Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2006

Agriculture, Fisheries and Forestry

Question No: BA01

Division/Agency: Biosecurity Australia
Topic: IRA Process
Hansard Page: 68 (31/10/06)

Senator O'Brien asked:
Can we get an idea of the resources that have been applied to these sorts of import risk assessments in the past in terms of personnel and dollars so that we can assess that over time? Can you take that on notice and give us that information?

Answer:
Since commencing separate financial accounts as a prescribed Agency on 11 February 2005, the estimated resources that have been applied to the major legacy import risk analyses until 30 June 2006 are:

IRA	Staffing levels average	Employee Costs $'000s	Consultants and Contractors $'000s	Other costs $'000s	Total Cost $'000s
Apples	11.5	1,500	402	963	2,865
Bananas	10.4	1,385	523	830	2,738
Prawns	4.5	630	58	337	1,025
Chicken Meat	2.8	456	30	232	718

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2006

Agriculture, Fisheries and Forestry

Question No: BA02

Division/Agency: Biosecurity Australia
Topic: Chicken meat import risk analysis
Hansard Page: 74 (31/10/06)

Senator O'Brien asked:
I am going to ask about the chicken meat import risk assessment process. Which countries are seeking to export fresh chicken meat to Australia and which countries have expressed an interest in sending product here?

Answer:

The United States, Thailand, Denmark, Malaysia, Brazil and China have sought access for fresh and processed chicken meat products into Australia. New Zealand has access for cooked chicken meat and is seeking access for fresh product.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2006

Agriculture, Fisheries and Forestry

Question No: BA03

Division/Agency: Biosecurity Australia
Topic: Avian influenza
Hansard Page: 78 (31/10/06)

Senator O'Brien asked:
So there are proper studies into the inactivation of AI virus by heat treatment. Is that what you are saying? …The references would be fine, thank you.

Answer:
References are attached and include publications from the World Health Organisation, the European Commission, the World Organisation for Animal Health (OIE), the European Food Safety Authority and the International Journal of Food Microbiology.

[BA 03 attachments A-E – not included. Available from the committee secretariat on request.]

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2006

Agriculture, Fisheries and Forestry

Question No: BA 04

Division/Agency: Biosecurity Australia
Topic: Consequence Assessment
Hansard Page: 82 (31/10/06)

Senator Ian Macdonald asked:
Mr Cahill—We do operate under a slightly different legislative framework as well and the Quarantine Act does acknowledge the prospect of some risk. I was wondering whether it would be helpful to the committee if we provided some further written information about issues to do with consequence assessment. We have encountered difficulties with stakeholders in their perception of how we approach that issue with the reality. If it helps, we would be happy to provide some further information about that.
Senator Ian Macdonald—You can convince me, because I obviously do not fully understand the technicalities. But people such as prawners and salmon growers engage what seem to me to be reputable and very able scientists and you are not able to convince them. That is the concern that I have in both instances, and there may be others.
Ms Hewitt—I will just add to John's suggestion that we do try to provide some written material for the committee. It is often difficult to convey this complex scientific material orally across the table and it might be the basis for perhaps a further discussion on a separate occasion. I would also like, with your agreement, to have colleagues consult the Department of Environment and Heritage. I know from my work in international environment negotiations that there is quite a lot of definitional rigour around the way in which we apply a precautionary principle as well in our environment legislation, as well as in other areas. It might be useful to go back to the comparison that you have asked us to make and try to put together some quite considered information for you and then, if the committee wishes, we could have a full follow-up discussion.

Answer:
Consequence assessment provides an estimate of the potential harm that may result from the establishment of an exotic pest or disease and is a component of the quarantine risk associated with an imported commodity.
In determining if the quarantine risk associated with the proposed importation of an animal or plant commodity is acceptably low, Australia draws on the concept of Appropriate Level of Protection (ALOP) as set out in the World Trade Organisation (WTO) Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement)**.** The SPS Agreement applies to all quarantine measures that may directly or indirectly affect international trade. The agreement defines ALOP as the level of protection deemed appropriate by the Member country establishing a sanitary or phytosanitary measure to protect human, animal or plant life or health within its territory.
Australia has expressed its ALOP as 'very low' but not zero.
ALOP can be illustrated using the *Risk Estimation Matrix* shown below. One axis of this matrix represents the likelihood or probability that a particular pest or disease

would establish in Australia, while the other axis represents the consequences or harm that may result if establishment of the pest and disease occurred. The cells of this matrix represent an estimate of quarantine risk derived from the values on the two axes.

The matrix shows that various combinations of likelihood and consequence, result in a 'very low' risk, and thereby achieve Australia's ALOP.

The approach taken by Biosecurity Australia (BA) is to assess the probability of a pest or disease entering and establishing in Australia via trade, and then combine this with the forecast consequences — using the matrix to provide an estimate of the quarantine risk associated with the importation of a particular commodity. If the estimated risk associated with a particular pest or disease of concern is very low or negligible, no risk management measures are needed. However, if the estimated risk is higher, risk management measures are evaluated to identify a measure or series of measures that would reduce the risk to 'very low'. If such a measure or series of measures can be identified, the least trade-restrictive measure or series of measures is used to develop detailed protocols to allow trade to proceed. If no such measure or series of measures can be identified, the application to import the commodity involved is rejected and trade does not proceed.

Risk Estimation Matrix

Likelihood of entry and exposure	*Negligible impact*	*Very low*	*Low*	*Moderate*	*High*	*Extreme impact*
High likelihood	Negligible risk	**Very low risk**	Low risk	Moderate risk	High risk	Extreme risk
Moderate	Negligible risk	**Very low risk**	Low risk	Moderate risk	High risk	Extreme risk
Low	Negligible risk	Negligible risk	**Very low risk**	Low risk	Moderate risk	High risk
Very low	Negligible risk	Negligible risk	Negligible risk	**Very low risk**	Low risk	Moderate risk
Extremely low	Negligible risk	Negligible risk	Negligible risk	Negligible risk	**Very low risk**	Low risk
Negligible likelihood	Negligible risk	Negligible risk	Negligible risk	Negligible risk	Negligible risk	**Very low risk**

Consequences of entry and exposure

The band of cells in this matrix marked 'very low risk' represents Australia's ALOP.

In assessing possible consequences, many factors are considered including:

- Potential production losses and costs that might be incurred by an industry by establishment of a new pest or disease;
- Trade losses (interstate and international) that might result from quarantine measures imposed and/or changes in Australia's pest and disease status;
- Damage to flora and fauna in the environment; and
- Loss of jobs and damage to local communities.

BA evaluates these potential impacts at four levels: local, district, regional and national. A series of 'decision rules' are then applied to combine these into an

estimate of overall national consequences (harm) that varies from negligible to extreme. This value is used in the matrix in estimating the overall risk. Guidance on estimating the consequences is provided in the BA Publication, *Guidelines for Import Risk Analysis*.

The estimated consequences are related to the size of the industry. In general, potential harm to large industries (e.g. the beef industry and grains industry) are likely to be greater than potential harm to small industries because, even a small percentage loss due to a new pest or disease in large industries, can result in large national economic loss. However, the situation is almost always much more complex than this. For example in some cases, a pest or disease might have only a small direct impact on an industry but could have a significant impact on the environment. One example is guava rust disease which affects a range of myrtaceous plants including *Eucalyptus spp*. If this disease were to establish and spread in Australia, it is unlikely to have a large effect on the plantation forestry industry, however it could have a severe impact on Australia's natural flora. Any consequence estimate would therefore need to take this into account.

There are also situations where the impact on production is quite small but the markets are particularly sensitive to the presence of specific pests and diseases. For example, although the direct production losses from foot-and-mouth of animals and karnal bunt disease of cereals are quite small, if these diseases were to occur here Australia would lose major export markets for beef and wheat, resulting in losses that could run into many billions of dollars per annum.

In some cases, the regional significance of particular industries may also need to be considered. For example, the majority of Australia's bananas are grown in the Tully region in north Queensland. Due to the high rainfall in this region, there are few alternative land-use options, leaving the local community highly dependent on the banana industry. The entry of new banana pests and diseases could have a highly significant impact on the local community. A similar example is the salmon industry, which is confined to three areas in Tasmania.

In assessing the potential consequences of an outbreak of a particular pest or disease, BA draws on all relevant information. This can include scientific literature showing the impact of the pest or disease overseas, relevant economic studies, production information provided by industry and relevant statistical data. Where necessary, BA seeks specialist economic advice from the Australia Bureau of Agricultural and Resource Economics (ABARE) or other appropriate organisations.

In cases where data are incomplete or conflicting, a conservative approach is taken to ensure that consequences are not underestimated. In this regard BA draws on the elements of precaution that are contained in the SPS agreement. In particular, Article 5.7 of the agreement, allows for the adoption of risk management measures on the basis of available pertinent information, but requires countries to obtain additional information necessary for a more objective assessment of risk within a reasonable period.

Question No: BA05

Division/Agency: Biosecurity Australia
Topic: New Zealand chicken meat import protocols
Hansard Page: 86 (31/10/06)

Senator Heffernan asked:
Could you provide the committee with their protocols for importing chicken meat? I always reckon what is good for the goose is good for the gander. If they do not allow chicken imports, that will be useful for me to know.

Answer:
Currently New Zealand permits the importation of chicken meat products from Australia that are either canned or retorted, or as samples for evaluation and destruction.

Recently New Zealand completed an import risk analysis of chicken meat from Australia and identified risk management measures including flock freedom from infectious bursal disease (IBD), which would permit the importation of uncooked chicken meat. New Zealand claims freedom from IBD. Biosecurity Australia is assisting AQIS in negotiations with New Zealand on an acceptable import health standard to meet their requirements.