HEFFERNAN—This is not about a health risk, it is about market access and lowering our standards to those of the US and Canada so that, if there is a BSE reactor in Japan and Korea, instead of losing market share as they have done in the past they will be able to argue this. Cargill's have told me they are bringing meat in here just to square it away.

Dr O'Connell—If I could just clarify that the review process that Mr Morris has explained included an independent review by Professor John Matthews of the science, which concluded the risk from imported beef under the revised policies are negligible with the appropriate controls.

Senator HEFFERNAN—That is right. I had a long discussion with that particular gentleman.

CHAIR—This is the third time I have had to ask you. Dr O'Connell is answering your questions. At least have the manners to hear him out before you jump all over him.

Dr O'Connell—And given that finding and the other context there is no reason to add additional trade controllers. That decision in fact reinforces the science based risk management approach that we have.

Senator HEFFERNAN—Today on Adelaide radio the president of the AMA, Mr Lavender, having been in the UK and managing the UK outbreak, said that there is no way to manage the BSE health risk. But we will deal with that in the inquiry.

Senator COLBECK—I want to clarify the actual risk. I have been in two different committees so far and have been told two different numbers. I have been told it is one in 200,000 chance at one committee and have been told it is a one in 40 million chance at another committee. I seem to remember—

Dr O'Connell—I think these are comparisons between risks—

Senator COLBECK—This is a comparison of a risk of—

Dr O'Connell—of mortality compared with a road accident.

Senator COLBECK—I was told in one committee it is one in 200 million and I have been told in another committee it is one in 40 million. There is that sort of confusion of numbers—

Dr O'Connell—Our understanding is that it is one in 40 million.

Senator COLBECK—I just want to make the point that it is that confusion of numbers that caused the destruction of an import risk assessment for bananas back in 2005.

Dr O'Connell—The issue is the ratio of potential mortalities.

Senator COLBECK—And it is those sorts of mistakes that create distrust within industry and we need to make sure that we do not make them.

Dr O'Connell—I think what is being referred to—and Mr Morris has the figures there to hand—is the comparison for the potential of dying from a road accident compared with bringing BSE into countries.

Mr Morris—It is more a matter for the health agency and John Mathews. But just to be helpful, the actual quote comes from John Mathews's report—

Senator COLBECK—Table 4.

Mr Morris—which is available on the website. It is in a couple of places, but I will read from the footnote on page 7 which says that an 'estimate of the absolute risk to Australians from UK beef imports is quantified in table 4 and found to be 40 million times less than the risk from road accidents'. That is the quote.

Senator HEFFERNAN—Is that in the UK?

Mr Morris—That is the absolute risk to Australians from eating UK beef, as if we were importing beef from the United Kingdom. It is a very conservative estimate. Essentially the actual risk is probably far lower than that.

Senator COLBECK—When I asked about this at the Health estimates last week I was told it was a one in 200 million chance. I was told in Trade estimates that it was a one in 40 million chance, as you have just reaffirmed now, but I just want to make the point—

Dr O'Connell—It is worth correcting that it is not that it is a one in 40 million chance. It is the relationship between your chance of getting hit by a car and dying and your chance of—

Senator COLBECK—I concede what you are telling me, but that does not alter the point. Back in 2005 there was a mistake of that nature in a banana import risk assessment process, which basically meant that the whole process had to start again. I understand that it may have been an error that was corrected in the report. I took the initial report off the website and it had the 200,000 figure in it, so I will not go into comparisons. That was confirmed to me in Health estimates. I went to Trade estimates and they gave me the 40 million number. We cannot afford to have those sorts of mistakes in our processes, because that is what creates distrust on the ground. I have seen it destroy a process once before. You have got Senator Boswell in here still asking questions about bananas tonight, which again reinforces the point.

Dr O'Connell—We will certainly pass that message back to the Health Portfolio so they can take that on board in their management of that.

Senator COLBECK—They are running the process. What involvement are we going to have in the committee that sets up the structure?

Mr Morris—When you say 'we' who do you mean?

Senator COLBECK—This department.

Mr Morris—It is actually outlined in the policy document as to the formation of the committee that will be making the decision. The committee doing the assessments stated that the Australian BSE Food Safety Assessment Committee chaired by Food Standards Australia New Zealand, FSANZ, will be the one undertaking the assessment. The composition of that committee is still to be determined. Obviously it is led by Food Standards Australia New Zealand, so it will have experts from that organisation on there. In the Health estimates they referred to animal health experts also being on that committee and so there would be animal health experts also drawn on in that committee.

Senator COLBECK—I do not want to take any more time on this, because it is going to come back through an inquiry anyway. I will leave it at that. Have we had any requests or indications from companies or countries indicating that they will be seeking to import from countries that have had BSE?

Mr Morris—Are you asking whether we have had any requests in Australia?

Senator COLBECK—Have we had any requests from companies or countries that have had BSE saying that they will be seeking to import into Australia?

Mr Morris—Yes, Japan has already indicated that they will be putting in an application. We understand Canada has also indicated an interest. Prior to the decision being made the US and the European Union were also interested in a change in the policy, so we can assume that they would also be interested.

Senator COLBECK—The European Union that would give us about 7,500 tonnes of quota a year?

Mr Morris—They certainly indicated that a change in the policy was something they were after.

Senator BACK—Has there been any communication with countries that we currently export to following this decision and has there been any feedback from those countries as to their reactions?

Mr Morris—Yes. On the announcement we are supposed to go in and advise relevant countries that the decision has been made. The feedback has been fairly minimal to date other than Japan saying that they are anxious to put an application in, and Canada also indicating they are anxious to put an application in. The questions have been more around not concerns about the change in policy but rather about how quickly countries can actually apply.

Senator BACK—Of the countries you have mentioned that either we are supplying or that are interested in supplying to us, can you advise us which, if any, have national livestock identification systems in place for their national herds?

Mr Morris—Different countries have different ways of tracing product, and whether you call it a national livestock identification system or some other name will vary between countries. The traceability aspects of what a country has in place would have to be something considered as part of the individual country assessments that are undertaken by the committee I just referred to.

Senator BACK—Would it be the case that any country wanting to apply would have to have standards at least equivalent to those of Australia—back to property, back to animal?

Mr Morris—The methodology that committee will be using to undertake the assessments is as indicated by the Health estimates. That methodology is still under development at the moment and will need to be looked at. Obviously we would require the countries met the standard that would meet our appropriate level of protection for Australia. That does not mean that they have to have the same system as we do in Australia, but they would have to have measures and procedures in place that met our requirements to ensure food safety and animal health requirements.

Senator BACK—Would we be relying on their declarations or is it proposed that we would place more experts in those countries for in-country inspections?

Mr Morris—It would be a combination of two things. Firstly, it would be a desktop assessment based on their application to us, providing the information that we request to do that assessment. Secondly, if required, there would be an in-country audit as well of those countries.

Dr O'Connell—Food Standards Australia New Zealand will be overseeing this process.

Senator HEFFERNAN—We cannot fund our own AQIS inspection here, but we are going to take on the rest of the world?

Dr O'Connell—It is not clear what you are referring to.

Senator HEFFERNAN—We have no idea what the protocol has to be. Obviously the answer to the question is that they do not have NIS. We have no idea what the inspections would be. We do not have enough vets in Australia to inspect our own stuff.

CHAIR—Is there a question, Senator Heffernan, because you have cut in on your colleague once again? Your time will be restricted in the future. We will be packing up at 10 o'clock regardless of what you want to ask. Your colleagues will want to hang you if they do not get the opportunity.

Senator HEFFERNAN—We will see you at another time.

CHAIR—Senator Back.

Senator BACK—I will conclude on this. Can you give us some idea as to whether there would be protocols in place for the nature in which beef would come in? Would it come in as carcass beef, cut down? The obvious extension to that question is: could you inform us as to whether or not at the point of retail sale there will be labelling so that the customer is aware of the country of origin of the meat they are contemplating purchasing?

Mr Morris—There are two parts to that question. On the first part, which is what product will be able to be imported, again, that is spelt out already in the policy document. We can refer you to the website there. In general terms, under our new system, there would be three different categories of countries. Category 1 is similar to a negligible risk type category, and there are certain certification requirements and types of products that will be permitted under that category, which is generally fairly open because these are countries that would not have had cases of BSE and are similar in status to Australia. There are category 2 countries, which are similar to what the OIE would refer to as controlled risk countries, and there is a much higher level of restriction on the sort of product that we can import from those countries. In particular, the animals have to be born, raised or slaughtered in category 1 or category 2 countries. They cannot be slaughtered by way of a stunning process, with a device that injects compressed air or gas into the cranial cavity, or to a pithing process. There is also certain product that cannot be imported, in particular any product that might be contaminated with BSE risk material or mechanically separated meat from the skull or vertebrae column of cattle over 30 months of age. There are certain restrictions on the sorts of products that could be imported.

In terms of your second question on the labelling issue, that is a question that goes a little beyond the issue of BSE alone and import policy. As I am sure you are aware, there are a number of other processes going on at the moment that are looking at our current meat labelling and general labelling laws in Australia, looking at what sorts of reforms might be made to those arrangements. I will mention a couple of them here. As you may be aware, the Primary Industry Ministerial Council is currently considering a report on red meat labelling, and that will be considered at its November 2009 meeting. That will be looking at the costs and benefits of various labelling systems. Secondly, the Australia and New Zealand Food Regulation Ministerial Council is also considering the labelling issue and has commissioned an independent review on food labelling laws and policy more generally. There are a couple of processes in place that are dealing with that labelling issue.

Senator BACK—Thank you.

CHAIR—Senator Colbeck has one question and then we will go to Senator Milne.

Senator COLBECK—On the development of the protocols for the import, I understand that it is being led by FSANZ, but is it realistic to consider that they will be designed by March 2010? I have been through a few import risk assessment processes and they are inherently painful and protracted processes. I have had some discussions with the beef industry. They have given me some sense of what they expect to see as part of the protocols. Are we going to have these things finished by 1 March, effectively 16 weeks? Given we have Christmas in the middle is it realistic to suggest that we will get it done in that time frame?

Mr Morris—Just to clarify, by 1 March they will have the methodology done. From 1 March onwards they will be undertaking assessments. They may take several months each to undertake.

Senator COLBECK—We have to develop the protocols first.

Mr Morris—That is correct.

CHAIR—Senator Colbeck, you did do a Senator Heffernan and jump in. Mr Morris was giving you an answer. You did say that it would be one question, and I understand that you will want to follow on from that. Mr Morris, would you like to finish your answer?

Mr Morris—Yes. The first part of my answer was really just clarifying the question a little bit. The specific answer to your question is that the methodology is to be developed by 1 March. It is really a question for FSANZ as to whether they can realistically do it in that time frame or not. They have indicated that they can. It is really a question for FSANZ as to how they are going to go about doing that.

Dr O’Connell—The actual assessments of requests for imports or exports would be beyond that point.

Senator COLBECK—I understand all of that. I have been around the tree several times before. All I want to do is ensure that we have a decent process. I have sincere doubts as to what has been suggested, and I want to get your assessment of it.

CHAIR—That is a statement.

Senator HEFFERNAN—I will ask a question.

CHAIR—No, you will not ask a question, because Senator Milne has the call. Senator Milne.

Senator MILNE—I have a series of questions in relation to emerging diseases in wildlife and concern about their perhaps being an indicator of disease not only in wildlife but for potential to cross to domestic animals and human health—the Hendra virus, of course, being one of those. It is concerning me that Tasmania seems to be developing as a hotspot in animal disease. We have the facial tumour disease in Tasmanian devils. We have the mucormycosis in platypus. We have scabies in our wombat population. We have an infection in the feet of echidnas. We have chytrid fungus spreading rapidly in the World Heritage area. We have toxoplasmosis in the wallaby population. I have read recent reports about the potential for the orange-bellied parrot breeding program to be affected by a beak and feather disease that is emerging. I am really concerned that this is happening and nobody seems to be mapping these diseases or looking at the reasons for their emergence. I wanted to ask: what is Australia’s wildlife health system?

Dr O’Connell—I will ask Dr Carroll to answer your question.

Dr Carroll—There is an Australian Wildlife Health Network, which the department assists in funding. It links predominantly the zoo vets and wildlife vets as well as state government vets with an interest in that area. They are networking widely to exchange information and so on. We also maintain what we call a scanning capacity to look particularly at trends that might have a wider effect—diseases of interest and scanning things like Hendra virus because of its potential to flow over into livestock species and of course to humans.

In general, the diseases that are causing the main concern to us are the bat-borne diseases, because interference with habitat can cause those to overflow into both livestock and humans. There are the insect-borne diseases. Many of the other diseases—ones that are occurring in Australia at low incidence and to specific wildlife—come predominantly under the state governments, but we are assisting. We help set up, through Australia’s Animal Health Committee, earlier this year or late last year the capacity for a state CVO to call in a flying squad, so to speak, of experts to help assess any disease outbreaks that may occur in wildlife species, because the expertise in that is quite narrow and many states do not have a lot of expertise. So they can call in experts, and that is funded through Animal Health Australia.

Senator MILNE—I want to go to the Australian Wildlife Health Network. How is it resourced? How many people are funded? Can you give me exactly how much we are spending on it, how many people are employed and what is its resourcing?

Dr Carroll—I would have to take that on notice. There is some funding through administered programs.

Senator MILNE—That is fine. In the interest of time you can take it on notice. I want to know exactly how well that is resourced.

Dr Carroll—Yes.

Senator MILNE—You said there was currently a low incidence of some of these diseases. Can you tell me what is the incidence of the chytrid fungus in the Tasmanian frog population?

Dr Carroll—I would have to take those sorts of questions on notice. I do not have the information.

Senator MILNE—I will go through some of them and if you could answer the ones you can and take what you need to on notice.

Dr Carroll—Certainly.

Senator MILNE—I would like to know whether there is an emergency response, for example, in place in the World Heritage area in Tasmania in relation to that chytrid fungus. I would like to know how the Australian Wildlife Health Network detects, responds to and investigates wildlife health incidents, which wildlife health incidents it is actually investigating and whether its flying squad is actually being employed to go into Tasmania to look at any or all of these diseases.

Dr Carroll—It has not been formed yet. We discussed again—a couple of weeks ago at the animal health committee—simplifying the process for state chief veterinary officers to call in that particular network, but that network has not been used at this stage.

Senator MILNE—It has not been formed or it has not been used?

Dr Carroll—It has not been used.

Senator MILNE—It exists?

Dr Carroll—It has not been deployed. That is the intervention network that the state CVOs can call up to help assess the significance of the situation. That particular one has not been used. The Wildlife Health Network has a series of things that they do on a regular basis and we will be able to give you that information.

Senator MILNE—Can you tell me how this system with the Wildlife Health Network deals with wildlife health issues that overlap with other government sectors such as health, agriculture and the environment?

Dr Carroll—They would provide information and assessment where it is likely to have an impact on another sector. They would provide that information or the CVOs would provide that information through to the relevant state or federal—

Senator MILNE—How much information has that network already provided of that kind?

Dr Carroll—I would have to take that on notice.

Senator MILNE—Can you tell me whether you believe the system is able to predict emerging diseases and respond before they become an issue?

Dr Carroll—Response is a separate issue. By and large, response falls under the responsibility of the relevant state jurisdiction. The network is more of an information-exchanging network to keep track of diseases and look at emerging trends. My understanding of it is that it is a very extensive network and they do get information from a wide variety of sources. I think their predictive value would be relatively good in that they do stay across emerging wildlife diseases. As I said, any response would be the responsibility of a state government unless they wanted to invoke a national response.

Senator MILNE—You say that they stay across these diseases, but I have just told you that as far as I know there is no emergency response to the spread of chytrid fungus in the World Heritage area. I doubt that anybody can tell me how widespread mucormycosis is in terms of the platypus in Tasmania. In fact, I will ask: how far has it spread and what has its impact been on the population throughout Tasmania? I know you will have to take that on notice, but it is to illustrate the point that I do not think there is any analysis going on. You say they get information from a wide variety of sources; like who? Where are they getting their information from in Tasmania?

Dr Carroll—The information they get would be from the zoo and wildlife vets. They would not be specifically funding things such as a survey of platypus for disease. That would fall under the responsibility of the environment or the agriculture department depending upon the state. With that sort of specific work, if

there were felt to be a disease problem within a jurisdiction, within a state or a territory, then the on-the-ground work of that nature would fall to the state or territory.

Dr O'Connell—Senator, given your particular interest in Tasmania, we could ask the relevant Tasmanian department to provide the information and we could get back to you. In terms of the World Heritage area, obviously the environment department has the Commonwealth government level responsibility for the management of the World Heritage area in collaboration with the state World Heritage authority. That has a set of management arrangements that are quite separate from the rest of the land use.

Senator MILNE—I appreciate that, but it is not just Tasmania. I am told that there is a bettong in Western Australia that has had a 90 per cent crash in its population. It is speculated that it could be disease. Where is this Australian Wildlife Health Network in relation to that?

Dr O'Connell—We can take that on notice and provide you with any other specifics.

Senator MILNE—Given what you have said about this predictive capacity—and how they stay across these diseases—can you explain to me why there has been the extinction of eight Australian frog species because of chytrid fungus, if they are so good at keeping across everything?

Dr Carroll—As I said, they act as a monitoring unit. They are not involved in response to incidents of disease. They can only provide information and a lot of that depends on what base information is available through the state jurisdictions or other research. They are networking on what information is available, but they are not necessarily actively gathering information.

Senator MILNE—That is the point I am getting to. They are not actively gathering information. You said that you would be looking at the wildlife or zoo vets. I would like you to take on notice exactly how many of those there are in Tasmania employed by the state government or by the health network, because I think you will find there are none. Is it a concern to you that there is no-one out there actually looking for disease in wildlife, given what we know about the potential biodiversity impacts but also about the spread into domestic and human health?

Dr O'Connell—We would have to deal with the environment department on some of those questions. It has responsibility for biodiversity and wildlife management and the issues that arise here. You are talking about issues that are predominantly in their portfolio interests. These are not direct production issues. Yes, we do have a role and a relationship, certainly very tightly, with the environment department, but the issues relating to wildlife management, diseases and extinction of species are managed in that portfolio. We can get these responses from that portfolio, but they are not really directly production related issues.

Senator MILNE—Except that we are going to a one-health system. I thought that was what we were busy doing.

Dr O'Connell—That is why Dr Carroll is connected in the way he is. As a department, we do not have responsibility for World Heritage area management for native diseases around wildlife.

Senator MILNE—Which minister is responsible for the Australian Wildlife Health Network?

Dr Carroll—We manage the Wildlife Health Network through the administered funds. As I have said, that is an information-sharing network, not a network necessarily that is undertaking active surveillance or responding to disease incidents.

Senator MILNE—But, when I asked, 'What is Australia's wildlife health system?' you answered that it is the Australian Wildlife Health Network. Now I find out that Australia's wildlife health system is simply a network that processes information in the arena. There is nobody out there looking, assessing, scanning and providing that information except for state governments, if they happen to do this sort of thing.

Dr O'Connell—I would want us to provide you with information around what the environment portfolio does in this area as well. This is a joint sort of area, which predominantly relates to production issues. It is an area in which we deal with Biosecurity, which relates predominantly to wildlife; their interest is predominantly in native species management. Dr Carroll and those in other parts of both portfolios work together to try to create the linkages, and we have a variety of arrangements that make these linkages. But the actual response arrangements at the moment would be best looked at in that portfolio, particularly for issues that are within the World Heritage area.

Senator MILNE—I appreciate the World Heritage area, but these should be a matter of concern. These animals are not just stuck in the World Heritage area; they are throughout Tasmania. All these diseases are opportunistic infections, which these animals ought to be able to fight off. Suddenly, at the same time, all these

animals are in population collapse with these diseases. Something is going on, and I want to know who is responsible for looking at it. But I will come back to questions you can answer in terms of the Hendra virus. What has the Australian wildlife health system determined regarding the reasons for the emergence of diseases such as the Hendra virus?

Dr Carroll—The Hendra virus has been looked at obviously more widely than just through the wildlife health area. The Australian Animal Health Laboratory at Inala has put a lot of effort into researching Hendra, as has the Australian Biosecurity CRC. It is, as you know, a virus carried by bats. It tends to be excreted in birthing fluids. The general feeling is that, when you have habitat disturbance—and bats move—you are more likely to get excretion of the virus. They may roost in areas over horses and horses are quite susceptible, so the virus will spill over into the horse population. It can be transmitted from horse to horse, but you do not get a lot of horse-to-horse transmission. Unfortunately, it can be transmitted also to humans. But to pick up the virus from horses you need to have fairly close exposure to a horse and, basically, to be exposed to horse bodily fluids.

Various studies are underway to look at why we find it in Queensland and not in New South Wales et cetera. So they look at the bats, but the actual species that seems most responsible for the Hendra outbreaks seems to be one that does not extend deep down into New South Wales; it tends to be something that occurs more in Queensland. A series of projects have been undertaken looking at Hendra specifically because it has a human health element and gets into livestock species as well as livestock.

Senator MILNE—But we still don't know why it is emerging as a disease in bats.

Dr Carroll—It has probably been in bats for quite some time. It is more emerging as a disease spilling over into horses. It is also quite likely that the disease may have occurred for quite some time and not been diagnosed. It is closely related as well to Nipah virus that occurs in South-East Asia, where again you get overflow from bats but there has been no case going into pigs. In Bangladesh now Nipah has mutated so that it can pass from person to person as well, which is more serious. But, in general, most of these diseases seem to be associated with habitat disturbance.

Senator MILNE—The Emergency Animal Disease Watch Hotline has been set up, but I understand that it defaults to each state agency, which is usually the agricultural department. Do you regard that as being effective?

Dr Carroll—Certainly it is reverting to the state agencies because, under our system, the states are responsible for disease within their jurisdictions. In general, it is the agricultural agencies that have the veterinary expertise available to assess and investigate an incident.

Senator MILNE—But are you satisfied that there is investigation of the incidents?

Dr Carroll—It will depend on the seriousness of the incident. From an agricultural department perspective, our predominant focus is on what we call the 'OIE list of diseases', being diseases which relate predominantly to trade or could affect human health or livestock production rather than perhaps those that would only affect non-livestock species. That is the way that system is set up to operate with the state agricultural departments.

Senator MILNE—Having said that, do you accept that wildlife disease can be a canary in the coalmine, in terms of emerging disease that can cross species?

Dr Carroll—As I have said, that is one of the reasons why we attempt to monitor what is happening in the non-livestock sector and make assessments of that and also maintain a scanning capacity. We look to see whether anything is happening overseas as well.

Senator MILNE—I shall appreciate the information you can get for me about the incidences of all those diseases in Tasmania and what we can find out about them. I have one other matter, which is different. There was an incidence of an incursion of mainland yabbies into the Great Lake in Tasmania. I understand that these yabbies were brought in on the *Spirit of Tasmania* by mainland anglers. They walked straight through, took them up to where they were fishing in the Great Lake, put them into the lake and they were subsequently found. Firstly, I want to know whether anyone has been charged as a result of that—so what action was taken. Secondly, I want to know how it could occur that you could leave the *Spirit of Tasmania* with yabbies. Were they in an esky? How did this happen?

Dr O'Connell—This is a state issue. We do not regulate that sort of issue.

Dr Carroll—Under the animal health arrangements in Australia, we do not look at introduced species, such as yabbies or invertebrates that might be introduced. Our involvement on the animal side is with diseases.

Dr O'Connell—We can certainly check with Tasmania as to whether anybody has been prosecuted.

Senator MILNE—I am afraid that I thought we had everyone, including Biosecurity, here tonight.

Dr O'Connell—Yes, we do; however, you are talking about a state concern.

Senator MILNE—I am talking about a breach of quarantine going into Tasmania; it is prohibited.

Dr O'Connell—From the mainland you are talking about?

Senator MILNE—From the mainland.

Dr O'Connell—That is a state issue. It is not a Commonwealth government quarantine issue.

CHAIR—Senator Milne, have you completed?

Senator MILNE—Yes, that is all right.

CHAIR—Thank you. Dr Carroll, I just have to say that you passed with flying colours because Senator Back was nodding in approval of your answers. I have a couple of very quick questions, Dr O'Connell. If there were an outbreak of BSE, what effect would that have on the Australian meat industry under the current policy?

Dr O'Connell—Under the current policy we would effectively have to take all the meat off the shelves; we would have to do that to be consistent with the policy that we have internationally. That has been part of the concern from the meat industry: that there would be a wholesale pull-off from the shelves and so the industry would be disrupted to that degree. That was the point that I think David Inall was making in the quotation that I read from the *Australian Financial Review*, that the domestic beef industry would be disrupted as well.

CHAIR—How many other countries have a blanket approach to imports from countries that have BSE?

Dr O'Connell—I think no countries at present—and I could be corrected—have retained the old policy of 'blanket'. However, Mr Morris might be able to help.

Dr Carroll—Also, internationally BSE is handled slightly differently from many other diseases. For foot-and-mouth disease and rinderpest, OIE recognises that we are 'free'. For BSE, there is a category called 'negligible risk'. So BSE is dealt with quite differently as it is not a conventional contagious disease. It is looked at considering the risk mitigation measures that you can put in place to safely trade in product. That is why we are classified as 'negligible risk' and, therefore, can export to other countries. The main markets that examine us for BSE—such as Japan, the European Union et cetera—recognise us as 'negligible risk' rather than 'free'.

Dr O'Connell—Perhaps Mr Morris can confirm that no other country currently has a blanket ban. Is that correct?

Mr Morris—No. We are not aware of any developed countries that have a blanket ban. It would be hard to say that we had looked at every single country in the world; I could not confirm that for sure. But we are not aware of any.

Dr O'Connell—I believe that certainly none of the key beef trading nations—Japan, Canada, New Zealand, Europe, the USA, South Korea and Taiwan—have blanket bans.

Mr Morris—No. In fact, gradually over time most of those countries have been relaxing their policy. As recently as Friday of last week, Taiwan relaxed their BSE policy even further and allowed in bone-in beef from the United States. So there has been a general trend of countries relaxing their arrangements over time.

CHAIR—I have actually read that. They sent me that news from Taiwan today. What food safety import standards will need to be met?

Mr Morris—The food safety standards are twofold. First are the explicit ones in relation to BSE; they are the ones spelt out in the policy document that I have referred to a few times. So there are the specific BSE ones. Then there is the standard set of food safety requirements that all countries exporting beef or any product to Australia would be required to meet. So countries will be required to meet those general food standard requirements as well.

CHAIR—Is the control of BSE throughout the world improving?

Dr O'Connell—Yes.

Mr Morris—Yes. That was a definite finding of the report by Professor John Mathews. He examined the trend over time in terms of management of BSE globally, looking at both the reduction in the number of cases

in animals as well as the number of cases of the human form of the disease. He looked at the management methods that had been used and found that there had been dramatic improvements over time in all of those figures.

Dr Carroll—The expectation is that BSE will steadily decline to an extremely low number with the implementation of ruminant feed bans.

CHAIR—With what? I am sorry, Dr Carroll; you are a bit hard to hear.

Dr Carroll—I am sorry. With the implementation of ruminant feed bans, it is expected that it will decline steadily to an extremely low level because it is a disease which is predominantly spread through eating infected product. Most countries in the world these days have in place systems that prevent the feeding of ruminant material to ruminants, including Australia; it is a very stringent system.

CHAIR—It sounds as though the decision to import beef from those countries is done on good science. I know there are other questions on that.

Senator COLBECK—Just to follow on from that, Dr O’Connell, would it be right that compulsory removal of SRMs would remove the ‘meat off the shelf’ problem?

Dr Carroll—No.

Dr O’Connell—You do not think that is the case?

Dr Carroll—The previous Australian policy was of not accepting beef—this is my understanding—of any form from a country that had had a case of BSE.

Senator COLBECK—I understand that. The issue in Australia is that, if there is an incidence of BSE in Australia, you would have to take the meat off the shelves—

Dr Carroll—Yes. To comply with—

Senator COLBECK—that is the concern of the industry—to comply with the current protocols. So, if Australia were to implement compulsory removal of SRMs, that would not resolve the problem?

Dr Carroll—That would not resolve the problem, no.

Senator COLBECK—Thank you. That is all I need to know. What has been the reaction in Taiwan to the change in protocols?

Mr Morris—Do you mean the one on Friday?

Senator COLBECK—Yes.

Mr Morris—I have not seen the reaction, so it is difficult for me to answer that at the moment.

Senator COLBECK—The Mayor of Taipei, who is a former professor at the National Taiwan University’s institute of food science and technology, has slammed the decision to change the protocols; so this is someone who obviously has qualifications.

Dr O’Connell—We obviously could not comment on the Taiwanese protocol or the commentary in Taiwan on that.

Senator COLBECK—I put on the record that that is what the Mayor of Taipei has said in response to the Taiwanese decision.

Dr O’Connell—As I have said, it is clearly not something that we could comment on sensibly.

Senator COLBECK—I understand that. Let us go to AQIS. Dr O’Connell, what might be the process to fill the ‘poisoned chalice’ position, if I might use those words? You will have had six executive directors in 2½ years, by the time we get to a new placement and taking into account the temporary incumbent from Friday. Is it that bad a job? You do not have to answer that question.

Dr O’Connell—Regrettably, Mr Delane has received the offer of heading up the Western Australian Department of Agriculture.

CHAIR—It is a significant win for Western Australia.

Dr O’Connell—And he is a Western Australian.

Senator COLBECK—We understand that that is a very attractive position for him and we offer him our congratulations. We recognise that he has worked hard to try and drive reform, but it does not alter the fact that we have had a bit of a roundabout.

Dr O'Connell—Perhaps I might put on record my thanks to Mr Delane for the efforts he has made over the last year; he has done a terrific job, from my perspective. We will, of course, go through a process of selection, and I would expect that to happen as quickly as we can do it.

Senator COLBECK—Will it be an internal or an external process?

Dr O'Connell—It will be an external process, an open process.

Senator COLBECK—I will go just quickly to the Chinese beef patties. In an answer to a question on notice, eight tonnes of beef patties were reported to us as coming from China; we now have been told that they came from New Zealand. Can we get a sense of the circumstance of that unfortunate advice?

Dr O'Connell—I might ask Dr Parker to explain the background.

Dr Parker—As the secretary outlined in his letter to the committee regarding the circumstances that surrounded the information that was provided to the Senate, essentially it is what we call an 'AIMS dump', where the information is extracted from the AIMS system; that was provided to the Senate. It certainly would have been more helpful for us to put some context around that so that you understood that that was simply data that came out of that system. They are really the circumstances that surrounded it. That data is essentially gleaned from the Customs system and that is entered by Customs brokers. It is a simple data entry issue. Product is not cleared on that data. Product is cleared on whatever documentation is required for the particular product, and that is a face-to-face on documentation.

Senator COLBECK—So it was an error in data entry by a client of the system.

Dr Parker—That is correct.

Senator COLBECK—What process did we go through to determine that it came from New Zealand, which is where it actually came from? Can you give us any more details about who brought the shipment in and what the process was? What follow-up action has been taken to ensure that you do not have these sorts of discrepancies occurring again?

Dr Parker—There is some difficulty for us: we are unable to change those particular data entries. The system does not allow us to physically change them; they have to be changed by the Customs brokers. The system that we have put in place is one of reminding all our officers who work in that particular area that, when they clear consignments and recognise discrepancies on the documentation, they must get back to the Customs brokers, who then are able to correct that particular data entry on the system.

Senator COLBECK—Do we know who brought them in and confirmed that they came from New Zealand?

Dr Parker—On tracing it back to that particular entry, we were able to determine on the documentation that was cleared that it was New Zealand product and not product out of China.

Dr O'Connell—It is probably worth emphasising that, from the biosecurity perspective, the check is made on the documentation that comes through, not on that entry in the Customs system. From the documentation it was clearly New Zealand, and the documentation would always come up with that being correct, assuming it had been put in correctly.

Senator COLBECK—Do we know who imported the stuff?

Dr Parker—I would have to take that on notice. I do not have that specific information.

Senator COLBECK—That was part of the question I think the committee asked the department when we discovered the mistake in the first place. I just have a concern about the system, I have to say. But, if it is a matter of data entry by the users of the system, doesn't that leave open the possibility for other concerns to develop? How do we monitor that? How would you have found that, had it not been for the fact that you were asked to provide that particular data? What checking processes do you have in place to ensure that—

Dr O'Connell—I think the point that Dr Parker is making is that the biosecurity assessment is made against the documentation that goes with the import, and the documentation was accurate. This is what we are referring to: ask what has been imported and go into the Customs system, and that comes out of the Customs system. If the Customs system is not accurate, we can certainly try to get it corrected, but it is not a system that we have rights to modify. We can read the news—

Senator COLBECK—But, if we ask for information, that is the system that we rely on.

Dr O'Connell—Yes. But what I think Dr Parker is pointing to is that, if we probably characterised that and then made it clear that it was the documentation that we went by in terms of the biosecurity clearance, you would have confidence that this was not any biosecurity risk; it was a Customs broker's recording issue.

Senator COLBECK—I will go quickly to the AQIS reforms. Have there been any meetings of the ministerial task force in the last months since the disallowance motion passed? Effectively, where are we at with that process?

Dr O'Connell—I think we mentioned at the start of the previous Senate hearings that, following the disallowance motion, we have the issue related to the shortfall of cash funding that we need to manage. The reform process that was being driven has to be put on hold and is on hold. The issue around the management, of the cash problem that we have, as I have mentioned, is the one that we are dealing with at the moment. Obviously that cash problem will translate into an industry debt, which goes into the—

Senator COLBECK—Effectively, you do not have a cash problem; the industry has a cash and debt problem.

Dr O'Connell—No. I think at the moment we have a cash problem too. Until I get a decision on how to fund it, I have a cash problem, because at a certain point in time I am—

Senator COLBECK—Which is going to be made the industry's debt problem.

Dr O'Connell—We have to have that decision. But obviously the industry certainly will end up with a debt—that is right—at the end of this process. Potentially, it will be around the \$47 million mark by the end of the year and another \$60 million the following year.

CHAIR—Thank you, Senator Colbeck. Senator O'Brien has one question.

Senator O'BRIEN—Given the change of government in Japan, which effectively is changing for the first time in five decades to a party of the centre left, and given that party's policy on agriculture, biosecurity and trade, when will the department be in a position to give this committee a private briefing on the ramifications for Australian agriculture?

Dr O'Connell—I will ask Mr Morris or Mr Burns, if they are around. We probably need to see a small amount of history underway with the new government over there, but I think we would be comfortable obviously in discussing—

Senator O'BRIEN—I am not asking for it now—just a timetable.

Dr O'Connell—Perhaps we could come back to the committee chair with a suggestion about when would be a sensible time for us to make an assessment of what was involved in the new government there bedding down enough so that we had sufficient information to make that useful, if that would be helpful.

Mr Burns—I might just add that Minister Crean is in Japan at the moment and some of our DFAT colleagues are with him. I think Minister Crean is going to be meeting with the new agricultural minister. So obviously we will get some read-out from that and that will help inform us.

Dr O'Connell—But we will certainly keep in touch and make sure that we—

Senator O'BRIEN—There is certain information around that I am sure you will become aware of.

Senator BACK—I just want to draw attention to the quarantine situation with the horse industry. I understand that AQIS last week commenced discussions with the horse industry regarding the proposed closure of the Spotswood quarantine centre for horses. Firstly, can you confirm that that is the case?

Dr O'Connell—I might pass over to Dr Ann McDonald, who is responsible for the horse importation business.

Dr McDonald—The cessation of horse imports into Spotswood was associated with one of the fee options that we discussed with the industry.

Senator BACK—How many quarantine facilities for horses coming into Australia does that leave us with?

Dr McDonald—Horses are still being accepted into Spotswood at the moment. So at the moment we have Eastern Creek, the other government station for horses. Also, there are horses coming into the RVL facility at Sandown.

Senator BACK—They are specifically coming in for competitions for the cup and then hopefully leaving without the cup. Can you tell me when Spotswood is due to close?

Dr McDonald—The fee option that the industry supported, which includes cessation of horse imports into Spotswood, is associated with the last intake of horses in October this year. That consignment is there at the moment and they will leave Spotswood about mid-November, I think; I am not sure of the exact date.

Senator BACK—Could you take on notice and advise us, please, of the number of horses that have come into Spotswood and Eastern Creek in the last couple of years, the average length of time they are in there and the cost per animal during their quarantine process? Is it not the case that the lease on Eastern Creek expires in 2015?

Dr McDonald—That is correct.

Senator BACK—Could you give us some advice as to what the department's planning is in terms of future facilities for quarantine of horses?

Dr O'Connell—We have a process underway—basically, a whole-of-government process—to look at the quarantine stations' requirement and what needs to be put in place to manage the leases running out. In that process, we are working with the department of finance, particularly their property people, to go through, if you like, a standard first and second parts process to make an assessment of what we need to do. Then we will inform government decisions and budgetary decisions. That is right across our quarantine stations.

Senator BACK—Thank you for that. The Callinan review obviously drew attention to a range of difficulties at Eastern Creek: poor equipment, underfunding, under-resourced. Can you advise us, in a couple of minutes, of just what has been addressed to try to ensure that—

Dr O'Connell—Dr McDonald can tell you what has happened since that time.

CHAIR—I just remind the committee that that is the last question for the evening.

Dr McDonald—The import conditions have been strengthened. I think I gave some information on this at the last estimates hearing. We have upgraded the facilities at Eastern Creek as well. We have new shower facilities out there; they are of a flow-through design. We have updated the work instructions for our quarantine officers. We have quarantine officers and/or security guards there 24 hours a day. We have taken information or recommendations from an expert group on horse importation about changes that need to be made at that station. As a result of those recommendations, we are upgrading the stables and changing the air vents so that it is safer for the horses. We are also changing the wire on some of the turnout paddocks so that it is safer. Biosecurity Australia is doing an import risk analysis, as you know. I suppose that is it, as far as Eastern Creek goes. We are obviously looking at other little things that need to be done there as well. We are looking at fire hydrants that are exposed, as well as all sorts of other things.

Senator BACK—Finally, I put on notice: the risk mitigation strategies that you have in place in the event that horses have to be evacuated from Eastern Creek for any reason—fire in the barns or whatever. I understand that time has run out, Chairman. I thank you for your patience.

CHAIR—Thank you, Senator Back. On behalf of the committee, Dr O'Connell, thank you very much to you and your officers. Parliamentary Secretary Stephens, thank you. To Hansard and Broadcasting: thank you very much. That concludes today's hearing. The committee now stands adjourned.

Committee adjourned at 10.00 pm