

Chapter 4

Biosecurity issues and the role of research and development

4.1 This chapter outlines the threat posed to the industry by pests and diseases and the policies currently in place to deal with incursions of diseases such as fruit fly, citrus canker and Huanglongbing (HLB). It also examines the role of research and development, not only in countering the threat of disease, but in developing new, high-quality, disease-resistant varieties of fruit, with a view to enhancing the Australian industry's competitiveness into the future.

Background

Emergency Plant Pest Response Deed

4.2 The eradication of emergency plant pest incursions which pose a potential threat to Australia's agricultural industry is conducted in accordance with the National Emergency Preparedness and Response Plan (the response plan). The response plan specifies the procedures for handling emergency plant pest incursions at the national, state, territory and district levels.

4.3 Following the detection of an emergency plant pest and declaration of an outbreak, the Consultative Committee on Emergency Plant Pests (CCEPP) meets to determine the feasibility of eradication. The CCEPP is Australia's key technical body for co-ordinating national responses to emergency pest incursions and assessing the technical feasibility for their eradication. The CCEPP makes recommendations to the National Management Group (NMG), the decision making body that determines whether to proceed with an eradication campaign and, if so, approves the national cost sharing arrangements to fund the campaign. The NMG is made up of the following representatives:

- Secretary of DAFF (Chair);
- CEOs of the affected state and territory government departments;
- President/Chairman of each of the affected industry parties; and
- Plant Health Australia (PHA) (as an observer).¹

4.4 Funding for eradication campaigns is allocated under the Emergency Plant Pest Response Deed (EPPRD), a formal cost sharing agreement covering industry and government funding arrangements for the eradication of emergency plant pests. The current EPPRD, which was ratified on 26 October 2005, is an agreement between PHA, the Commonwealth government, all state and territory governments and plant industries, including Citrus Australia.

1 Plant Health Australia, *Emergency Plant Pest Response Deed (EPPRD), Questions and Answers*, February 2011, p. 8.

4.5 Under the EPPRD, Emergency Plant Pests (EPPs) are determined to be in one of four 'Categories'. It is these 'Categories' which determine the cost sharing split between affected government and industry parties, based on the relative private and public benefits of eradication of the pest (see Table 2 below).

Table 2 – EPPRD cost sharing categories²

Category of disease	Cost share
Category 1: Large impact on the environment, human health or amenity flora values and relatively little impact on commercial crops	100% public funding
Category 2: Significant impact on amenity flora and/or environmental values and/or effects on households, or very severe regional and national economic impacts	80% public funding 20 % private funding
Category 3: Minor adverse impact on public amenities, households or the environment, and/or moderate trade implications and/or national and regional economic implications	50% public funding 50% private funding
Category 4: Primarily affects commercial cropping industries, with minor or no economic, trade or environmental impacts	20% public funding 80% private funding

4.6 If a national emergency response is agreed under the EPPRD, the Commonwealth pays 50 per cent of the government share in all instances, with the balance of the government share divided between the relevant states and territories.

4.7 Under the EPPRD, the Commonwealth has agreed to initially meet an industry party's cost-sharing obligation where that industry party is unable to do so. The Commonwealth's payment is made on the basis that the industry party will repay the Commonwealth within a reasonable period of time (generally no longer than ten years) using a pre-agreed funding mechanism, such as an EPP Response Levy.³

4.8 Parties to the EPPRD can establish an EPP Response Levy to meet financial liabilities for responses under the EPPRD. While this is not the only option, many industries have chosen this approach, as it provides the greatest flexibility in relation to adjusting levy rates to suit particular needs. Other options available include using

2 Plant Health Australia, *Emergency Plant Pest Response Deed (EPPRD), Questions and Answers*, February 2011, p. 6.

3 Plant Health Australia, *Emergency Plant Pest Response Deed (EPPRD), Questions and Answers*, February 2011, p. 9.

funds held by the industry in trust accounts, voluntary levies or funds raised by other means.⁴

Biosecurity issues

Citrus Industry Biosecurity Plan (IBP)

4.9 The Citrus Industry Biosecurity Plan (IBP), the second version of which was released in 2009, provides the framework for the Australian government, the Australian citrus industry and other relevant stakeholders to assess the citrus industry's current biosecurity practices and future biosecurity needs, including:

- the identification of high risk pests and diseases;
- risk mitigation practices and surveillance activities; and
- contingency plans to deal with an exotic pest or disease.

4.10 All Australian governments, PHA and the Australian citrus industry worked collaboratively to develop the IBP, which has been endorsed by the Plant Health Committee and the citrus industry through Citrus Australia Limited (CAL), which has responsibility for the plan.⁵

Fruit fly

4.11 The committee received a number of submissions from individual growers and industry bodies which stressed the importance of controlling fruit fly. The committee was told, for example, that the additional cost of complying with fruit fly regulations can be quite high and that it is one more significant overhead that growers are required to deal with. Mr Greg McMahon, Managing Director of Seven Fields, noted that there are a number of export markets which require growers to place their fruit in cold storage (for up to 15 days) to ensure it is free of fruit fly.⁶

4.12 The committee was told that each state and territory jurisdiction funds its own fruit fly control or eradication program. For this reason, the management policies and practices in relation to fruit fly vary significantly across the country – both in terms of funding levels and administrative practices.

4.13 Griffith and District Citrus Growers Association (GDCGA) member, Mr Vito Mancini, noted that Queensland fruit fly is a significant pest restriction for the export of citrus (and for a number of other commodity crops grown in Australia). Mr Mancini told the committee that whilst there are tri-state organisations and other associations which share data, each state controls their own pests individually.⁷

4 Plant Health Australia, *Emergency Plant Pest Response Deed (EPPRD), Questions and Answers*, February 2011, p. 9.

5 Department of Agriculture, Fisheries and Forestry, *Submission 35*, p. 23.

6 Mr Greg McMahon, Seven Fields, *Committee Hansard*, 4 July 2013, p. 40

7 Mr Vito Mancini, Griffith and District Citrus Growers Association, *Committee Hansard*, 3 July 2013, p. 4.

National or regional approach

4.14 Submitters and witnesses were divided in their view as to whether a national or a regional approach was required to manage fruit fly. For example, Mr Mancini argued that as fruit fly is a pest of 'national significance', a national response is warranted:

I would also like to add to that that fruit fly is a national pest of significance. It affects not only New South Wales but also the other exporting states. It would probably be an easier approach having it federally instead of each state doing their own little separate program. If federally they adopt a program, I think you will see a more unified approach to the way fruit fly is combatted, especially on the ground here and chased up in export markets with the way protocols are formed.⁸

4.15 It was also submitted, however, that whilst a national approach to dealing with fruit fly is necessary, it is also important for regional interests to be represented. At the committee's Mildura hearing, Mr Michael Keenan (former member of the HRDC) explained that:

For example, if you had a national policy on fruit fly, it would be very difficult to apply that locally. The regional area has been dealing with fruit fly because it is not endemic. They have been supplying free material to growers in the core areas of fruit fly outbreaks. You could not possibly do that nationally, because Queensland would be wanting free material which the organisation could not afford.

...

There are national issues about fruit fly research, market access and in-transit treatment for fruit fly control. Those issues are national, and I strongly support them. I commend Citrus Australia for the action they have been taking in those directions. But my point is that in our original issues, which are dealing with control, eradication and so on to minimise those costs—eradication is a big saving in our costs, particularly as we are on a very low bottom line where we are now—there is a role to play for both. I strongly support both very good national and very good regional organisation.⁹

4.16 Representatives of GDCGA agreed that, in addition to a national approach to fruit fly control, programs tailored to particular regions (and specific situations) are sometimes required. The GDCGA acknowledged that management methods may need to be tailored to respond to specific fruit fly infestations – particularly given that a fruit fly infestation in Griffith and an infestation on the coast of Queensland may respond differently to the same chemicals.¹⁰

8 Mr Vito Mancini, Griffith and District Citrus Growers Association, *Committee Hansard*, 3 July 2013, p. 4.

9 Mr Michael Keenan, *Committee Hansard*, 4 July 2013, p. 14.

10 Mrs Carmel La Rocca, Griffith and District Citrus Growers Association, *Committee Hansard*, 3 July 2013, p. 10

4.17 It was also suggested that personal incentives for managing fruit fly can vary depending on whether or not the citrus is being grown for export. Mr Frank Battistel, a naval orange producer argued, for example, that a farmer who grows Valencia oranges for juicing – which do not need to meet export requirements – may not have quite the same incentive to manage fruit fly:

The problem was that navel producers like me and Bart, who rely on export, will try to do everything, because we need to export this product. However, it is different for a valencia producer, who is only using oranges for juice—for which it does not matter because it does not have to meet export requirements—or a backyarder who probably rents the property and did not even want the tree there in the first place. I am trying not to generalise, because there are a hell of a lot of backyarders and producers that do not export that did the right thing, but there are a hell of a lot of people that did not care. So that was always difficult, because realistically, if everyone did the right thing, we would have no fruit fly in the area, but there was always the problem of trying to get everyone to actually do the right thing.¹¹

4.18 The costs of managing fruit fly – and the funding governments are prepared to provide to control the pest – also vary considerably across state jurisdictions.

4.19 Mr Vito Mancini observed, for example, that in terms of New South Wales (NSW), the funds allocated by the state government to manage fruit fly have decreased significantly in the past decade – to the point where they have become almost insignificant.¹²

4.20 At the committee's Mildura hearing, Mr Colin Nankivell, a citrus grower, indicated that whilst fruit fly is not endemic to his particular region, there are a range of factors which are creating a greater risk of 'periodic infestation'.¹³ Mr Nankivell also raised the issue of funding for fruit fly control:

... governments are withdrawing support for both interception and eradication. So I guess we are looking at having to fund full cost recovery for a problem that is not necessarily of our making.¹⁴

State government involvement

4.21 The committee was told that recent changes to funding arrangements in Victoria and NSW have meant that growers in these states have had to shoulder an extra financial burden. Mr John Tesoriero, Chairman of the MVCB advised the committee that:

Changes in state government policy re the management of fruit fly have place[d] a significant burden on our local citrus producers in the Murray

11 Mr Frank Battistel, *Committee Hansard*, 3 July 2013, p. 16.

12 Mr Vito Mancini, Griffith and District Citrus Growers Association, *Committee Hansard*, 3 July 2013, p. 3.

13 Mr Colin Nankivell, *Committee Hansard*, 4 July 2013, p. 12.

14 Mr Colin Nankivell, *Committee Hansard*, 4 July 2013, p. 12.

Valley, where 70 per cent of the cost of maintaining the pest-free area of Sunraysia is now borne by the grower, and 30 per cent by the governments of New South Wales and Victoria. Admittedly, we were able to get Horticulture Australia funding and also some of the national levies to offset some of those costs, but it is still a significant burden on our industry.¹⁵

4.22 Riverina citrus grower, Mr Bart Brighenti also told the committee that the cost of controlling fruit fly is a major impost on his business. Mr Brighenti noted that although the fruit fly problem is industry-wide, there are 'acute differences in how it can be controlled and methods of market access'.¹⁶

4.23 The committee was also informed that since the cessation of the Riverina's regional board, the New South Wales Department of Primary Industries (NSWDPI) controls funding for fruit fly management in the Riverina area. Mr Brighenti noted that the Sunraysia and Riverland areas have either achieved 'area freedom'¹⁷ or look to have it reinstated because of support from their state departments – and argued that these regions have a \$3-a-carton export advantage over the Riverina.¹⁸

4.24 Mr Frank Battistel told the committee that in the Riverina alone, the citrus industry spends over \$50 million on farm inputs annually which in turn generates jobs in the community. He argued that, in the current economic climate, it is not appropriate to pass on further costs to growers. However, Mr Battistel also noted that the NSW government has withdrawn support for maintaining trapping grids and a fruit fly control and eradication program within the residential area of the Fruit Fly Exclusion Zone (FFEZ).¹⁹

4.25 Mr Battistel argued that:

The NSW Government want the growers to wear the total cost of this, however it is a community benefit if we have a citrus industry that is profitable and exporting citrus. The community should be assisting in funding this through tax dollars.²⁰

4.26 Mr Battistel also made the following suggestion in relation to fruit fly management:

15 Mr John Tesoriero, Chairman, Murray Valley Citrus Board, *Committee Hansard*, 4 July 2013, p. 56.

16 Mr Bart Brighenti, *Committee Hansard*, 3 July 2013, p. 12.

17 Fruit fly area freedom is vital for market access. Since 1990 it has been managed through codes of practice under national and international agreements. The standard practice is based on the deployment of static trapping grids covering orchards, towns and urban areas. The grids are relatively effective when numbers are high, but are an ineffective strategy to detect early fruit fly incursions and are becoming increasingly expensive to deploy and maintain due to the prescribed fixed distances between traps.

18 Mr Bart Brighenti, *Committee Hansard*, 3 July 2013, p. 12.

19 Mr Frank Battistel, *Submission 2*, p. 3.

20 Mr Frank Battistel, *Submission 2*, pp 3–4.

If we were able to achieve fruit fly free status during winter (winter window) when most of the exporting is done and not require cold disinfestation we could direct the saving back in to fruit fly control currently done by the state government. This is a time when the industry needs the support of State and Federal Government to see it through and maintain a citrus industry in Australia. Approximately \$3 million is spent by growers in cold disinfestation and \$2 million by State government on fruit fly measures in the Riverina.²¹

4.27 The NSW Farmers' Association pointed to the reform of the biosecurity system currently being undertaken in NSW. It was noted that these reforms are creating uncertainty for NSW citrus growers and that the biosecurity strategy currently being developed by the NSW government will ultimately have an impact on the cost sharing arrangements between citrus growers and state government for the delivery of biosecurity services.²² NSW Farmers submitted that:

The uncertainty can be seen with the current withdrawal of government funds that support the maintenance of trapping grids and fruit fly control and eradication programs in the Fruit Fly Exclusion Zone (FFEZ) and protected areas.²³

4.28 For these reasons, NSW Farmers expressed strong support for the development of clear guidelines around cost sharing arrangements between government and growers.²⁴

Fruit fly – area freedom

4.29 Mr Bart Brighenti also expressed concerns about the withdrawal of NSW DPI control measures. Mr Brighenti argued that the withdrawal of the control measures means that the Riverina has no ability to achieve 'area freedom' – because only NSW DPI has the ability to implement control measures in towns and villages. Mr Brighenti argued therefore that:

The Riverina has only one real option available and that is farm freedom, or place of pest-free production. This will hand over control and reward growers or groups of growers that invest in fruit fly control measures at their own initiative and cost, and it will also insulate them from the impact of outbreaks from growers and backyard gardeners who refuse efforts to control the pest. Place of pest-free production is receiving no interest. While desperately needed and demanded by packers and growers in the Riverina as recently as last week, Citrus Australia's market access coordinator, David Daniels, was interviewed on ABC radio saying he did not support this.²⁵

21 Mr Frank Battistel, *Submission 2*, p. 4.

22 NSW Farmers' Association, *Submission 26*, p. 9.

23 NSW Farmers' Association, *Submission 26*, p. 9.

24 NSW Farmers' Association, *Submission 26*, p. 9.

25 Mr Bart Brighenti, *Committee Hansard*, 3 July 2013, p. 12.

4.30 The Murray Valley Citrus Board (MVCB) acknowledged that Queensland fruit fly (QFF) has been a major problem for growers in the Murray Valley region (and other areas) over the past two seasons. It was noted that as QFF is considered by all export markets to be a serious pest risk, growers have been 'required to spend a large amount of money in treating properties in outbreak areas as well as their fruit both pre and post harvest'.²⁶

4.31 The MVCB submitted that the Victorian and NSW governments 'are to be applauded for their very substantial financial support to eradicate QFF outbreak'.²⁷ It was also submitted, however, that:

Regrettably this support is now being reduced and industry is charged with the responsibility of funding the shortfall required. It is absolutely critical that the Sunraysia Pest Free Area (PFA) regain freedom from QFF. Without acceptance of this freedom by export markets, growers will be required to spend large amounts of money for additional treatment on fruit. This additional cost coupled with high exchange rates will render most export markets uneconomic.²⁸

4.32 The Costa Group noted that one competitive advantage the Riverland region currently has is the ability to export citrus without the need for cold disinfestation treatment (to combat fruit fly). The committee was told that not only 'does this present significant production cost savings, it also allows citrus growers to supply high quality fruit to export markets'.²⁹

4.33 The committee heard that the outbreak of fruit fly in other states significantly increases the risk to the South Australian citrus industry, therefore, it is imperative that the South Australian government continue to provide funding toward the operation of the fruit fly checkpoint at Yamba on the South Australia/Victoria border. The Costa Group suggested that the absence of this checkpoint will increase the potential for the outbreak of fruit fly and expose the South Australian citrus industry to serious risk. It was also argued that an outbreak of fruit fly in the Riverland would have an adverse impact on future investment in the citrus industry and the region generally.³⁰

Cost sharing with other horticultural industries

4.34 Sunraysia Citrus Growers (SCG) noted that the citrus industry is not the only horticultural industry impacted by fruit fly. SCG also suggested that QFF is the largest regionally-sourced cost penalty imposed on the southern Australian citrus industry. It was argued that the direct cost to growers is in the order of approximately \$50 per

26 Murray Valley Citrus Board, *Submission 9*, [p. 4].

27 Murray Valley Citrus Board, *Submission 9*, [p. 4].

28 Murray Valley Citrus Board, *Submission 9*, [p. 4].

29 Costa Group, *Submission 13*, p. 12.

30 Costa Group, *Submission 13*, p. 12.

tonne of fruit picked – a total of approximately \$6 million of direct costs in the Sunraysia region.³¹

4.35 SCG submitted that additional costs are incurred in regionally based control measures and there are also indirect costs 'associated with marketing fruit which is perceived as being of lesser value due to the requirement for cold treatment'.³²

4.36 It was noted that the citrus industry in the Sunraysia region has a long track record of contributing financially to fruit fly control – particularly through the activities of the Murray Valley Citrus Board (MVCB). The committee was also told that, unfortunately – due to an absence of appropriate structures for raising industry funds – other fruit industries have not made a financial contribution to the management of fruit fly in the region.³³

4.37 At the committee's hearing in Mildura, SCG Chairman, Mr Vince Demaria called for the Commonwealth government to introduce a national fruit fly management levy on all host produce:

We believe the introduction by government of a national fruit fly management levy on all host produce would provide necessary and equitable funds for the management and eradication of and research into Queensland fruit fly. Such a levy would be welcome[d] by other industries, as they also suffer significant economic losses due to Queensland fruit fly.³⁴

Import conditions for citrus products

4.38 The committee was told that because of Australia's geographic isolation and quarantine systems, it has remained relatively free of many of the pests that cause substantial issues for citrus production overseas. Significant economic pests and diseases of citrus that pose a risk to Australian industry are:

- citrus canker;
- Mal Secco (a fungal disease of citrus); and
- citrus greening (also known as Huanglongbing, or HLB) and its vector, the Asian citrus psyllid.³⁵

4.39 DAFF also told the committee that sound management and effective risk mitigation had prevented these pests and diseases from establishing in Australia, and that current (and any future trade in citrus) was underpinned by the department's:

... rigorous, science-based analyses of the potential risks of the importation of citrus products; the establishment of import conditions (where necessary to mitigate risks to achieve Australia's appropriate level of protection); and

31 Sunraysia Citrus Growers Inc., *Submission 20*, p. 2.

32 Sunraysia Citrus Growers Inc., *Submission 20*, p. 2.

33 Sunraysia Citrus Growers Inc., *Submission 20*, p. 2.

34 Mr Vince Demaria, Sunraysia Citrus Growers Inc., *Committee Hansard*, 4 July 2013, p. 54.

35 Department of Agriculture, Fisheries and Forestry, *Submission 35*, p. 23.

verification of the capacity of exporting countries to meet Australia's import requirements through the use of offshore inspection, audit (particularly for new commodities/production regions) and other operational systems implemented by DAFF, including inspection and compliance checks at ports and mail exchanges. Imports are permitted on an individual application basis which culminates in the issuance of an import permit.³⁶

Disease threats

4.40 Whilst the statement made by DAFF reflects the department's confidence in Australia's biosecurity system, the committee was concerned to hear from a number of witnesses who argued that both citrus canker and the citrus greening disease (known as Huanglongbing (HLB)) do pose a serious and imminent threat to Australia's citrus industry.³⁷

4.41 The committee heard from a number of witnesses that preventing the entry into Australia of both citrus canker and HLB needs to be a biosecurity priority, particularly as there is 'no cure for trees infected with HLB and the fruit produced by infected trees is not suitable for the fresh produce market or juice processing'.³⁸ Griffith producer Mr Frank Battistel went as far as to say that if HLB were to enter Australia, growers would not be able to meet the costs associated with managing the disease and it would spell the end of the citrus industry.³⁹

Citrus canker

4.42 In her submission Mrs Patricia Barkley, a citrus pathologist and former Principal Research Scientist with NSW DPI, told the committee that since the first major infestation of citrus canker – which occurred in Emerald in 2004 – the Canker Contingency Plan has not been brought up to date for use in future incursions:

No revision has occurred. Staff with knowledge and experience of citrus canker in all state departments and DAFF are retiring or being made redundant. Information gained from the Emerald incursion should not be lost and an up-to-date Plan, incorporating the Final Emerald Response Plan (a confidential document), QDPI Canker Work Plans and new scientific data on strains, host susceptibility etc should be drafted.⁴⁰

4.43 Mrs Barkley referred to the Interim Inspector General of Biosecurity's 2011 review of the systems DAFF has in place to manage biosecurity risks along entry pathways. Ms Barkley noted that the review had identified the following potential pathways for the entry of citrus canker to Australia:

36 Department of Agriculture, Fisheries and Forestry, *Submission 35*, p. 23.

37 See, for example, Mr Frank Battistel, *Submission 2*, Mrs Patricia Barkley, *Submission 4*, Costa Group, *Submission 13*, Sunraysia Citrus Growers Inc., *Submission 20*, NSW Farmers' Association, *Submission 26* and Fruit West, *Submission 36*.

38 Costa Group, *Submission 13*, p. 12.

39 Mr Frank Battistel, *Submission 2*, p. 4.

40 Mrs Patricia Barkley, *Submission 4*, p. 2.

- propagative material,
- citrus fruit (commercial or in passenger luggage);
- leaves;
- fruit peel; and
- tourism.⁴¹

4.44 Bearing in mind the potential pathways, Mrs Barkley expressed concerns regarding the amount of citrus material intercepted. Mrs Barkley noted that at Melbourne International Airport, from January 2010 to April 2011, quarantine officers had seized 4892 citrus items (or approximately 81 per week) and passengers had not declared 1162 of these items.

4.45 Mrs Barkley also expressed concern that despite the high level of citrus material confiscated, it would appear that limited testing is conducted. She noted, for example, that in June 2012, 142 kilograms of kaffir lime leaves with citrus canker were seized in Melbourne. Unfortunately, the relevant reports did not indicate if the leaves were fresh, if they had been dried or steamed, or whether they contained live canker bacteria.⁴²

Huanglongbing (HLP) and Asian Citrus Psyllid (ACP)

4.46 Huanglongbing (HLP) and its vector the Asian Citrus Psyllid (ACP) represent a major threat to the Australian citrus and nursery industries. Mrs Barkley suggested that whilst it is likely that HLB is already present in Australia (possibly introduced on an illegally imported Asian citrus variety) the disease cannot be spread without its vector (ACP).⁴³

4.47 Mrs Barkley indicated, however, that there is a high probability that a private citizen, tourist or immigrant will introduce the HLB-associated bacterium and/or ACP into Australia through the inadvertent movement of plant material (including budwood, fruit and kaffir lime or curry leaves) from their homeland or areas visited, to their backyard in a residential area.⁴⁴

4.48 The committee was informed that last year, three adult ACP were found on curry leaf leaflets intercepted at Melbourne Airport. Other potential pathways are illegal introductions of budwood from South Africa, Brazil, Asia and Florida, air movements (cyclonic and jet streams) carrying infected psyllids from areas in which HLB and ACP occur (for example the Indonesian archipelago and Papua New Guinea), military planes from Guam, Hawaii, American Samoa and Asia.⁴⁵

41 Mrs Patricia Barkley, *Submission 4*, p. 2.

42 Mrs Patricia Barkley, *Submission 4*, p. 2.

43 Mrs Patricia Barkley, *Submission 4*, p. 4.

44 Mrs Patricia Barkley, *Submission 4*, p. 4.

45 Mrs Patricia Barkley, *Submission 4*, p. 4.

4.49 Mrs Barkley's submission outlined the severe impact ACP and HLB have had on Florida's citrus industry – with reports that up to 90 per cent of Florida's citrus groves have some level of infection. Californian and Texan citrus industries have also been threatened as ACP moves across the United States and up from Mexico. It was also reported that, in Brazil, the number of plants with HLB symptoms has increased from 3.8 per cent in 2011 to almost 7 per cent in 2012.⁴⁶

4.50 Whilst Mrs Barkley told the committee that 'ACP and HLB in tandem present an entirely new threat and potential significant economic loss to the Australian citrus and nursery industries', she also argued that:

... keeping these pests out of Australia could provide one of the greatest economic benefits to our industry given the effects on juice production in Florida and Brazil and the impending situation faced by California.⁴⁷

4.51 Professor George Beattie, an international authority on HLB and its vectors, described HLB as 'the most serious disease of citrus'.⁴⁸ He told the committee that the impacts of the pathogen that causes the Asiatic form of the disease are devastating when it is transmitted efficiently, as it is by the Asiatic citrus psyllid in Asia and the Americas. Insecticides slow, but do not prevent, the spread of the disease which can have severe impacts on national economies and food security.⁴⁹

4.52 Professor Beattie told the committee that he is deeply concerned about what he believes is a 'lack of preparedness and capacity of the citrus and nursery industries to deal with incursions of exotic pests and diseases – particularly HLB and its vectors'.⁵⁰ He also expressed concerns that:

The pest specific contingency plan for the citrus and nursery and garden industries for Huanglongbing and its vectors (Beattie & Barkley 2009) is now out of date. A substantial revision requiring at least 6 months full-time work is required. No adequate arrangements have been made for this to be done.⁵¹

4.53 Professor Beattie questioned whether PHA and DAFF personnel have the level of expertise required to undertake this work, and noted that the 'authors of the current contingency plan have not been requested to undertake or participate in the review, despite their expertise and current awareness'.⁵²

4.54 Professor Beattie also expressed concern that diagnostic protocols for HLB which should have been finalised several years ago have not yet been completed. He

46 Mrs Patricia Barkley, *Submission 4*, p. 3.

47 Mrs Patricia Barkley, *Submission 4*, pp 3–4.

48 Professor George Beattie, *Submission 42*, [p. 3].

49 Professor George Beattie, *Submission 42*, [p. 3].

50 Professor George Beattie, *Submission 42*, [p. 2].

51 Professor George Beattie, *Submission 42*, [p. 4].

52 Professor George Beattie, *Submission 42*, [p. 4].

also argued that cost-sharing agreements between the Australian citrus industry and the Commonwealth government in relation to HLB and its vectors need to be reviewed. It was noted, for example, that the current Cost Sharing Deed lists '*Ca. Liberibacter asiaticus*' as Category 2, for which 80 per cent funding for managing an incursion is provided by the government and 20 per cent by the industry.

4.55 Professor Beattie noted that the Asiatic citrus psyllid is listed as Category 3 (50 per cent government: 50 per cent industry) and argued that it should be listed as Category 2.⁵³ Dr Beattie submitted that:

It is the vector of a serious disease. It should (must) not be categorised in the same way that an insect or mite that does not transmit a disease is categorised. Some states (e.g., New South Wales where some 40% of citrus in Australia is produced) seem to be reluctant to categorise it as a category 2 on the basis of the potential cost of an eradication program.⁵⁴

4.56 Representatives from the Queensland Department of Agriculture, Fisheries and Forestry (Qld DAFF) also described HLB as 'an extremely serious threat to the Australian citrus industry'.⁵⁵ The department told the committee that:

The rapid spread and massive economic impact of the HLB disease in the United States, and its emergence in Papua New Guinea and other near neighbours of northern Australia, is concerning for the Queensland citrus industry. Given Queensland's proximity to countries with HLB to the immediate north, the risk of natural introduction, as well as incidental introduction, of the Asian citrus psyllid (*Diaphorina citri* – the vector for the spread of HLB) and HLB is greatly increased.⁵⁶

4.57 It was also noted that, based on the risk described above, the Queensland government is supportive of industry moves to develop a dedicated biosecurity project including surveillance, education and response plans for HLB. Most importantly however, Qld DAFF also insisted that 'any such biosecurity measures must treat HLB and the psyllid with equal levels of concern and threat to the industry'.⁵⁷

53 Professor George Beattie, *Submission 42*, pp 3 and 4 and Professor George Beattie, *Committee Hansard*, 3 July 2013, pp 26 and 27.

54 Professor George Beattie, *Submission 42*, [p. 4].

55 Dr Michael Kennedy, Queensland Department of Agriculture, Fisheries and Forestry, *Committee Hansard*, 3 July 2013, p. 51.

56 Queensland Department of Agriculture, Fisheries and Forestry, *Submission 1*, p. 1.

57 Queensland Department of Agriculture, Fisheries and Forestry, *Submission 1*, p. 1.

Nursery/breeding stock

4.58 The Australian Citrus Propagation Association Incorporated (Auscitrus)⁵⁸ told the committee that a 'clean nursery stock programme is the foundation of a robust fruit production industry'. Auscitrus indicated that, since its inception in 1927, the budwood and seed scheme:

... has been at the forefront of addressing a number of biosecurity threats to the citrus industry: grapefruit stem pitting in the 1930's, root rot in the 1940's, exocortis in the 1950's, psorosis virus etc.⁵⁹

4.59 Auscitrus also noted, however, that whilst previous pest and disease threats were overcome by the supply of resistant or tolerant rootstocks and the provision of pathogen-free budwood; these diseases 'pale into insignificance compared with the threat of huanglongbing (citrus greening)'.⁶⁰

4.60 Auscitrus told the committee that, having seen the devastation caused by HLB in Florida and Asia, the organisation held a risk analysis workshop (and a follow-up meeting) to determine how the citrus budwood scheme should address the HLB threat. It was resolved that that organisation would work toward:

- maintenance of budwood sources in insect-proof screenhouses;
- a legally mandated certification or accreditation scheme for use of pathogen-tested citrus budwood; and
- registration of all nurseries.⁶¹

4.61 The Australian Nurserymen's Fruit Improvement Company (ANFIC)⁶² submitted that all sectors of the industry must take responsibility for protecting Australia's citrus industry from disease outbreaks.⁶³ It stressed that the 'National Citrus Budwood Scheme is critical as the last line of defence against any of the severe diseases which could be introduced from outside Australia's borders and rapid recovery for the industry'. ANFIC also raised concerns about the use of plant material not sourced from the national scheme:

It is well known that several variety managers in Australia are commercialising new citrus varieties and NOT using clean citrus budwood from the scheme. This not only places the industry at risk but also places

58 Auscitrus is the trading name of the Australian Citrus Propagation Association Incorporated, a national 'not for profit' industry organisation, comprising citrus growers and nursery operators from each state. Auscitrus is responsible for supply of citrus budwood and seed in Australia, from its own facilities at Dareton (NSW), as well as operating under a Deed of Licence with the NSW Department of Primary Industries at research institutes at Dareton and Camden.

59 Australian Citrus Propagation Association Incorporated, *Submission 25*, p. 1.

60 Australian Citrus Propagation Association Incorporated, *Submission 25*, p. 1.

61 Australian Citrus Propagation Association Incorporated, *Submission 25*, p. 1.

62 ANFIC is one of Australia's largest Intellectual Property (IP) management companies specialising in fruit variety commercialisation for the Australian fruit industries.

63 Australian Nurserymen's Fruit Improvement Company, *Submission 5*, p. 2.

compliant variety managers at a significant commercial disadvantage. Any divergence from this National Citrus Budwood Scheme could leave the citrus industry wide open to serious disease outbreaks.⁶⁴

4.62 Mrs Patricia Barkley was in favour of a nursery registration process supported by legislation. She argued that a registration process would ensure that those involved in the nursery industry (particularly those growing citrus and citrus relatives, particularly *Murraya* (orange jasmine) and *Berbera* (curry leaf) are identified and address details are current – this must include producers and sellers at 'flea market' retail outlets.⁶⁵

4.63 Mrs Barkley also expressed her support for a mandatory budwood certification scheme supported by legislation that ensures that all nurserymen use budwood from a pathogen tested source.⁶⁶

Research and development

4.64 Citrus growers and industry representatives noted, with some concern, that there has been a significant decline in research and development funding for the citrus industry over recent years. It was suggested that there are a number of areas in which governments could assist with the allocation of research funding. These include rural biosecurity and development projects, pest and disease control options and improved citrus varieties.⁶⁷

Improved citrus varieties

4.65 The Costa Group, supported need for increased research and development funding and, in particular, stressed the importance of governments investing in 'innovation':

An example of such innovation is the introduction of improved mandarin varieties. Such improved varieties will serve to better address issues relating to the value chain and customer demand however this innovation (and risk taking) requires the expenditure of capital, including the planting of new trees and also the reworking of existing trees. This can only properly occur through investment in research and development that is adequately supported by government policy, including appropriate tax breaks for research and development investment.⁶⁸

4.66 SCG suggested that 'varietal change is an integral part of any horticultural industry' and noted that 'easy peel seedless mandarins' currently provide the greatest

64 Australian Nurserymen's Fruit Improvement Company, *Submission 5*, p. 2.

65 Mrs Patricia Barkley, *Submission 4*, p. 6.

66 Mrs Patricia Barkley, *Submission 4*, p. 6.

67 See for example, Australian Nurserymen's Fruit Improvement Company, *Submission 5*, p. 3, Costa Group, *Submission 13*, p. 9, Queensland Department of Agriculture, Fisheries and Forestry, *Committee Hansard*, 3 July 2013, pp 51–59 and Professor George Beattie, *Submission 42*, [p. 2].

68 Costa Group, *Submission 13*, p. 9.

opportunity for growth in the citrus industry. SCG acknowledged, however, that major structural change is very costly, and often involves a long lead time. Growers also run the risk that some varieties (often heavily marketed by private owners) may not be suited to Australian growing or market conditions.⁶⁹

4.67 SCG argued, therefore, that it 'is crucial that independent research by government agencies is maintained to evaluate the many new varieties and facilitate informed investment'.⁷⁰

4.68 Dr Michael Kennedy, Qld DAFF, told the committee that, in relation to research and development, there are 'great opportunities out there waiting to be exploited for breeding to further improve the opportunities for the citrus industry to export'.⁷¹

4.69 Qld DAFF's submission noted that citrus industry profitability is increasingly being driven by exports. It was argued that quality, low-seed, easy-to-peel citrus products are what consumers want, so breeding mandarin varieties that appeal to the consumer in terms of colour, sweetness, shape and juiciness (and which meet both Australian and international expectations) is vital to the growth of the industry.⁷²

4.70 Qld DAFF referred to Agri-Science Queensland's sub-tropical breeding program which is conducting research into improving the eating quality of mandarins. Research scientists are also investigating how to reduce Murcott mandarins' susceptibility to wind rub damage, and it was noted that a successful breeding outcome would reduce the quantity of downgraded product each season and improve financial returns to growers.

4.71 Qld DAFF further submitted that the opportunity exists to breed new citrus varieties which maintain their quality during transport and storage. It was also argued that the development of new mandarin varieties (which close the seasonal gap) will provide Queensland growers with a competitive market edge into the future. It was argued, however, that:

Existing research and development needs of the citrus industry far exceed the available resources. Citrus Australia supports, where possible, a number of specialised projects in accordance with their strategic plan. Levies collected on behalf of the industry are distributed between the states and have previously had a greater focus on orange based commodities. A greater level of investment is required if the industry is to remain competitive into the future.⁷³

69 Sunraysia Citrus Growers Inc., *Submission 20*, p. 2.

70 Sunraysia Citrus Growers Inc., *Submission 20*, p. 2.

71 Dr Michael Kennedy, Queensland Department of Agriculture, Fisheries and Forestry, *Committee Hansard*, 3 July 2013, p. 52.

72 Queensland Department of Agriculture, Fisheries and Forestry, *Submission 1*, p. 3.

73 Queensland Department of Agriculture, Fisheries and Forestry, *Submission 1*, p. 4.

4.72 CAL's Chairman, Ms Tania Chapman, told the committee that the peak body has introduced a number of new national programs. These include new national quality standards which focus on improving the 'eating experience', which have a clear focus on growing exports to Asia. Ms Chapman acknowledged that it is a challenge for the citrus industry to rethink its varietal mix and told the committee that not everyone will be pleased or happy with the change – nor will change be easy. Ms Chapman argued, however, that the industry is changing, and in fact 'many growers are positive about the future':⁷⁴

They are investing in new varieties, new packing technologies and marketing capabilities, not just in one region but in every region: in Western Australia; here in Mildura, the Seven Fields new facility will open this weekend; in South Australia; in New South Wales; the Estens and Grove Juice in Queensland. We estimate \$50 million to \$70 million is being invested now – and that is just the equipment; that is not even mentioning the dollars that growers are investing in changing over to new varieties.⁷⁵

Decline in research and expertise

4.73 Professor George Beattie told the committee that he is 'gravely concerned' about what he described as a national decline in research and extension expertise related to the citrus and nursery industries. Professor Beattie also expressed concerns about a lack of 'impartial funding of citrus research CAL and Horticulture Australia Limited (HAL)'.⁷⁶

4.74 Professor Beattie also raised concerns about what appears to be increasing reliance by PHA, DAFF and CAL on expertise in the United States rather than on equivalent or superior expertise in Australia.⁷⁷ He also argued that:

Support for research and extension is hindered by the current economic circumstances of the citrus industry, diversion of research and development funds by Citrus Australia for activities not related to research and development, and a levy that is not adequate for supporting sound, long-term research and development.⁷⁸

4.75 It was also argued that, since the 1970's, there has been a steady decline in state and federally funded positions servicing pure and applied research needs for the citrus and nursery industries – to the point where few positions remain. Professor Beattie noted that:

Some 50% to 100% of full-time citrus pathology and entomology positions have been lost. Loss of this expertise will have serious consequences for the

74 Ms Tania Chapman, Citrus Australia Ltd., *Committee Hansard*, 4 July 2013, p. 64.

75 Ms Tania Chapman, Citrus Australia Ltd., *Committee Hansard*, 4 July 2013, p. 65.

76 Professor George Beattie, *Submission 42*, [p. 2].

77 Professor George Beattie, *Submission 42*, [p. 3].

78 Professor George Beattie, *Submission 42*, [p. 2].

long-term viability of the industry in relation to biosecurity, export market access and pre- and postharvest pest and disease management.⁷⁹

4.76 Ms Tania Chapman, told the committee that there have been positive signs of increased investment in equipment and technology across the industry. Ms Chapman argued, however, that the citrus industry also needs to be prepared to invest in itself – more specifically, in research and development.⁸⁰

4.77 Ms Chapman then raised the issue of the citrus industry's current research and development levy and noted that, in terms of funding:

Our R&D levy has remained stagnant: \$2.75 for the last 20 years. So, as all of the costs of production and all of our costs of doing R&D have skyrocketed, we are still at that very small, outdated rate.

Each year, we go into the regions and our growers give us their wish list: 'This is what we need to make a difference in our industry, to make a difference to our bottom line.' But, quite simply, there is not enough money to do all of that work.⁸¹

4.78 Ms Chapman also argued that, unfortunately, it is sometimes difficult to raise additional funding to provide the types of services that growers have come to expect. Ms Chapman told the committee that:

There are a lot of growers out there who no longer pay state based levies at all and now think that 'That \$2.75, \$3, whether it be \$5.50 here in the Murray Valley, I don't need to pay that anymore. I can keep that in my pocket.' But they will be the first ones to put their hand up and say 'Why didn't something get done about HLB or why isn't something done about promotions? So many of them are not prepared to put their money where their mouths are.'⁸²

4.79 In an article dated 30 October 2013, CAL indicated that it has 'broad support for an increase to the levy growers pay for research and development'.⁸³ Growers currently pay a levy of \$2 per tonne of fruit sold, and it is likely that would be increased by an additional \$1.50 – \$2.00 per tonne to fund new research projects,

4.80 Ms Judith Damiani, argued that more money is needed to help the Australian citrus industry move forward – particularly as the research and development levy has not changed in 20 years.⁸⁴

79 Professor George Beattie, *Submission 42*, p. 2.

80 Ms Tania Chapman, Citrus Australia Ltd., *Committee Hansard*, 4 July 2013, p. 65.

81 Ms Tania Chapman, Citrus Australia Ltd., *Committee Hansard*, 4 July 2013, p. 65.

82 Ms Tania Chapman, Citrus Australia Ltd., *Committee Hansard*, 4 July 2013, p. 70.

83 ABC Rural, Media Release, *Citrus Growers asked for more research money*, 30 October 2013, p. 1.

84 ABC Rural, Media Release, *Citrus Growers asked for more research money*, 30 October 2013, p. 1.

4.81 Ms Damiani indicated that the major priority for the citrus industry is gaining market access and looking to reduce tariffs through free trade agreements. CAL is also committed to making sure that Australia's pest status remains as it is – 'very clean and green' – making biosecurity the second biggest priority for the citrus industry.

4.82 Ms Damiani argued, however, that while there is grower support for the research levy, more debate is needed on broadening and increasing the industry levy to marketing programs:

There is a marketing, or promotion, levy. At the moment, it's 75 cents a tonne on oranges only.

It doesn't raise a lot of money, so it's a very difficult thing for us to do in terms of promoting Australian oranges, particularly when we've got so many markets.⁸⁵

4.83 Ms Damiani indicated that there needs to be further consultation with growers about increasing the levy to fund marketing of Australian oranges and mandarins. Ms Damiani acknowledged that this consultation that may provoke 'a bit more of a challenging discussion'.⁸⁶

Management of pests and diseases

4.84 The committee was told that research and development and the sharing of information play an important part in the management of various pests and diseases, particularly those which can have a major economic impact, such as fruit fly, citrus canker and HLB.

4.85 For example, Qld DAFF stressed the importance of breeding new varieties of citrus in the fight against disease:

Disease pressure in commercial mandarin orchards has increased dramatically in the last decade, and breeding is now recognised as the only economic solution to this problem. It also represents a solution that has market, consumer and environmental credibility.⁸⁷

4.86 Representatives of Qld DAFF also emphasised the need for states to share information in relation to pest control. For example, the department told the committee that the area-wide management program for fruit fly control in the central Burnett area has been 'quite a success story' and argued that there is opportunity for expanding the program and introducing it into other areas:

It does require a fair bit of R&D in order to get that to work, but we really commend that approach for the management of fruit fly. It is not for the eradication of fruit fly but the management of it, and it can have very

85 ABC Rural, Media Release, *Citrus Growers asked for more research money*, 30 October 2013, p. 2.

86 ABC Rural, Media Release, *Citrus Growers asked for more research money*, 30 October 2013, p. 2.

87 Queensland Department of Agriculture, Fisheries and Forestry, *Submission 1*, p. 3.

significant improvements for the economics of the operation of the industry.⁸⁸

National Fruit Fly Strategy

4.87 In March 2006, the NSW, South Australian and Victorian governments approached PHA. PHA was requested to develop a strategy with a national focus in relation to fruit fly species, but which took into account the impact of fruit fly on the community and on interstate and international trade.⁸⁹ The National Fruit Fly Strategy (NFFS) was developed through a collaborative effort involving Australia's horticultural industries, state and territory governments and various research institutions.

4.88 The strategy, released in March 2008, made a series of recommendations in relation to market access, communication, surveillance systems and management tools. The strategy also made a number of recommendations regarding research and development, acknowledging that:

Research and development activities underpin all elements of fruit fly management, providing technically justifiable approaches and innovative solutions to meet the requirements of market access and biosecurity, operations and legislation and regulation. The identification and prioritisation of current and future research and development is essential to maintaining horticultural production and market access advantages in Australia.⁹⁰

4.89 In 2009, a new, expert-based Fruit Fly Strategy Implementation Committee examined the HAL Horticulture Market Access R&D Strategic Plan (2009/10 to 2013/14) and reviewed and prioritised the initiatives contained in the draft NFFS. The Committee (which was made up of industry and government experts) used these resources to develop the National Fruit Fly Strategy Implementation Action Plan.

4.90 Following broad public consultation, the Implementation Committee finalised a three-year plan, which was released in April 2010. The plan set out fifteen key initiatives and projects to 'facilitate an enhanced and sustainable national approach to the management of fruit flies in Australia over the next three years (2010 to 2013)'.⁹¹ In addition, a new governance mechanism was proposed that was designed to 'guide the implementation of these projects and provide ongoing coordination and support for industry and governments from a national perspective'.⁹²

4.91 The NFFS Action Plan was designed specifically to:

88 Dr Michael Kennedy, Queensland Department of Agriculture, Fisheries and Forestry, *Committee Hansard*, 3 July 2013, p. 52.

89 Plant Health Australia, *Draft National Fruit Fly Strategy*, March 2008, p. 4.

90 Plant Health Australia, *Draft National Fruit Fly Strategy*, March 2008, p. 6.

91 National Fruit Fly Strategy Implementation Committee, Plant Health Australia, *National Fruit Fly Implementation Action Plan*, October 2009, p. 5.

92 National Fruit Fly Strategy Implementation Committee, Plant Health Australia, *National Fruit Fly Implementation Action Plan*, October 2009, p. 3.

- enable government, industry and community investment to be carefully prioritised and targeted towards maintaining, protecting and enhancing critical domestic and international market access;
- reduce overlap of effort and duplication of resources across regions, jurisdictions and industries;
- ensure financial investment in maintaining market access brings optimum returns for industry and government stakeholders;
- provide significant support for local industry management of fruit flies in both endemic and pest free areas;
- improve coordination of operational responses to fruit flies in all production areas; and
- facilitate the sustainable and long-term management of fruit flies, with support for industry and government stakeholders provided by a national governance mechanism.⁹³

4.92 CAL noted that from July 2013, it is proposed that state government funding for fruit fly control in NSW and Victoria will be further reduced. The peak industry body argued, however, that in order to tackle fruit fly (horticulture's biggest pest and trade restriction) industry and governments need to continue to support the NFSS and provide 'investment into critical infrastructure such as an effective sterile insect factory for Queensland fruit fly'.⁹⁴

4.93 The Costa Group expressed its strong support for the National Fruit Fly Strategy which it described as a 'viable, cost-effective and sustainable national approach to fruit fly management which will place Australia in the forefront of international biosecurity'.⁹⁵

4.94 Strong support for the NFSS was also expressed by a number of submitters who argued that one way governments can help manage biosecurity risks and costs is to continue to fund and support the implementation of the NFSS.⁹⁶

4.95 Citrus and avocado grower, Mr Keith Richards, indicated that the funding provided by the Victorian government over recent years has been both recognised and appreciated. It was noted, however, that the high level of state government support will no longer be provided – leaving growers to bear approximately 70 per cent of the ongoing costs of the administration and maintenance of the Pest Free Area. Mr Richards argued that in terms of funding:

93 National Fruit Fly Strategy Implementation Committee, Plant Health Australia, *National Fruit Fly Implementation Action Plan*, October 2009, pp 3–4.

94 Citrus Australia Limited, *Submission 15*, p. 8.

95 Costa Group, *Submission 13*, p. 11.

96 See, for example, NSW Farmers' Association, *Submission 26*, pp 9–10 and Fruit West, *Submission 36*, p. 6.

As it is a problem which emanates predominantly from urban areas, and impacts on export potential and viability, I would respectfully submit that there is a national interest involved (if there is to be more than lipservice paid to the catch cry of Australia being the food bowl of Asia) and that Commonwealth funding ought to be provided in that area.⁹⁷

Committee comment

Fruit fly

4.96 The committee acknowledges the concerns raised by both individual growers and industry bodies about the importance of controlling fruit fly. The committee notes that the additional costs associated with fruit fly management and complying with fruit fly regulations can be a significant expense for growers – particularly those growing citrus for export to countries which require cold storage treatment prior to shipment.

4.97 The committee notes that recent changes to funding arrangements – particularly in Victoria and NSW – have meant that growers in these states have had to shoulder an extra financial burden. The committee agrees that the current situation whereby states and territories fund their own fruit fly control or eradication programs is problematic. The lack of consistency in terms of funding levels and administrative practices is also making it difficult for industry stakeholders to respond effectively to the management of pests – particularly fruit fly.

4.98 The committee recognises that producers and stakeholder groups are divided in their view as to whether a national or a regional approach is required to manage fruit fly. Having reviewed the evidence, however, the committee believes that there is a need for both levels of involvement. A national approach is necessary, for example, to co-ordinate research efforts, negotiate trade and market access and provide a co-ordinated response to outbreaks.

4.99 On a practical level, the committee acknowledges that programs tailored to particular regions and specific situations are also required. The committee therefore supports the continuation of state and regional management and responses to fruit fly control. The committee is concerned, therefore that state governments are withdrawing funding for this important pest management task – meaning that the financial burden is increasingly falling on growers.

4.100 The committee notes that the citrus industry has long been committed to the management of fruit fly and has a history of contributing financially to the management of fruit fly. The committee recognises that other horticultural industries experience similar economic losses in relation to fruit fly, however because the appropriate structures for raising industry funds do not exist, other fruit industries have not made a financial contribution to the management of fruit fly.

4.101 The committee believes that some thought should be given to the introduction of a national fruit fly management levy, payable on all host produce. This would be

97 Mr Keith Richards, Palinyewah Producers, *Submission 23*, p. 5.

more fair and equitable and will provide the necessary funds for management activities and much needed research in relation to this destructive and costly pest.

4.102 The committee also notes that there is industry support for the continuation of the NFFS and continued investment in critical 'fruit fly' infrastructure.

Biosecurity risks

4.103 The committee has always taken an active interest in Australia's biosecurity, and is very concerned about the evidence provided during the inquiry in relation to the types of biosecurity risks currently facing the Australian citrus industry. The committee agrees that preventing the entry into Australia of both citrus canker and HLB (and its vectors) should be being treated as a major biosecurity priority. In reviewing the evidence presented, however, the committee seriously questions whether the citrus industry is adequately prepared to deal with an incursion of diseases such as citrus canker and HLB.

4.104 The committee notes the evidence provided by several well-respected scientific experts about diseases such as citrus canker and HLB and shares their concerns in relation to diagnostic processes and contingency plans not having been reviewed and brought up to date.

4.105 The committee also shares the concerns of those who submitted that the current cost sharing arrangements – particularly in relation to HLB and its vectors – are currently in need of review. The committee notes, for example, the suggestion that the Cost Sharing Deed's current listing of *Ca Liberibacter asiaticus* as a Category 2 should be amended to Category 3 and agrees that this issue is worthy of review.

Budwood and seed scheme

4.106 The committee agrees with those who argue that all sectors of the industry must take responsibility for protecting Australia's citrus industry from disease outbreaks. The committee is aware, however, that in the event of a disease incursion, resistant or tolerant rootstocks and pathogen-free budwood will be required to rebuild the citrus industry.

4.107 The committee notes that, since the late 1920's, Australia has been fortunate that the budwood and seed scheme administered by Auscitrus has been available to provide disease-free replacement stock. The committee also notes that Auscitrus is aware of the devastation diseases such as HLB can cause, and has been proactive in determining how the budwood and seed scheme can best address the HLB threat.

4.108 The committee notes that the courses of action recommended by Auscitrus, including: the maintenance of budwood sources in insect-proof screenhouses, a legally mandated certification or accreditation scheme for use of pathogen-tested citrus budwood and the registration of all nurseries are supported by various sectors of the industry.

4.109 The committee notes the concerns raised about the use of any plant material not sourced from the national scheme, an action which leaves the citrus industry open to serious disease outbreaks and places those who use the scheme at a commercial disadvantage. The committee notes that there is general support for a mandatory

budwood certification scheme supported by legislation – scheme that ensures that all nurserymen use budwood from a pathogen tested source.

4.110 The committee notes that there is also support for a nursery registration process supported by legislation. It is vital that, in the event of a disease outbreak, those involved in the nursery industry able to be identified and located this should include all producers and sellers – including those selling at small markets.

Research and development

4.111 The committee recognises the importance of funding research and development, particularly in relation to improved citrus varieties and the management of pests and diseases.

4.112 The committee is concerned by the evidence about the recent decline in research and development expertise in relation to the citrus and nursery industries. The committee also notes the concerns raised by people such as Professor Beattie about the lack of impartial funding for citrus research in Australia. The committee is disappointed that, a lack of Australian research and development means that there appears to be an increasing reliance on overseas expertise – particularly in the United States – rather than on Australian-based expertise.

4.113 A number of citrus growers and industry representatives argued that additional investment in research and development will allow the Australian citrus industry to move forward. Whilst the committee acknowledges this argument, it also acknowledges the comments made by the peak industry body (and others) regarding the difficulties associated with raising additional funds for research and development activities – particularly in relation to market access, biosecurity and disease management.

4.114 The committee notes CAL's announcement that it will be seeking to increase the research and development levy paid by growers and seek growers' views on broadening and increasing the levy to fund marketing programs. CAL stated that, whilst there is general support for an increase to the research levy, more consultation is required with growers regarding broadening the levy to include marketing.

4.115 The committee is in general agreement that there should be an increase in the research and development levy. However, in light of the concerns expressed about CAL's handling of research funding, the committee suggests that considerable consultation with growers is required – both in relation to funding for research and development and for marketing. The committee is of the view that in seeking additional funding, CAL needs to consult levy payers on the level of the increase, and the focus of future research projects. Levy payers need to trust that their funding dollars are being expended effectively and that funding processes are transparent.

Recommendation 9

4.116 The committee recommends that the Commonwealth and state governments continue to support the National Fruit Fly Strategy with a view to implementing key recommendations which would reduce the cost and effort to growers and industry of managing fruit fly.

Recommendation 10

4.117 The committee recommends that, in conjunction and consultation with horticultural industries, the Australian Government consider the introduction of a national fruit fly levy across all industries associated with host material, to help fund the implementation of the National Fruit Fly Strategy.

Recommendation 11

4.118 The Committee recommends that an integrated approach be taken to the management of fruit fly at both a national and regional level, to ensure that regionally-specific fruit fly issues (for example, South Australia being fruit fly free, New South Wales and Victoria dealing with Queensland fruit fly and Western Australia dealing with Mediterranean fruit fly) are managed appropriately.

Recommendation 12

4.119 The committee recommends that the Australian citrus industry and DAFF take immediate steps to ensure updated contingency plans are in place to effectively manage incursions of diseases such as HLB (and its vectors) and citrus canker, and ensuring this is adequately funded.

Senator Glenn Sterle
Chair

