

Additional Comments by Senator Nick Xenophon

1.1 Australia's biosecurity and quarantine arrangements are of paramount importance in protecting Australia's reputation as a clean, green and disease-free producer of food. While I support the Committee's intention to hold a comprehensive inquiry into the Government's forthcoming legislation, I am concerned that, in the meantime, important issues are not being addressed with appropriate urgency by the Government.

1.2 It is vital that biosecurity and quarantine concerns take precedence over trade agreements. Most recently, we have seen the example of Australia being required to accept apples from New Zealand under the Closer Economic Relations agreement, despite the fact that New Zealand apples carry the risk of fire blight. Although DAFF has set out measures under which these apples can be accepted into Australia, it has been reported that many consignments have been turned back because of possible contaminated material¹. It is very concerning that New Zealand is now also threatening Australia with an appeal to the World Trade Organisation after the Tasmanian Government's decision not to allow the imports². It is unacceptable that a trade agreement would be allowed to jeopardise a major Australian industry, given the irrevocable harm an outbreak of fire blight would cause.

1.3 In response to this situation, I introduced the *Quarantine Amendment (Disallowing Permits) Bill 2011*, which effectively made Biosecurity Policy Determinations and permits to import, introduce or bring in an animal, plant, substance or thing disallowable instruments. Along with the associated measures in the Bill, this would mean that the decision to allow (or disallow) imports would be open to much greater scrutiny and transparency than is currently the case.

1.4 While I note the concerns raised during the inquiry into this Bill, I still believe that similar measures would be the best way to address these issues.

1.5 The example of New Zealand apples is indicative of a wider problem, where imports that could pose a real risk to Australian agriculture have been considered for approval due to trade agreements. These include the initial decision relating to beef imports from countries affected with BSE (which has since been postponed until a Risk Import Analysis is completed), and concerns relating to the importation of raw pork products into New Zealand and the repercussions this could have on Australia.

1.6 I also note the Committee's previous inquiry into the eradication of the Asian Honey Bee, and the concerns that were raised during this inquiry. This particular example demonstrates the importance of how Australia's biosecurity and quarantine arrangements work once a pest has reached our shores. I believe the whole-of-

1 Dubravka Voloder, 'Quarantine, costs bite apple imports', ABC News, 4 November 2011

2 Sue Neales, 'NZ threatens WTO action on Tasmania's apple import ban', *The Australian*, 12 January 2012

Government response to the Asian Honey Bee outbreak was inadequate and could be symptomatic of deeper problems in dealing with pests and disease.

1.7 I endorse the Committee's comments in relation to the removal of the fee rebate for AQIS certification functions, both in the Committee's interim and final reports. I strongly encourage the Committee to continually monitor this transition period, as there are very real concerns about the impact this is having on small to medium businesses. Further, given the pressure Australian agriculture and food processors are under with the high Australian dollar, low commodity prices and other costs pressures, the Government should reinstate the rebate as a matter of urgency.

1.8 I also note that AQIS' cost recovery arrangements are set out not only to recoup the cost of the inspectors themselves, but also associated costs. In response to a question I placed on notice during Additional Estimates in February this year, AQIS stated that approximately 66 percent of the fee or charge accounts for the direct cost of inspectors, while the remaining 34 percent "contributes to the costs of direct program management and administration, supporting IT systems and supporting corporate activities such as payroll, finance and accounting services".³ It would be useful to clarify whether these additional items should be included in the cost recovery process; it is reasonable to assume that this is appropriate if they directly relate to the program in question, but it would be preferable for this to be specifically enforced.

1.9 I acknowledge concerns among submitters, as referenced in the Committee's report, about the slow pace of implementing the Beale review's recommendations. I agree with these concerns, and I strongly encourage the Committee to consider this as part of any future inquiry into the Government's proposed biosecurity legislation.

1.10 While I support the Committee's intention to hold an inquiry into this future bill, it is very disappointing to find that the Committee has not seen fit to make further recommendations, which could have been taken into account by the Government as part of their consultation process on the upcoming legislation.

1.11 It is time for clear, decisive action to overhaul Australia's quarantine and biosecurity processes. Our reputation as a clean, disease-free environment holds great weight in the international community, and we should not risk or indeed squander that reputation. All future reforms in this sector must prioritise this reputation, and the reputations of our growers and producers. Only in doing this will we secure the economic future of Australia's food production.

Recommendation: That, given the current external pressures facing Australia's food producers and processors, the AQIS rebate be reinstated as a matter of urgency.

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3 Senate Rural and Regional Affairs and Transport Committee, Answers to questions on notice, Agriculture, Fisheries and Forestry Portfolio, Additional Estimates 2012, Question 70