



COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT
REFERENCES COMMITTEE

Importation of potatoes from New Zealand

(Public)

WEDNESDAY, 24 OCTOBER 2012

CANBERRA

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SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT REFERENCES COMMITTEE

Wednesday, 24 October 2012

Members in attendance: Senators Colbeck, Edwards, Heffernan, Madigan, McKenzie, Nash, Sterle, Wish-Wilson, Xenophon.

Terms of Reference for the Inquiry:

To inquire into and report on:

The proposed importation of potatoes from New Zealand, including:

- (a) the validity and supporting scientific evidence underpinning the Pest Risk Analysis included in the New Zealand Potatoes Import Risk Analysis 2009;
- (b) the extent of scientific knowledge and understanding of the Tomato/Potato Psyllid and other pests identified in the Draft Review of Import Conditions; and
- (c) any related matters.

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DAVIS, Ms Robin 'Robbie' Anne, Chief Executive Officer, Potatoes South Australia Inc.

HARDMAN, Mr Peter Rodney, Agricultural Manager, Potatoes Tasmania

Committee met at 08:32

CHAIR (Senator Heffernan): Welcome. I declare open this public hearing of the Senate Rural and Regional Affairs and Transport References Committee. The committee is hearing evidence on the committee's inquiry into the proposed importation of potatoes from New Zealand. This is a public hearing and a Hansard transcript of the proceedings is being made. Before the committee starts taking evidence, I remind all witnesses that in giving evidence to the committee they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee.

The committee prefers all evidence be given in public but under the Senate's resolutions witnesses have the right to request to be heard in private session. It is important that witnesses give the committee notice if they intend to give evidence in camera. If a witness objects to answering a question, the witness should state the ground upon which the objection is taken and the committee will determine whether it will insist on an answer having regard to the ground which is claimed. If the committee determines to insist on an answer, a witness may request that the answer be given in camera. Such a request may of course be made at any other time. Finally, on behalf of the committee, I would like to thank all those who have made submissions and sent representatives here today, and for their cooperation with this inquiry. Before we start, I have to declare an interest. I gave up eating chips a long time ago and my cholesterol went down one per cent as soon as I did. So I eat mashed potato but not chips. Ms Davis and Mr Hardman, do you have any comments to make on the capacity in which appear?

Mr Hardman: I represent Potatoes Tasmania not Potatoes Australia.

CHAIR: Are you a Tassie person?

Mr Hardman: I am a Tassie person.

CHAIR: Laser surgery! It's wonderful stuff.

Mr Hardman: It is! I represent Potatoes Tasmania.

CHAIR: Potatoes South Australia have lodged submission No. 9 with the committee. Ms Davis, would you like to make any amendments or additions to it?

Ms Davis: Yes. I would like to table one document please.

CHAIR: Thank you very much. Potatoes Tasmania has lodged submission No. 2 with the committee. Mr Hardman, would you like to make any amendments or additions to it?

Mr Hardman: No.

CHAIR: Would you, either together or individually, like to make an opening statement? If you would like to, go for it.

Mr Hardman: Ladies first.

Ms Davis: Thank you, Peter. Good morning, Senator Heffernan, and senators. Our stakeholders in South Australia, Potatoes South Australia, include seed producers, growers, fresh market packers, processors, marketers, exporters, wholesalers, retailers and consumers—the entire value chain. I am attending today in the capacity of an industry advocate and a spokesperson. I want to emphasise that I am not a grower, nor am I a plant pathologist. I have taken advice from my board and consulted with the industry generally, including scientists specialising in integrated pest management, entomology, agronomy and plant pathology.

As the first witness this morning, I would like to set the scene. The potato industry is South Australia's and the nation's largest horticultural sector by value and volume and is rated No. 2 in commodities sold at a national level. South Australia has the largest area under crop, 11,900 hectares worth \$206 million at the farm gate. We are the largest producer in Australia with annual production of 385,000 tonnes. We produce probably more than New Zealand as a single state. We also produce 80 per cent of the nation's fresh, washed market and 100,000 tonnes enters the processing market annually and we are also a substantial producer of certified seed. Kangaroo Island, in South Australia, produces some of the purest seed globally. We are also PCN free and there has been considerable investment in this maintenance.

There is little doubt amongst us in South Australia, in the industry, that South Australia has the most to lose if zebra chip enters Australia. Using the New Zealand and USA experiences as a benchmark, we would witness more than \$100 million in lost production value due to the effects of the psyllid and the disease. I want to add this though: despite South Australia's dominance in this industry, this is a national issue and we are all here with that

in mind. It is why we are sitting with the Tasmanians and Victorians. Collaboration across borders is absolutely critical. At a national level we produce 1.2 million tonnes; New Zealand's is 300,000 tonnes. In South Australia, and in Australia, we can only compete on quality. Premium quality is our competitive advantage. If the Australian potato crop is contaminated by zebra chip alone, without considering the other pests and diseases, the industry's farm gate value and the value all the way down the value chain to the consumer could potentially halve. Just at the farm gate this is a quarter of a billion dollars.

Our response to the draft report was strongly endorsed by our stakeholders. They want to protect their industry, Australian horticulture and Australian biosecurity generally from the potential 'no doubt about it' catastrophic yield loss due to zebra chip and the other pests which New Zealand has and we do not. DAFF has stated that it would not be prepared to let fresh potatoes into the fresh market as the risk is too high for all diseases, particularly for zebra chip. The department stated that it would be a very sad day if such an incursion occurred. Look what happened with equine influenza. This was an ironclad quarantine system but it failed due to human error. Why deliberately invite zebra chip in? Why deliberately invite in other pests and diseases to our shores?

Prior to preparing this submission, our board met with senior staff from DAFF. This meeting allowed engagements and disclosure of the WTO sanitary and phytosanitary agreement and the overall risk assessment process and quarantine procedures and DAFF's overall approach to biosecurity. It provided the board with a capability to make a more informed decision but it has not changed our position.

Overall we in South Australia feel that the communication and extension of the draft report to most stakeholders by DAFF biosecurity has been very poor at best. Potatoes South Australia and the potato industry valued chain stakeholders also really do appreciate the requirements of free trade agreements under the WTO. As it is, Australia already accepts 60 per cent of New Zealand production in the form of French fries.

Just to sum up, the main concerns of our stakeholders in South Australia are: the biosecurity risk management plan lacks definition, detail and qualifying description. There is still so little known about the psyllids life cycle and the epidemiology of zebra chip disease complex. There is no cure for this disease anywhere in the world. There are no immune potato varieties anywhere in the world. The PRA, or pest risk analysis, which was used is 2009. We believe it is not possible to determine if the proposed risk mitigation strategies are sufficient or suitable.

We also believe that the considerable international research which has been done since 2009 has not been incorporated. We also believe that consideration has been given to three diseases only: potato cyst nematode, zebra chip and potato black wart, despite the many other exotic diseases and pests in New Zealand. There needs to be improved communication at all levels and through all mediums by DAFF biosecurity, with greater industry debate. The stringent step priority in process which they talk about cannot circumvent human error and a costly biosecurity breach could happen. We also believe that it is unknown at this stage whether Australian native species of psyllids can carry the bacterium and that we need intense scientific research at an international level over time for the development of a robust economically sustainable management strategy preceded by some form of accurate early detection mechanism.

Given the economic devastation caused by zebra chip disease in the USA and New Zealand at both a yield and management level, it is absolutely nonsensical to subject the industry to such a potentially severe risk. Many companies and family farms will just not survive this and many people will not want to invest in the future in this industry.

Finally, despite the assuredness of quarantine rigour and DAFF's commitment to maintaining Australia's biosecurity, our industry is appealing for the Australian federal government to reject the market access request from the New Zealand Ministry for Primary Industries for this importation of fresh potatoes for processing.

CHAIR: Does Tasmania want to have a crack?

Mr Hardman: Yes, I can only endorse what Potatoes South Australia have said and the comments from Ms Davis. We fully endorse those. Just from a Tasmanian perspective, Potatoes Tasmania is only a very new organisation. It was set up by all of the industry players as in the processors because it is basically a processing state, by seed growers, by wholesalers, by fresh market guys and by commercial growers. So it represents the whole of our industry. It was set up to promote and, more importantly, to maintain the industry at the level we have it now because it is under a great deal of pressure and that pressure will be exacerbated if we get the introduction of psyllid.

The Tasmanian industry is basically about processing. There are two companies. Between them they contract 360,000 tonnes. There is a fresh market sector in there as well which do about 40,000 tonnes and there is the seed side of it as well which is very important. They do about 25, tonnes.

All in all, there are about 425,000 tonnes growing in Tasmania. That has a farm gate value of \$127 million, so by the time you roll on that five times factor, three times factor or whatever factor you decide on then that is a big proportion of Tasmania's horticultural income. With potatoes and other vegetables, we are the last frozen vegetable producing state in Australia. It is really important that we maintain potatoes and other vegetables.

I also represent the Potato Processors Association of Australia. I was chairman up until a couple of weeks ago, and we put a submission in as well. The organisation is the peak industry body for the processors, and we represent all of the processors. There are four major processors. There are two french fry processors, which account for about 540,000 tonnes of potatoes, and there are two crisping guys, which account for about 100,000 tonnes. Between the processors it is about 640,000 tonnes or \$192 million at farm gate, so they are really critical.

I would also like to add that the processors have not requested this import as much as initially it was recorded—

CHAIR: Suspected.

Mr Hardman: Suspected. But I can rest assured that none of our members have admitted to wanting this import. I could go on and on about the impact if we get psyllids, but you only have to look at those dollar values to see the value of it. When you look at what has been happening in New Zealand over the last three years, it has cost them \$120 million. The size of our industry is probably three or four times as big as theirs, so you can just imagine the impact it would have on our industry. That is what we are resisting. The company that I work for has a factory on the North Island of New Zealand, and we believe it has cost us \$40 million over the last three years.

CHAIR: Who owns the company?

Mr Hardman: Simplot.

CHAIR: So it is New Zealand owned.

Mr Hardman: It is Mr Chips in New Zealand. It is a Simplot company.

CHAIR: Just so I get this for the committee's benefit, what is the total production of Tassie in spuds?

Mr Hardman: The total production of Tassie, according to my figures, is about 425,000 tonnes.

CHAIR: And you process 600,000 tonnes.

Mr Hardman: No. We process 360,000 tonnes in Tassie, but overall in Australia—I am talking about the potato processors that are Australian based—all of the member companies, which are McCain and Simplot—

CHAIR: Who owns McCain?

Mr Hardman: McCain. McCain is a Canadian company and Simplot is a US company. Then we have Frito-Lay in the crisping. We also have—

CHAIR: I just want to know the production. Tassie produces how many potatoes?

Mr Hardman: About 425,000 tonnes.

CHAIR: What does South Australia do?

Ms Davis: We think 385,000. It depends. There is a 2010-11—

CHAIR: So Tassie does more spuds than—

Ms Davis: It would probably be very similar, I would think. They would do 400,000 tonnes.

CHAIR: You make the point that under the import risk analysis—which we have had a lot of experience with, in human error—these spuds are allegedly going to be all processed if they come in. That is what you have been told?

Mr Hardman: That is what we have been told, but none—

CHAIR: You do not think anyone at the factories—

Mr Hardman: None of our processors put up their hand to—

CHAIR: You are conflicted, I think, if you are representing the growers and the processors, but that is just my opinion. The processors, like Woolies and Coles, probably could not give a bugger where the spuds come from, as long as they get them.

Mr Hardman: I disagree with you there.

CHAIR: That is all right. You are allowed to disagree, but I think it is—

Mr Hardman: We absolutely rely on our local growers to supply our potatoes and—

CHAIR: It annoys me that half of the frozen veges that we get from New Zealand are from over the way in Asia but with a New Zealand brand on them. In the fresh market, just to put into perspective where we have been as a committee and to show the human error that, Ms Davis, you referred to, we gave an import risk analysis approval to prawns years ago. It was not the department but moi, on a trip to Queensland, who discovered the imported prawns that were approved because they were to be no risk to human health.

The assumption here is they are going to be processed. The assumption there was that they were going to be eaten but would not be a risk to prawns because they were not going to get out into the prawneries. These potatoes are allegedly not going to get out into the paddocks. I caught a group of people up there fishing with imported prawns, chucking them into the water. You cannot get away from those sorts of things. There would be no way known to man to stop someone who is running short of money taking a bag of these spuds home to mum and the kids and then chucking some of them out in the paddock. There is no way of avoiding that.

Mr Hardman: I could not agree with you more—absolutely.

Ms Davis: That is absolutely our point.

Senator STERLE: You can set me straight, and I agree with what you are saying about the prawns, but I am under the impression, and I am not sure the rest of the committee is, that the chips are coming in for production under strict quarantine guidelines. If I am wrong, please correct me. I would assume that waste would be under strict quarantine, no different to what we have in our airports. Have I missed something?

CHAIR: It would be exactly the same as Botany Bay with the fertiliser, mate.

Senator STERLE: Don't worry about 'the same as Botany Bay, mate' with the sarcasm.

Senator NASH: It is true.

Senator STERLE: I am asking a simple question.

CHAIR: Well, it is true.

Senator STERLE: If I am wrong, correct me—without the sarcasm. Don't start early in the morning.

CHAIR: I am giving you a simple answer.

Senator STERLE: I am telling you now—

CHAIR: This is not allowing for human failure.

Senator STERLE: But you are saying mum and dad are going to go home with a bag of spuds. If that is the case, we need to know. Or are you just saying that?

CHAIR: I knock about the bush, right? I know the game and I know that blokes who work at the abattoir take a few chops home.

Senator STERLE: I am asking you: do you know that these potatoes will not be cooked here? Have I got it wrong? You are saying that mum and dad can take a bag of spuds home. If that is the case, we have a serious issue. But, if it is not the case, clarify it.

CHAIR: There will be no way of stopping mum and dad from taking a bag.

Senator STERLE: That is a question that we will put to the department.

Senator XENOPHON: Further to what Senator Sterle said, because I think it is an important question, I would like to ask Ms Davis. My understanding of your submission is that this disease could potentially be in the tubers, even if you wash them. There is no non-destructive test, as you referred to in your report. I think Senator Sterle raises an important question. Is the issue that you raised in your submission—and we have seen other submissions from Potatoes Tasmania and AUSVEG—that there is no way of knowing that the potato has the disease without chopping the potato open? It is a destructive test. Is that what you are saying?

Ms Davis: That is correct. If you had 100 tonnes of potatoes coming in, you would need to cut individually each potato of the 100 tonnes, because one could have the zebra chip.

Mr Hardman: If I could just reply to Senator Heffernan's comment, I guess there is human error. Part of the transportation of these potatoes from New Zealand is in containers and they will have the open door policy so that the potatoes do not sweat and carry on in the container. What is stopping an egg or a psyllid in that container from escaping somewhere en route, sitting at the wharf in Melbourne or wherever it is and getting out?

The other thing is that potatoes can be used as plant material. So we are saying that it is coming in for processing. What happens if it does not get into processing? Are the New Zealanders going to say, 'Let's put it on the fresh market,' which means someone can grab it and plant it as a seed, for instance. You can do that, so that is another risk. It would be a huge risk if that happened.

Senator STERLE: I am not going to argue with you, because I would like to know how long this pest could live for, how far it can jump and all sorts of stuff. I just want to make it very clear that I am under the impression that it is going to be strictly controlled. It is cooked material and all waste will be dealt with—

Mr Hardman: No, it is not cooked as it comes in. It is fresh coming in.

Senator STERLE: No, I understand. It comes in fresh but it is going to be cooked and processed here. I am under the understanding—and if I am wrong I will get corrected—that the waste will be under strict quarantine, no different to Qantas flight catering centres. We will ask the department questions about that.

Mr Hardman: Within the processing system, they believe that they can have a closed loop at a processing plant. I work at a processing plant and it is not a closed loop. You have water going out into the river or out into the sea. They say they are going to deep-bury what is left, but what happens—and I know it has happened—if all that stuff is going to be taken for deep burial and the truck driver says, 'I'm going to take that out to the local farmer and dump it out there as waste,' which they do?

CHAIR: Like the Brazilian beef on the Wagga tip.

Mr Hardman: Yes, and that human error. I guess the other thing we need to look at is how strict a control does New Zealand have of their diseases. You have only got to look at their PCN control and it is out of control.

Senator STERLE: That is the sort of thing I want to hear. That is fine, because if they are the concerns and you know because you are tied up with producers and I am not. So that is very clear. That is good to put to the committee.

Senator COLBECK: I think we ought to start around the processing because these potatoes are supposed to be coming in for processing. That is the request from New Zealand, that they come in for processing. We are told by DAFF that they are only allowed to go to metropolitan areas as part of the import protocol and so there are certain areas that are off-limits and places like Ballarat in Victoria or Ulverstone in Tasmania are not considered to be metropolitan. My assumption under that setup is that they would be ruled out as destinations for the potatoes. I am interested to know where the metropolitan-based processing facilities might be. Do you have that information or could you get the committee that information so that we can get a sense of it?

Mr Hardman: The two french fry companies are basically at Ulverstone and Ballarat, so they would not be classed as metropolitan. The crisping guys, which is Frito-Lay and Snack Brands, Snack Brands has got a plant at Smithfield in Sydney and Frito-Lay is in Adelaide.

Senator COLBECK: Effectively we are talking crisping as part of this process because the fries guys are in areas that are currently designated to be not metropolitan.

Mr Hardman: As I said earlier, the crisping guys are part of the Potato Processors Association of Australia and none of those have admitted to wanting to import any potatoes for processing, and all I can do is believe them. They have got Australia's interests at heart because they rely on Australian growers to supply their product.

Senator COLBECK: I am not try to go there. I am just trying to work around how the system might work and your understanding of that process. Then I want to do some stuff in and around the disease itself. I wanted to get a sense of what location. You are talking about Sydney and Adelaide as the two areas where the crisping potatoes are processed in Australia in a metropolitan-based site. You have spoken about the open door container process. That has been raised in a couple of submissions that we have seen. Can you give me some information around the vectors for the disease being associated with potatoes in that containerised process? You did mention that there was likelihood of a psyllid hatching or escaping from an open door container.

Mr Hardman: There is a likelihood of the insect escaping from the container but I guess also potatoes have got the eyes on them and so within those eyes we do not know, because there has not been a lot of work done on it, whether that is going to be an egg of the psyllid sitting on that eye and whether you brush it or wash it the chances of it still being there. I guess the other one is to have the PCN cyst sitting in that eye as well. There is no guarantee that you are going to clean up the tubers to eliminate any of those diseases.

CHAIR: These are all washed potatoes, are they?

Mr Hardman: Brushed, I think, was the last time.

Ms Davis: Brushed and washed.

Senator COLBECK: To your knowledge, are any of the current processing sites quarantine or AQIS approved? They would have to be to receive the potatoes.

Mr Hardman: I am not aware of that.

Senator COLBECK: We might have to chase that down further. You mentioned the limitation that there are only three diseases that are considered as part of the input risk assessment: zebra chip, PCN and black wart. What other diseases are you concerned about as part of this process? What are the likely vectors for those?

Ms Davis: There is a list in the draft report on page 7. It is a list of bacteria, fungi, nematodes, arthropods and viruses. Our understanding from the draft report is that only three are considered—

Senator XENOPHON: This is the DAFF draft report?

Ms Davis: Yes.

Senator COLBECK: Is that as complete a list as it could be?

Mr Hardman: There is more.

Senator COLBECK: I think we will get the opportunity to deal with that later on.

Ms Davis: This is the known list, and I would really like to stress here that this is only the known list. There are unknowns. As Peter referred to about this bacterium and the psyllid, there is so much that is unknown, and that is why we are very concerned about it.

Senator COLBECK: I have a list of questions about what is not necessarily known about it.

CHAIR: But of course the input risk analysis, as we learnt yesterday, is to deal with known.

Senator COLBECK: Yes. We will come to that later when we come to the department, because I want to ask them questions about that too.

Senator WHISH-WILSON: I have a background question on processing. It is my understanding that we have seen a trend in Tasmania where we have seen processing move from Tasmania to New Zealand because of their lower cost in Australian dollar terms due to the big difference in the Kiwi dollar. What is the reason they are sending fresh potatoes to Australia to be processed? Is it because their capacity is full there and we are underutilised in Australia?

Mr Hardman: I honestly cannot understand why they want to send fresh potatoes to Australia. I believe they have the processing capacity in New Zealand to do it. When you look at Tasmania and Australia in general, you see that we are the highest-cost producer of vegetables and potatoes especially in the world. We need to look at that price. That is the pressure on the growers at the moment. That is why some of the vegetables were moved to New Zealand: it is a lower-cost production area. Australia is the highest. The growers are accepting lower prices at the moment because of product imported into Australia. If we end up with the psyllid in Australia, it is going to put additional cost on the cost of production of somewhere between \$1,700 and \$2,000 a hectare to put on these additional insecticides. So it is going to be an additional cost that the growers have to do without question if we get it.

CHAIR: These potatoes, of course, will be marketed as Australian made under the present marketing laws because they will have 50 per cent of the value added to them in Australia. They will be Australian spuds on the label. That will suit Coles and Woolies.

Mr Hardman: That is a whole other issue that we could debate endlessly, but perhaps we do not do it today.

Senator WHISH-WILSON: It seems to me unusual if they could produce them much cheaper in Australian dollar terms in New Zealand and get them here and still be able to undercut our prices. Why would they even bother processing them here?

Mr Hardman: Their cost of production in New Zealand is somewhere between \$70 and \$80 a tonne less than what we are in Australia.

Senator WHISH-WILSON: What is that in percentage terms?

Mr Hardman: Thirty per cent.

Ms Davis: I think it is also important to note that there have not been any potatoes imported into this country since 1988 and New Zealand has started this again from 2006. In 2008 zebra chip was discovered, so that has halted their process, but for some reason—and I agree with Peter wholeheartedly—we cannot really substantiate why they want to do this or why this is happening. It does not seem particularly logical.

CHAIR: To assist you there: the closer economic arrangement with New Zealand means we have plenty of experience with that. We are happy to accept Chinese frozen vegetables with 'Proudly New Zealand'. We are not allowed to test for antibiotics in the apples even though they use streptomycin. This is a trade issue, and our response has to be based on science. Is Australia self-sufficient in potatoes? It must be.

Ms Davis: Yes.

Mr Hardman: Very much so.

CHAIR: Okay.

Senator MADIGAN: We have heard you mention DAFF and AQIS. Have you any faith in what they have put forward as to how they are going to address and police the containment of these potatoes to these processing facilities? The message I am hearing is that you have no faith. The other question is: do you know who is going to police the police?

Mr Hardman: That is a very good question. We do not have the faith, firstly, in their science. They have proven that they do not have faith in their own science, because they have elected to bring in an external specialist to look at their science. That puts a question in our mind to start with. They are doubting their own science. And how do you check on the checkers, as you said, with reduction in numbers, with biosecurity and quarantine? The New Zealand guys have said they are reducing their numbers as well. So it is very hard to understand that we are going to get full control over such importations. You look back at the apple scenario with fire blight. I believe the very first container of apples that came from New Zealand had all the leaves and twigs that can carry it.

CHAIR: But, to their credit, we did pick that up. But there is lots we do not.

Mr Hardman: Yes. It should not have left New Zealand in the first place.

CHAIR: I have never recovered from the fertiliser one. To me that is drugs, guns and god knows what.

Senator MADIGAN: You mention that we in Australia produce 1.2 million tonnes or thereabout. So we are prepared to risk our disease-free, clean status for a country that grows in the vicinity of one-quarter of the total we grow here in this country. It does not seem that there are any people who are familiar with the potato industry and know the enormous pressures that our growers and industry are under, so we are prepared to lead them like lambs to the slaughter.

Ms Davis: That was why I made the point. 1.2 million tonnes of potatoes are produced in the country. Probably the amount in New Zealand is the same as is produced in South Australia alone and Tasmania alone. You are right: we are prepared to risk it. As I also said, our competitive advantage in the world is quality. As soon as we risk it, we have decimated that competitive advantage and probably our future export markets in potato and other horticultural products that are affected by this psyllid.

CHAIR: I correct you when you say 'we' are prepared to risk it. That is a very qualified 'we'. We are not. The people who go to the World Trade Organisation and have to prosecute their view—the people sitting at the back of the room—have a job to do based on that, but most of the people who agree with this drink wine in Geneva and couldn't give a rat's.

Ms Davis: Thank you. I should say 'it' or 'they'.

Mr Hardman: I will comment that a lot of our customers are quick-service restaurants. A lot of the processing potatoes out of Tassie go to quick-service restaurants, and they are demanding more clean and green. Our customers are asking about our pesticide usage on potatoes and all of our crops more and more. When you compare us with the United States, which sprays litres and litres of insecticides to control colorado beetle and all the rest of it, we are clean and green. If we get this psyllid in, we are not going to be clean and green because we are going to be going out there and spraying insecticides probably somewhere between 11 and 15 times. That will take away our clean, green image. So it is a major threat both to our clean, green image and to the cost of producing potatoes.

CHAIR: You do not have to explain it to us, old mate. We are well aware of that.

Senator XENOPHON: You may both wish to take this question on notice. Further to the line of questioning from Senator Madigan and the issue of pest control, can you take on notice to provide us what you think compliance and pest management will cost the industry? Secondly, Ms Davis, are you satisfied with DAFF's decision to engage an independent plant pathologist to review the assessment and, further, what is your opinion on the way that DAFF has engaged with the public in disseminating information in relation to this process?

Ms Davis: In South Australia, we as an industry see it as a very positive step that DAFF have decided to engage with an expert. However, we think one expert is an interesting decision. We would like to see a panel of experts, and we would certainly like to see someone from the industry on that panel.

As far as your second question is concerned, DAFF would be the first to agree with me that the communication and extension of information concerning this has been poor. If you look at this draft report, which we are all discussing today, it has many shortfalls. Our meeting with DAFF on 20 September was, unfortunately, after the close-off date of 3 September. As I said earlier, during that meeting we certainly understood things better. It did

not change our position at all. I think their consultation has been lacking. They certainly need to alter this procedure in the future, and they admit that they need to alter it now.

CHAIR: Are you saying that their work needs to be peer reviewed? Out there in the world of experts there are some groups under pressure.

Ms Davis: Yes.

CHAIR: There is variance in experts.

Ms Davis: If I were going to write a scientific paper, it would be peer reviewed. So I do not have a problem at all, and I welcome that.

Mr Hardman: We support that panel as well.

Senator EDWARDS: Ms Davis, thank you for making such a great impression in such a short time in the potato industry in South Australia. I take you to the evidence given to the Select Committee on Sustainable Farming Practices in the House of Assembly in South Australia, where you were talking about the pest risk analysis referred to in your evidence. I quote:

The advice supporting final pest risk analysis, which is referred to in this document, we believe lacks rigour, objectivity and basic scientific method. We also believe, as does Kevin Clayton-Greene, that there is selected presentation of data. The PRA (or pest risk analysis) is of the year 2009.

Would you, excuse the pun, flesh that out a bit more? That is a fairly big statement.

Ms Davis: It is a big statement. I would like to speak, first of all, of the date of 2009. That is three years ago now, and we are all aware that a lot of scientific discovery has been made in those three years. Looking at the draft report—

Senator EDWARDS: So there have been advances in our ability to pick up diseases, or are they processing advances?

Ms Davis: There had been general advancements in the understanding of this disease complex, the psyllid and the bacterium.

Senator EDWARDS: Who has done that work?

Ms Davis: There has not been a lot done in Australia because we do not have the disease. It has been done in the United States and New Zealand. Certainly, scientists in Australia—like Callum Wilson, in Tasmania, and Kevin Clayton-Greene and Paul Horne—have worked with these international experts.

Senator EDWARDS: Please do not think me rude, but I am watching the clock. The chair will pull me up and I am trying to get this out. Is that technical data available to us?

Ms Davis: Yes, it can be. In my submission in the literature review, those documents have been cited.

Senator EDWARDS: Do you think that DAFF are using this in their deliberations, or are you asserting that they are not?

Ms Davis: If we are to go on the draft report, Senator Edwards, they are not. I have not seen a document that says they are.

Senator EDWARDS: I will not be here later, when they are here, but I am sure that they will address that issue. That is a very important issue. You said there is a selected presentation of data. Do you think there have been things left out, apart from what we just spoke about? Is there any more?

Ms Davis: The important things that have been left out are the current science.

Senator EDWARDS: That is what you are referring to there? So there are three years of science which have not been taken. Where is that select committee going? They are interviewing scientists about this?

Ms Davis: Yes. They are interviewing a range of people. They are also holding meetings regionally to understand the whole picture better. A submission needs to be written by me by 7 December.

Senator EDWARDS: Are you disappointed with the state minister's response in not seeing you until November, given that you have been trying to get hold of her for three months?

Ms Davis: I am sorry; could you repeat the question?

Senator EDWARDS: Are you disappointed with the state agriculture minister's response to your request to be able to see you on this important issue? This is moving along at the speed of a bullet train, and it does not seem to be any kind of priority on her part.

Ms Davis: I think it is disappointing. I have not brought it up with her and said that it is disappointing. However, I have had had a letter from her to say that the meeting is on 9 November.

Senator EDWARDS: I am sure that her people will have picked this up now, and I am sure that she will be in touch with you shortly on such an important issue to South Australia.

Senator NASH: We seem to have IRAs coming out of our ears in this committee at the moment. One of the things that seems quite clear is that, regardless of the initial identification of risk, there are risk management measures that can bring the level down to an acceptable level of risk, and this is happening repeatedly. Can I ask you two things very quickly. One is about the processing of the potatoes. Are there certain specs that potatoes go to the processing plant under and, if the potatoes do not meet those specs, they are just rejected whole?

Mr Hardman: Absolutely.

Senator NASH: So we are not only talking about waste; we are talking about whole potatoes that may well be discarded from the processing plants.

Mr Hardman: Yes.

Senator NASH: So the human error or the lack of ability for 100 per cent oversight of the disposal of not only waste but whole potatoes is a concern to you. Am I reading that correctly?

Mr Hardman: Yes.

Senator NASH: The other thing is in terms of the risk management measures again. In the draft, under 6.2, 'Packing house processes', the department says:

... measures will be required to ensure potato tubers are practically free from soil.

Do you have any understanding at all of what in hell 'practically' means?

Mr Hardman: I do not know what they mean, but to remove all of the soil from a tuber you would probably have to get there with a nail brush and water and brush it like that.

Senator NASH: Are you surprised that, within that, there is not a more specific reference to the level of soil that needs to be removed and we have just got 'practically'?

Mr Hardman: Yes.

Senator STERLE: I would love to say something.

CHAIR: No. We have run the clock down. We are grateful for your evidence. Oh, sorry, Senator McKenzie.

Senator McKENZIE: I have two quick questions, and you might, in the interests of time, have to take this on notice, because the Victorian farmers federation are on next. You make reference to the lack of knowledge about psyllids' relationship with native species and native plant life. Do you have any comment to make around that?

Ms Davis: About native plant life?

Senator McKENZIE: Yes. Do you know if there is any research going on at the moment to ascertain the insects' viability, if you like, with Australian native plants?

Ms Davis: I am not sure of that. Are you, Peter?

Mr Hardman: There is a lot of work going on on all aspects of the psyllid, of the life cycles of the psyllid. We are also looking at the level of native psyllids in Australia. We do not know whether they would be able to carry the disease as well once it gets here. So there are a lot of unknowns. We just do not know. So why risk it with the unknown? The Australian growers and industry are putting money towards research. We have done trapping in all the southern states in Australia to see whether we end up with the tomato-potato psyllid. We are also trying to find out what our native psyllid population is.

Senator McKENZIE: I know that, in response to Senator Colbeck's questioning, we talked about where the current processes are located et cetera and the definitions around urban and metro. I am wondering if you have a comment on the potential of the industry to grow and expand and what the impact of something like this coming in might be on regional development and regional processing in the future.

Mr Hardman: The very sad thing about the potato industry and the processing industry at the moment is that, if it continues as it is going, there will be fewer processors and processing plants in Australia. We are under huge pressure from cheap imports. As I said earlier, if we get the disease then we are going to be under a lot more pressure, growers' viability will be really questioned and there will be a lot who go out the back door. We rely on the growers to supply us with potatoes. So there is huge pressure on the potato industry in general, and I do not see an expansion in the near future; I see a decline, if anything, which is what we do not want. We want the Australian potato industry to continue to be viable. It has huge potential and we just want to keep that potential. With the impact of cheap imports, we cannot afford to have anything else impact on the industry.

Ms Davis: Can I add something to that. In South Australia 2,000 are employed across the value chain. So, if this disease wipes out half of the industry, you can presume it will also wipe out half the jobs. This will have huge flow-on effects regionally across South Australia, as it will across the country. Also, there is massive investment in the whole industry now, and that investment will be totally wasted.

Senator McKENZIE: Finally, Mr Hardman, you make a comment on page 61 of your submission:

PPAA believes the existing protocol conducted by New Zealand for PCN testing of land and crops to be very inadequate when compared to other testing standards for trade.

On notice, I would like you to flesh out what you mean from a trade perspective on that.

Mr Hardman: Certainly.

Senator McKENZIE: Thank you.

Senator COLBECK: I just want to ask one question around waste on crisping versus fries in the processing sector. Is there much of a differential in the waste volumes with those processes?

Mr Hardman: It would be much the same, I would imagine.

Senator COLBECK: Recovery, as I understand it, for fries is around 55 to 57 per cent of the potato, so 43 to 45 per cent is waste.

Mr Hardman: Yes, 43 per cent is waste. Some of the waste goes up as steam, and some of it goes into value-added products like starch and granule. Waste would be at about 20 or 25 per cent at our Ulverstone plant.

CHAIR: When you tip a container of spuds out, how do you pick out the right ones?

Mr Hardman: Through the plant now, there are automatic defect removers.

Senator STERLE: We actually saw that down at Ulverstone.

Senator COLBECK: So that 20 to 25 per cent waste is fairly similar regardless of whether the process is crisping or making fries.

Mr Hardman: I would imagine so. I have not had a lot to do with crisping but I imagine there is waste.

Senator COLBECK: It is pertinent to this because that is part of the regime of dealing with waste.

Mr Hardman: We can find that out.

Senator COLBECK: If you could find that out for us so we have a sense of that, that would be appreciated.

Mr Hardman: I just want to a comment on the difference between crisping and making french fries in terms of the zebra chip. With crisping, because the crisp is cooked to the final cook, crisps affected by zebra chip can automatically be found and taken out before they go into the bag. In the french fry industry, our process is to only par fry the french fries, which means they do not get to the final fry to get to eatability, and that is the stage when you can find the zebra chip. So there is a bigger impact on the french fry guys because we cannot detect the zebra chip until a consumer does the final cook.

Senator COLBECK: So it does not manifest until the final cook at the end of the supply chain, whether it is at home or in the fast-food store. It does not manifest itself until it is actually finished, until the final cook.

Mr Hardman: Yes. You can pick it up in the tuber as well, but basically it is after the final cook.

CHAIR: We are most grateful for your evidence.

Senator COLBECK: Thanks for coming.

ROVERS, Mr Frank, Chairman, Victorian Potato Growers Council

[09:25]

CHAIR: Welcome. Would you care to make a brief opening statement?

Mr Rovers: I do have a brief opening statement. I am from Koo Wee Rup. I am the chairman of the Victorian Potato Growers Council, which is a member of the Victorian Farmers Federation. The Potato Growers Council represents some 200 growers across all sectors of the potato industry in Victoria—seed, processing and fresh—producing over 300,000 tonnes, primarily for the Australian market.

We are very concerned and alarmed at the prospect of fresh potatoes coming into Australia with the very real possibility of introducing diseases that are currently not known to be in Australia. Zebra chip complex and potato cyst nematode *Globodera pallida*, are two of many potato diseases that are known to exist in New Zealand that would be devastating to our industry. Both diseases require significant chemical treatments to control and, once introduced, cannot be effectively eradicated.

Zebra chip complex has already cost the New Zealand potato industry over \$100 million in lost production in the last couple of years. Australia uses a very effective integrated pest management strategy to grow potatoes and, therefore, by world standards has very low pesticide and insecticide use. Zebra chip disease complex would destroy this program and it would need to be replaced with an intensive chemical spray program, adding a substantial cost to an already very competitive environment. The previous speaker, Peter Hardman, quantified that cost at something around \$1,700 to \$2,000 per hectare, which equates to \$20 to \$30 per tonne of raw product.

As a grower, I have first-hand experience in diseases like potato cyst nematode. Our business is associated with paddocks found to have PCN *rostochiensis*. The cost to our business is ongoing, with yearly soil testing, compliance issues and limited market opportunities—and the social stigma attached has been very distressing. Fortunately, with PCN *rostochiensis* there are potato varieties that are resistant to this species, which ultimately helped reduce the cyst population. With PCN *pallida*, worldwide there are few or no effective management strategies to reduce or eliminate this disease.

Finally, I would like to take the opportunity to congratulate DAFF in seeking outside assistance on this issue of importing potatoes from New Zealand. I believe that prevention of disease incursion is all-important in protecting what we have in Australia, often dismissed too easily—that is, our ability because of our relative freedom and isolation from significant potato diseases to produce a clean, healthy, economical product for the Australian consumer both now and well into the future.

Senator McKENZIE: Koo Wee Rup is not only known for its asparagus crop; there are a lot of potatoes.

Mr Rovers: That is correct.

Senator McKENZIE: Could you outline for the committee the Victorian industry's concerns around the scientific rigour of DAFF's approach to this issue?

Mr Rovers: Zebra chip, from a worldwide perspective, is a very new disease. There has been comment made about the fact that the paper is dated 2009. I would suggest that the knowledge learnt since then is probably equal to if not more than the knowledge learnt prior to that. Otherwise, I would not be able to comment further.

Senator McKENZIE: How many people are employed within the Victorian potato industry?

Mr Rovers: There are some 200 growers, but I do not have figures on employment rates associated with that.

Senator McKENZIE: Do you think the cost per hectare that South Australian and Tasmanian growers have estimated in managing this disease if it, indeed, got in would be similar for Victorian growers?

Mr Rovers: It would be very similar. Australia as a whole has a very low input in terms of insecticide and pesticide use in potato. I have not used an insecticide for nearly 10 years, whereas prior to that it was standard form to use them. The program which was developed by Paul Horne is a very effective program. The introduction of psyllids and this disease, as has been mentioned before, creates a whole regime of intensive spray to manage it.

Senator McKENZIE: When we look at risk assessment, we look at two sides of an equation. As to that risk assessment equation, do you have any comment to make about how impact is assessed in the current process?

Mr Rovers: No. I am not totally familiar with that, sorry.

Senator XENOPHON: We heard from Ms Davis of Potatoes South Australia about their level of consultation with DAFF. Are you satisfied with the level of consultation and also the fact that there is now going to be an independent plant pathologist reviewing the assessment?

Mr Rovers: Yes. And, as I commented in my preamble, I congratulate DAFF on seeking outside assistance. I would also like to pick up on the comment that Robbie made, that they have introduced one person; I would like

to see the industry have a contribution to that process and I would like to see a panel rather than just a single individual.

Senator XENOPHON: So there would be extra safeguards in that process?

Mr Rovers: Yes.

Senator XENOPHON: The other thing is the cost of compliance in pest management. Has your association made an assessment of how much it would cost to try and manage this? You will presumably be looking over your shoulders, in the sense that if something does happen then you will need to change your processes as well, won't you?

Mr Rovers: Yes. We have personal experience. Because of the PCN found on our property we have to soil-test every year for all paddocks to grow potatoes, and there is a cost there of about \$100 a hectare. All our potatoes have to be washed free of soil, and there have to be designated transport routes to the factories and waste management protocols in place. That has reduced our ability to market potatoes. It is too much work for the processors; they are inclined to move on if they can.

Senator MADIGAN: Thanks, Mr Rovers. We have heard today from you and other people, and rightfully so, about the risks that could come from this zebra chip. Do you believe there is enough independent, eminent Australian research, with a view to being proactive and not reactive as to the devastation that can be wrought by this disease on the potato industry?

Mr Rovers: I do not think we can do enough, but I think we have done a lot. Paul Horne, who is our entomologist and manages our IPM program, has done a lot of work in trying to understand the life cycle of the psyllid and how, if introduced to our native population, that interaction would work. But there is just not enough knowledge out there. It is a fairly new disease.

Senator EDWARDS: I just want to go over the comments that I made earlier. Do you agree with Ms Davis's comments with regard to the fact that the science is three years old now and that the advice supporting the final pest risk analysis is flawed because there are other ways in which the department could address the objectivity and the scientific method of what they are doing? I think there is some assertion that the department has not been up to speed on this or fully aware of what they could be doing to try and address this risk. What is your view on that?

Mr Rovers: My understanding is that their information is up to 2009, and the knowledge of the disease since then is as much as up to then and they need to be brought up to speed.

Senator EDWARDS: So you agree that there is a knowledge gap between 2009 and 2012 and that you guys are in that space but they are not. They are coming on later today; they are going to have to defend this. It is a fairly big statement for the industry to be making. What is the shortfall? What is the defining scientific issue that they have missed here, which is going to turn around your argument and stop the importation of these potatoes from New Zealand to Australia?

Mr Rovers: That is what I struggle with because I do not know what I do not know. The information has to be brought up to date. There has been a lot of work in the past couple of years and we are struggling to get up-to-date with that.

Senator EDWARDS: Have Victorian primary industries or your equivalent there been engaged in this? Have they taken a position?

Mr Rovers: Yes, they have.

Senator EDWARDS: What is their position?

Mr Rovers: It just defies logic to—

Senator EDWARDS: So they agree with you that these potatoes should not be imported.

Mr Rovers: Yes.

Senator EDWARDS: Has the state government agricultural representative made those representations to the department?

Mr Rovers: Yes, as far as I know.

Senator EDWARDS: And how have they been received?

Mr Rovers: They have taken it on board.

Senator EDWARDS: So they have just taken it on board. They might respond to that later on today under questioning. Thank you.

Senator COLBECK: There are three diseases considered in the import risk process that we are talking about. The principal one we seem to be discussing is the zebra chip. What is the status of Victoria on PCN?

Mr Rovers: We have control areas for PCN in Victoria. The PCN that is found in Victoria is the same as in other places in Australia—that is, PCN *rostochiensis*. Not to be mixed up with PCN *pallida*, which is in New Zealand. In terms of disease management they are quite different.

Senator COLBECK: Okay, so we are talking different species and we are talking different management regimes for those particular pests and diseases. So there are control areas and free areas within Victoria?

Mr Rovers: Yes.

Senator COLBECK: And so what are the protocols in dealing with those?

Mr Rovers: I live in a PCN control area, because there are farmers with PCN, and to move potatoes interstate we have to soil test paddocks. If they are tested negative, we can move potatoes interstate but those potatoes need to be washed; those potatoes need to go in sealed containers, like an aluminium body that is tarped over, on designated transport routes to plants interstate—at the moment it is only to Sydney; and the factory, when receiving potatoes from our area, has to have all waste go to deep burial.

Senator COLBECK: Do you know where the deep burial is done? You do not know that level of detail?

Mr Rovers: I do not specifically know the answer, no.

CHAIR: Does someone supervise the deep burial?

Mr Rovers: We have had conversations about the management of waste before—

CHAIR: Or is it a **wing and a prayer?**

Senator COLBECK: What about water management out of those plants?

Mr Rovers: The same would apply to that, I would imagine. With the Snack Brands factory that I am involved with, they recycle their water using centrifuges. The waste goes to deep burial and then they reuse the water. I do not know what goes into the sewer system or the wastewater stream.

CHAIR: Senator McKenzie?

Senator McKENZIE: It has been covered off in the process stuff that Senator Colbeck has asked.

CHAIR: This has a familiar ring to it. You may not be aware—I am an old bugger—we deliberately imported some Romney sheep a few years ago from New Zealand, and they were kind enough to bring Johne's disease with them. The department of agriculture at the time knew that Johne's disease was endemic, same as this, in New Zealand. I will not swear, but all of us sheep cockies, we have got exactly the same bloody problem. I am in a restricted area—the western division is a free area; I have a place out there—because of a quaint bunch of people who said, 'Oh, shit, it'll be right'. It is exactly the same circumstances as Johne's disease. 'Oh, it'll be right.' No-one got the sack and we got the trouble.

Senator McKENZIE: I do have a question on that.

CHAIR: God bless you!

Senator McKENZIE: Mr Rovers, I am going back to your comments about the Victorian government's advice around this issue. So you would be supporting their call for a full revision of the evidence post 2009 around this area?

Mr Rovers: Yes.

Senator McKENZIE: I am wondering if you could comment briefly on the impact on the growth of the industry in regional Victoria specifically if something like this got in?

Mr Rovers: It would be devastating. It is like the previous speaker mentioned. There is a lot of people involved and the capital value of the value adding is quite immense. It is a significant industry that is worth protecting, I believe.

Senator McKENZIE: I have two final questions. Do you have any comment to make about the definitions of urban and rural in the Victorian context?

Mr Rovers: No, not really.

Senator McKENZIE: Does the Victorian industry have confidence in the department to stop this virus entering Victoria?

Mr Rovers: Do growers have the confidence?

Senator McKENZIE: Yes.

Mr Rovers: No.

CHAIR: You learn from John's, mate.

Mr Rovers: A comment was made earlier about from New Zealand importing brushed or washed. I have to wash to go from Victoria to New South Wales so the idea that they could get away with brushed beggars belief.

CHAIR: This is the effect of shiraz at Geneva, as on the people who are making the decision. They do not give a rat's as long as they get their wine and it is all free. God bless you. That might be a bit unkind to some people. But we do have here a hard-working department who have got to put up with all of this and try and protect Australia. Except for the odd human failure they seem to be able to do it. I thank you for your evidence.

MURPHY, Mr Greg, Committee Member, McCain Grower Group

SUCKLING, Mr Norman, Chairman, McCain Grower Group

[09:42]

CHAIR: Welcome. You have lodged submission No. 5 with the committee. Would you like to make any amendments or additions to that?

Mr Suckling: No, not at this stage.

CHAIR: Would you like to make a brief opening statement?

Mr Suckling: I will make a very brief statement. There has been a lot covered in the last two statements and I think I would be only going over the top of quite a lot of that. We have covered in our submission a lot of the main issues. There will be more covered afterwards. We have a lot of grave concerns as far as the science is concerned of how we can keep this out of the country. The discussions you have had here this morning so far are pretty open ended on how we can do that. One of the main questions that I put to the panel is this. New Zealand cannot actually tell us how they got those diseases there in the first place and therefore I look at it and ask why we need to put ourselves in this danger when at the moment they cannot put potatoes into this country in a form that is safe for us as growers. If we go down this other path we stand the chance of what we have heard before with John's disease and everything else and it would be financially wrecking our industry.

CHAIR: Thank you very much. For the record I am a banned person in New Zealand from apple farms. They would not let me in so I told them to shove it. The free trade arrangements we have with New Zealand do put some pressure on us as a government and I note, for the record, that New Zealand have tried the same trick with the pork that was to come in—which Senator Xenophon is familiar with—as they went to the High Court to try and block the World Trade Organization allowing pork products into New Zealand. So I say what is good for the bloody goose is good for the gander.

Senator COLBECK: This is a little bit repetitive. You mentioned in your submission the number of diseases known to occur in New Zealand and the number addressed in the documents from DAFF. That list dates from 2007, I think, according to what you said have in your report. How many more are there that you are aware of that have not been considered as part of the process?

Mr Suckling: I am a farmer, not an expert on this. There are scientists who will speak later.

Senator COLBECK: We will speak to the scientists shortly. I know that they are coming.

Mr Suckling: As far as I understand it, there are at least 21 different diseases that they have in New Zealand that we have not got. I am looking at it from a grower perspective. In the horticulture industry we are doing it extremely tough in this country at the moment. Anything like this would be our death knell.

Peter Hardman was saying earlier with respect to the processes that they are having a lot of trouble competing with the rest of the world—I know this is a little bit off the track—as far as free trade is concerned. We have free trade and yet we are working in a market with a completely regulated labour market. It makes it very uncompetitive for us to try and have a level playing field with the rest of the world. If something like this was to come in at the moment, the scientists are saying that there is a minimal chance. I am saying why should we have any chance at all; why even consider it when they can bring potatoes in in some other form, which will eliminate any chance whatsoever of getting these diseases?

Senator COLBECK: That is the discussion we have had on plenty of occasions with the department.

CHAIR: You provide your potatoes to McCain Foods. I presume McCain would have fixed contracts with Coles and Woolies. They have 82 per cent of the pre-packaged market.

Mr Suckling: As far as I understand it, McCain Foods supply quite a lot of the fast food chains. In the Ballarat area, the McCain Grower Group actually cover process growers that supply factories in Melbourne as well, and sometimes in Sydney. I look at this and say—

CHAIR: I am having difficulty—I am pretty thick headed—getting it through my thick head. We have heard evidence today that the processors are quite happy to have the New Zealand potatoes banned. I am having trouble coming to terms with why they would care whose potatoes they were as long as the potatoes were the right price. In other words, do you trust their view, especially if they are multinationals that own the damn things? And shouldn't you separate yourselves in case they rat on you? Because, at the end of the day, like the major retailers, they just want to provide product at the right price so the consumer is happy. That might be unfair, but I just have this grave reservation.

Mr Suckling: Perhaps the answer to that might be that they realise that if some of these diseases come into the country it would decimate the industry and they would not have an industry to be able to value-add and make money from, here in the first place, and it would put themselves out of business as well as us.

CHAIR: You really think that, like the frozen vegies coming in from China to New Zealand and rebranded in New Zealand, they would care if they rebranded 'made in Australia' and it came from Taiwan or somewhere? Do you think they would care? Anyway, that is me being a bit sus, as an old worn-out cocky from the bush.

Senator McKENZIE: Within your submission you make a comment that I would like you to expand upon if you like, and provide an example. You said:

A country that has allowed pest and disease infiltration into their own industry cannot be competent or trusted to keep pest and disease out of our industry.

I am just wondering if you could expand on that comment that you made in your submission.

Mr Suckling: The comment was that as far as we know they cannot give us scientific evidence of how they got these diseases in New Zealand. If they cannot give us a scientific and undisputable reason for where and how they came in, how can they give us an undisputed scientific reason for how they can bring them into Australia without us getting the disease?

Senator McKENZIE: Okay. In the opinion of your group, has there been an appropriate level of consultation?

Mr Suckling: No, I do not believe so. As early speakers have said, we need to have an independent panel to looking into this in the future. There are a lot of points that need to be drilled into a bit more. Why would this be okay in capital cities and not in country area when there are processes in those city areas and all the transport has to come into the cities from the farms and go back out again? Why is it any different than being in the country?

Senator McKENZIE: Can you see those sorts of issues restricting development of the industry in regional areas in terms of future processors wanting to be located in rural areas?

Mr Suckling: The McCain's factory in Ballarat was using 140,000 tonnes five to six years ago. They are back to using 70,000 tonnes now. It is a diminishing industry the way we are going, what with the value of the dollar and all the other pressures. If we survive all that, something like this coming in will be the death knell. We seem to be reacting to other countries. We seem to have an attitude of opening our arms to let anything in here and yet the majority of countries throughout the world are very protective of our industries beforehand.

CHAIR: There are tens of billions of dollars of government assistance for primary agriculture in other countries.

Senator McKENZIE: I want to get your comments on the risk matrix and the consequences. Would you like to state the consequences of this particular disease coming to your particular patch, being Ballarat?

Mr Murphy: One consequence would be the extra costs that the growers would have to wear. The industry cannot afford to pass those on at the moment because of the pressures that have previously been mentioned, such as imports and the high dollar. There would be reduced yields and the extra cost of spraying. The viability of the industry in our area in particular would be put at very big risk.

Senator McKENZIE: Okay. Thank you. Are you comfortable with how consequences and community affects are assessed in this model?

Mr Murphy: No. I do not think that they are addressed anywhere near enough.

CHAIR: With the takeaway market and McCain's—and I cannot get this—a lot of McDonald's chips now are New Zealand chips, aren't they?

Mr Murphy: Correct.

CHAIR: Yes. You blokes are on a hiding to nothing. New Zealand have declared, for instance, fire blight to be endemic. They have declared footrot to be endemic. They have declared Johne's endemic. That is their method of dealing with an outbreak: they say, 'Oh, god, it's endemic.' I have to say that in Australia we have a bunch of deadheads in departments who are now about to declare St John's wort endemic because they are too bloody lazy to spray it. They have guys going round contracting to shires who spot the weeds, make a note of it and give a monthly report to the shire. But while they are spotting it, they do not spray it—they have not got the money to spray it. That is the sort of deadhead mentality that we have, where no-one gives a rat's. I have grave reservations whether these processes will be run by people who give a rat's, either. I would like to hear them come out and refute what I am saying.

Mr Murphy: No, I cannot really refute it. We are under enormous pressure at the moment from imports, and not only imports from New Zealand, partly because of the high dollar and our high costs. We as a group are working hard at the moment to try and reduce our costs. We still know that we are going to be under enormous pressure. We do not know whether there is going to be a future within the next five years at the moment. And that is without having the added pressure of zebra chip arriving in the country.

CHAIR: They are going to do this in the cities. I also note that in the cities there are a lot of vegetables—potatoes and god knows what—in everything from community gardens to market gardens. Go to Mascot Airport.

Senator McKENZIE: St Kilda.

Senator COLBECK: Just on that pricing pressure and the industry pressure generally, we know for a fact that that exists. We have had conversations and seen the media discussion around the price that you are getting at the farm gate for your potatoes. It is pretty well understood in all the potato growing states that there is downward price pressure on your product. The New Zealanders made the decision to reduce their prices recently after we had been through a round of price decreases as well, potentially going below the cost of production. But you are also getting enormous pressure, as I understand it, from the food service sector and companies like Kentucky Fried are demanding imported product to maintain that downward price pressure on your industry. What you do not need is an additional cost applied on top of that through having to deal with an additional disease that currently does not exist. Would that be a reasonable assessment of where you guys are at at the moment?

Mr Murphy: That is a very good assessment.

Senator COLBECK: Kentucky Fried tell us that they are cooking their chips in all-Australian canola oil but they do not say anything about where the chips are coming from.

Mr Murphy: That is correct. The fast food industry is after cheap food, cheap chips—as cheap as they can buy—to maintain their profit margins at any cost.

CHAIR: To maintain the obesity level of people in Australia.

Mr Murphy: Increase it.

Senator WHISH-WILSON: I know that you guys are growers for McCains. I want to ask the same question that I asked Peter Hardman earlier. Do you have any idea why, given that it is cheaper to process these New Zealand potatoes in New Zealand and send them over here—whether to fast food stores or other buyers—why they want to send fresh potatoes to be processed here?

Mr Murphy: No idea. That is a question that we have also asked. Why would they want to bring a product over here to process when they can do it in their own country and then freight over approximately 50 per cent of that, compared to the fresh product of 100 per cent? It is a question. It beggars belief, I suppose. Why would you want to do it?

Senator WHISH-WILSON: As an economist, I am always suspicious that there is an angle. But I am trying to work out what it might be.

Mr Suckling: The rationale that I can see is that if they can ramp up the growing of potatoes faster than they can ramp their processing facilities.

Senator WHISH-WILSON: Their capacity.

Mr Suckling: That gives them somewhere offshore to dump that product until they can bring their facilities up to scratch to be able value add in their country.

Senator WHISH-WILSON: We have been talking about the fast food industry using imports. Do you know roughly what percentage of chips would go to home brands in the major supermarkets rather than to branded products such as McCains?

Mr Murphy: I would not know the exact figure, but it would be fairly high.

Senator COLBECK: It would be substantial.

Senator WHISH-WILSON: I want to clarify something that the chair mentioned earlier. If potatoes are brought to Australia and processed here, would they be classified as Australian product or would they be New Zealand product?

Mr Murphy: I assume that they would be classified as Australian product, because they have been processed in Australia.

Senator WHISH-WILSON: So it is matter of where they are processed not where they are grown?

Mr Murphy: More than 50 per cent.

CHAIR: 'Australian made.'

Mr Suckling: That is what is happening with other vegetables at the moment, so it would be no different with potatoes.

CHAIR: I will clarify that. I went to a restaurant—and I still have the carton in my office, as a matter of fact—that had 'Proudly Australian' all over the carton. The importer of the fish—and I will not mention him, as I gave him a hiding a few years ago—said: 'That's the law. All we've got to do is declare that we've added 50 per cent to the value and stick it in a box and it can be Australian branded.'

Senator MADIGAN: Could you inform the committee about the benchmarking that the McCain growers have gone through in recent times and what the result of that was—cost to what you are being paid a tonne—and then go on to explain how, if zebra chip were to come in and you would have to spray, the effect that it would then have on the meagre amount you get over and above your costs on a tonne of potatoes?

Mr Murphy: The McCain Grower Group is currently 95 per cent of the way through a benchmarking project, to try to get a real handle on its costs. The preliminary results of that have come up with a profit margin of approximately three cents per kilo, which equates to \$30 per tonne, and that is before we get to buy food for our children and families. If this zebra chip came into the country, we estimate our spraying costs would be somewhere between \$25 and \$30 per tonne. That, in effect, is going to remove any money left to eat with, for a start, which is going to put the industry out of business in a very short time.

CHAIR: My point is, the processes will still be there, large as life.

Senator MADIGAN: We heard today, from a previous speaker, about the controls from AQIS, DPI et cetera with PCN in some areas. Do you have any confidence that the same rigour will be applied to policing of these potatoes, if they come into the country, with transport and security of the product et cetera?

Mr Murphy: I do not believe that the personnel are there, in the first instance, to cover all of those bases. If the personnel are not there to do that it follows that those processes will not be enforced properly.

Mr Suckling: We have also seen PCN come into the country from New Zealand. We have seen a precedent happen. We cannot see how anything has changed in the way the security in AQIS handles things now to how they were handled before. It therefore worries us, extremely, that the same thing will happen over a period of time.

CHAIR: I think you can be guaranteed that—just because of normal human failings; someone comes to work half blotto from the night before, et cetera. The best example is the disgraceful importation of beef from Brazil which, even to—what is the name of the people?—the mob that brought it in and even got a surprise that they had approval to bring it in. The OIE said, 'Oh, no. There are foot-and-mouth-free zones in Brazil. Go for your life. There were restrictions put on the meat when it came in but they said, Oh, bugger it; we'll take it out to the tip' and they took it out to the Wagga tip.

How do you control that, from a bureaucratic point of view? You do not. You could be at the potato factory and go, 'God, I forgot to go to the thing. I'll grab a bag of potatoes and take it home, for the cook' and half of them are rotten so you chuck them out in the backyard. There are community gardens all around Sydney. There are market gardens all around Sydney. To say that you are only going to do it in the cities, and there is no human failure—best of luck!

Mr Suckling: We as growers have no faith in the quarantine measures. The biggest problem is not so much the quarantine people trying to do the thing properly but that it is a science and is still a work in progress and they are still finding out how it reacts, how it travels and all that. We find it a complete no-brainer to say we can bring something in when we are still in the process of looking at how it got into that country in the first place.

CHAIR: No-one has ever explained the fire blight in the botanic gardens.

Mr Murphy: I am not sure the potato psyllid understands the difference between metropolitan and country areas.

Senator McKENZIE: A fair question.

Senator NASH: We will give him the ASGC map! The little psyllid will be able to find his way around the regions then. You mentioned you have no faith in the quarantine measures. One of the things that is becoming quite apparent, as I mentioned earlier, is the fact that the risk analysis is done and even if it is a high risk we look to put risk management measures in place that can bring the risk down to an acceptable level so the imports can come in. Should there be some sort of audit process or oversight body for biosecurity surrounding those risk management measures? To be fair, they go through the process as they are required to do by all of the international and national requirements, but they make the decision and then it stands. There are these processes

that we are talking about—things like going to the processing plant and Biosecurity's audit process—but does there need to be something else on top of that to audit the process? They are making the decisions, putting the rules in place and then saying, 'Trust us.'

Mr Suckling: I think what happens in these processes is that it is a closed shop. They make the decisions in their rooms without doing enough consulting with the areas that are going to be affected by it or considering a lot of other issues. It is a little bit sterile. That seems to be that way they will do their decision making on risks and factors that will affect things. There seems to be a lot of things that come up down the track that were not considered in the first place. All of these issues, I believe, need to have a lot more industry involvement and input in the first place to consider all the risk factors.

CHAIR: It is part of the phenomenon we call 'competing science'. As you would know, if you do not agree with someone on the science, you go and buy someone else's science. The person is usually as independent as the person who pays.

Senator XENOPHON: The previous witnesses suggested that there ought to be a panel of independent experts rather than just one independent expert who has been retained by DAFF. Do you agree with that approach—

Mr Murphy: Most definitely.

Senator XENOPHON: and that growers should have a seat at the table in relation to that?

Mr Murphy: I believe so, because they are going to be affected by the final result.

Senator XENOPHON: In your submission you are quite scathing and you have actually put in bold this comment about New Zealand:

A country that has allowed pest and disease infiltration into their own industry cannot be competent or trusted to keep pest and disease out of our industry.

Your view is that there have been sufficient failings in New Zealand that whatever cooperation they give to Australia cannot be trusted in the context of keeping things disease free?

Mr Murphy: I believe so, yes.

Mr Suckling: We believe they have proved that in the first place by the diseases that they have in their country and the diseases that have managed to get their way into Australia from New Zealand.

Senator XENOPHON: In terms of the consequences of this, you are saying that with the high Australian dollar things are going against potato growers at the moment. There are a whole range of factors, but are you saying that this disease will push the potato industry over the edge? Even if the potatoes are allowed in and there is supposed to be a closed loop, will you have to spend more money on risk management procedures by virtue of allowing them into the country?

Mr Murphy: There will have to be more monitoring for psyllids in the area, which will be an added cost, and more risk management. If the disease is found, then there go the costs with continual spraying. Our clean green image is gone.

Mr Suckling: Our bureaucracy costs in this country are phenomenal compared to the States and Canada—where I have just been recently—and what they have over there for the agricultural side of it. I know it is the same in a lot of other countries overseas. As Greg has demonstrated before, there is very little margin with our benchmarking. We are surviving at the moment, hoping that the dollar will drop or something will come to a stage where we are more competitive overseas. We cannot survive forever the way we are going. If this happens, it will be the end of the industry very quickly. I think governments need to be looking at this, because the mining boom is not as good as it used to be, there is unemployment and all the rest of the issues, and agriculture has been in the back seat for long time. It needs to be noted in Australia that it is an industry that puts a lot of indirect input back into machinery, labour and all the rest of the value-added costs we do.

ACTING CHAIR (Senator Sterle): There is not one person around this table who is going to argue with you there. We understand the importance of agriculture to Australia's productivity and to rural and regional Australia, so you are on safe ground there. You partly answered my questions about the health of the industry and the margins. It is tight. You have made that very clear. In terms of providing the processors with product, is there plenty of product around or do you have lulls where you cannot supply the market?

Mr Suckling: The biggest issue we have got at the moment is that the processors are in a squeeze themselves, and therefore they are putting the thumbscrews on their inputs coming in. We are the first course of action when they do that. We cannot afford to ramp up with better technology, better machinery and things like that. At the moment, the last thing you would consider buying on your farm would be an update to your potato equipment,

because you are not sure how long you are going to be there. Therefore it is a degrading situation, because you are starting to work with poorer technology and issues like that, so your efficiency levels drop off. It is basically a situation that is not going to last forever. It worries the hell out of us.

Mr Murphy: The Ballarat area at the moment is producing less than half of what it was capable of doing four or five years ago. To answer your question directly: the Ballarat area can produce more than the factory in Ballarat requires.

Senator STERLE: But you are not doing it because of the uncertainty that potatoes could come from New Zealand?

Mr Murphy: Those imports that are coming in have taken markets away, so the factory now no longer requires as many tonnes, and the area is down to less than half of what it was four or five years ago. But it is still capable of going up.

Mr Suckling: We have got limited markets. That is the biggest problem. Therefore we cannot afford to be speculative, planting more potatoes, like you would, say, plant more wheat or run more cattle, where you have got other markets where you can sell it. They are a very specialised product, French-fried potatoes, and there is a very high input cost to grow them in the first place. So you have really got to only grow the amount that you know you can place at sales at the other end so you are hopefully making some margin and profit out of it.

Senator STERLE: Believe it or not, the chair and I actually agree on some things. Senator Colbeck, Senator Edwards and I toured around Tasmania looking at the industry there, and the sad part is—this is more of a statement, Chair, if you can indulge me—that it does not matter how much money is put into 'Buy Australian' campaigns; the truth of the matter is that Australians do not give a damn; they will talk it up big in the pub or around the barbie, but, quite frankly, when they are at the Coles or the Woolies shelves they will buy whatever is the cheapest. Without wanting to start another trans-Tasman blue, after the underarm from Trevor Chappell, it does give me great fear, because we know darn well that the Kiwis—and Senator Colbeck and I witnessed this in New Zealand—proudly tell us how they can undercut Australian businesses in the agricultural sector. So, as to Senator Whish-Wilson's line of questioning, I think that is something we should be very mindful of, because the Kiwis proudly steal our jobs—at a far lower rate, because they have crappy IR laws. I have got that off my chest; now I am happy.

CHAIR: He is just clearing his chest.

Senator STERLE: And none of you can argue with me; you have got to agree.

CHAIR: We both intimately agree with each other; we are both boofheads! I was just speaking with Senator Colbeck, who is much more learned than either of us on this issue; is it just on cost that we cannot develop an export market?

Mr Murphy: Yes, it is just on cost.

CHAIR: That troubles me, obviously, in the reverse, because—

Mr Suckling: I think the thing we need to keep in mind at the moment is where our dollar is. We can bring food in and we can keep it reasonably cheap for people in Australia, but if our dollar changes around and if our trade is the other way around, and we have not got these industries here, we are going to be in dire straits.

CHAIR: Do you know why the dollar is where it is? One of the main reasons is that the US is technically insolvent.

Senator STERLE: They keep lowering their dollar.

CHAIR: It has \$3 trillion of toxic debt warehoused and about \$14 trillion of public debt in the market. It is propped up with a non-market currency of capital from China, and China will not revalue its currency. The only way for the US—and that then flows on to 200 per cent of GDP in the forward estimates in public debt for Japan, Spain and a whole lot of other countries—

Senator WHISH-WILSON: Is he right?

CHAIR: I am dead set right! The only way out is for the US to deflate their debt with inflation, eventually. They have not got to that yet, but when you see the US allowing the pension fund to be used in General Motors for cash flow you know you are in a lot of trouble. We have a serious problem in Australia with our terms of trade, and one of the only marketing tools we have is our clean, green and free status, and we on this committee—Senator Sterle and I and others—are all agreed: we are determined to protect that.

Mr Suckling: I do not disagree with any of what you are saying. I think the only thing you might perhaps not have mentioned in that was that we have an extremely high bureaucratic cost on anything we do in farming in Australia compared to overseas.

Senator McKENZIE: So it is not just labour costs?

Mr Suckling: It is not just labour costs; there are bureaucratic costs.

Senator STERLE: I hear what you are saying, Mr Suckling, but let us not forget that we are a very, very good country to do business in and with, and I would not like to see our biosecurity weakened at any stage. I am happy to defend the cost to support you guys rather than have a free, open, 'anything that happens in China or other Asian countries' sort of thing. I just have to put that on the record.

CHAIR: We tend to bore it up everyone.

Senator McKENZIE: Just on that 'clean, green'—that was a great segue—we heard earlier about growers in Victoria not using pesticides on their properties, and from the Tasmanians, I think it was, about the clean, green potato industry as a growth area. Do you see holding and growing that status internationally as a potential pathway to addressing these issues you are talking about, seeing as we cannot compete on cost?

Mr Suckling: At the moment we are starting to get inquiries from places like Japan to do with exporting potatoes there, because we do not have some of these diseases that New Zealand has, and I think it is one of the few openings that we might have with the current climate. Exports are something that we have to be looking to expand at the moment. We have to have some competitive edge on New Zealand. New Zealand can put potatoes into Australia cheaper than we can produce them, but if we can have some edge, one way or the other, then hopefully we will have some way of surviving.

Senator McKENZIE: We have heard a lot about protectionism today. I just wanted to get on the record that you are quite strongly in favour of free markets and free trade.

Mr Suckling: There is a very questionable way of putting free market or free trade. We have the least protected agricultural industry in the world, that I know of, and yet we have the most protected labour market in the world, and it is very hypocritical to—

Senator McKENZIE: Where is Senator Sterle!

CHAIR: He has just slipped out of the room.

Senator McKENZIE: I am sorry—continue.

Mr Suckling: try to be able to produce something cheap as anywhere else in the world when we have problems like that on the other side to deal with. I am not saying that we should have cheaper labour or that we should go backwards that way; what I am saying is that other countries are saying that they need to look after their industries, that we are being told that our industry has to fend for itself and that it will be nigh on impossible, sooner or later, to keep doing it the way we are going.

CHAIR: Don't worry—we deal with that every day of the week.

Senator WHISH-WILSON: Perhaps we should call it fair trade rather than free trade, as a message. I have a very quick question, but it is reasonably broad—because I do not know much about weather and potatoes. Is there a difference in weather risk in terms of growing areas? I know that Tasmania has some very productive soils and relatively high rainfall, but is there a difference in the weather risk? Are they all pretty similar?

Mr Suckling: I do not think so. I think this is a question that you need to ask, perhaps, one of the next witnesses who are coming along and who have a very scientific background; but some of the country where we grow potatoes is as good as any of the best country in Tasmania, so we would have comparable risk problems to those that they would have.

Senator WHISH-WILSON: Okay.

CHAIR: Obviously the premium on our health status relates to all the problems we have. But what is good for the goose should be good for the gander. In New Zealand, because the pork thing did not suit them, they went to the High Court. But, when it came to all of our issues, it was, 'God no—you've got to bend over.' Thank you very much for your evidence.

Proceedings suspended from 10:22 to 10:40

CLAYTON-GREENE, Dr Kevin, Biosecurity Consultant, AUSVEG

COBURN, Mr Simon, Public Affairs Manager, AUSVEG

MOAR, Mr Geoff, Deputy Chair, AUSVEG

MULCAHY, Mr Richard, Chief Executive Officer, AUSVEG

[10:41]

CHAIR: Welcome. You have lodged submission 7 with the committee. Would you like to make any amendments or additions to that submission?

Mr Mulcahy: No.

CHAIR: Would you care to make a brief opening statement?

Mr Mulcahy: Yes, I would appreciate the opportunity. The risk to the Australian potato industry posed by diseases associated with fresh potatoes from New Zealand is far too large to take. In 2009-10, the production value of our industry was over \$600 million, with around 2,000 growers contributing to this. Yet the Department of Agriculture, Fisheries and Forestry seems willing to risk it all based on out-of-date and poorly examined science. AUSVEG has been accused of running an emotional campaign against DAFF regarding New Zealand potatoes; however, nothing could be further from the truth.

Today we will be pleased to expand on evidence we have presented on the most up-to-date scientific findings, which has been put together by an expert on pests and diseases of the potato, Dr Clayton-Greene. The AUSVEG submission outlines in a methodical and scientific fashion the oversights made by DAFF Biosecurity on this issue and ultimately we will leave the committee with one conclusion. At this point, the importation of fresh potatoes for processing from New Zealand poses an unacceptable risk to Australia's biosecurity and horticulture industry.

I will now briefly summarise these oversights. It is the industry's position that DAFF Biosecurity has significantly underestimated the risk posed by the import into Australia of solanaceous crops in general and fresh potatoes in particular. Conservative estimates based on overseas experience suggests that potential losses to the industry should tomato-potato psyllid and its associated bacterium arrive in Australia could be in the order of a quarter of a billion dollars. This does not include the damages that could be seen in the multimillion dollar tomato, capsicum and eggplant industries, which are also affected by this disease complex.

The draft advice and the supporting final pest risk analysis which was also produced by DAFF lacks rigour, objectivity and basic scientific methodology and it provides selective presentation of data. The advice is based on a pest risk analysis completed in 2009, despite the wealth of new information that has become available since—information which suggests that the zebra chip disease complex may be more dangerous than originally thought.

The zebra chip disease causes discolouration of potatoes due to an uneven distribution of sugars. This disease is spread by a small flying insect called the tomato-potato psyllid. The disease was first reported in New Zealand in 2006 and, at every instance where this pest complex has been reported worldwide, there has been a devastating effect on potato production. So severe is the problem that potato production for processing on the North Island of New Zealand is being described by industry leaders as being on a knife-edge. In a country which is free of this devastating disease, why would we want to willingly bring in produce which could ultimately introduce zebra chip?

DAFF Biosecurity claims to use a science based approach to its work, yet inexcusably continues to confuse the absence of evidence with evidence of absence for this disease complex. Due to the lack of detail and rigour provided in the advice, Australian growers are being asked to trust that DAFF can be relied on to ensure risk is minimised; however, we would argue that the lack of rigour, selective quoting and the poor application of scientific principles, demonstrated both in the advice and in the supporting documentation, create the very antithesis of trust. An extremely pertinent example of the lack of serious consideration of the disease risk posed to Australian horticulture can be seen in the draft advice outlining that consignments of potatoes would be vented using an ajar-door practice. What evidence does DAFF possess that shows that ajar-door poses a low risk of incursion? Even the most cursory of considerations would suggest that an ajar-door container would provide ample opportunity for a flying insect, such as the tomato-potato psyllid, to escape.

AUSVEG is arguing that both the pest risk analysis and the advice on the import of fresh potatoes for processing are seriously flawed and should be rejected. In addition, we argue that DAFF needs to be more accountable in producing documents to an acceptable scientific standard. The available data on the tomato-potato psyllid and the zebra chip disease is currently not adequate enough to conduct a thorough risk assessment and a stop-the-clock option should be exercised until the biology and evolution of these potentially devastating insects

and bacteria are more thoroughly understood. Based on a thorough scientific analysis, it is impossible to come to any conclusion other than that, at this point, the importation of fresh potatoes for processing from New Zealand poses an unacceptable risk to Australia's biosecurity and horticulture industry and should not be considered.

My colleagues and I will be pleased to respond to any questions you may have in relation to the submission we have provided. We thank you for the opportunity to appear before the committee on this important inquiry today. Dr Kevin Clayton-Greene on my left will be particularly pleased to address the scientific issues that you may wish to raise.

CHAIR: Could I just clarify for the committee: would it be fair to say that the Australian potato industry is three or four times the size of the New Zealand industry, in terms of production?

Dr Clayton-Greene: It is about four times the size.

CHAIR: So what we are saying here is that, for the Geneva club to feel comfortable with the next glass of shiraz—that is, the world trade arrangements—New Zealand is leaning on us through that sort of big stick to put their potatoes, which is a quarter of Australia's industry, into our market and will put that production at risk—one quarter for four times, which seems an extraordinary proposition. As you have pointed out, Mr Mulcahy, and we have been through this many times on many issues, a lot of this is based on old science—as I understand it, in this case it is a couple of years old—with one expert, and we do not yet know whether he is just a drip under pressure or not, so we need to peer review whether he is good for what he goes for. One of the ruling criteria is known information. The US Army at one stage on a certain issue said, 'Don't ask and don't tell. If you don't know it doesn't matter.' It is fair to say that what the department does not know does not matter, as long as they do not know it. If there is information that is available that they do not know about, it does not affect the outcome as far as they are concerned. Is that correct?

Mr Mulcahy: That is a pretty fair estimation. We are not familiar with who the scientific expert is that DAFF have chosen to appoint, or the minister has, but certainly those who are scientifically qualified that we have consulted are universal in the depth of their concern. We fail to understand the logic of why the government would be looking to accommodate this request from the ministry of agriculture in New Zealand to open the door to allow these products in. If I may, with your approval, Chair, I might ask Dr Clayton-Greene to expand a little on the scientific aspects that concern him.

Dr Clayton-Greene: Thank you, Richard. In prefacing my comments, the first thing I would like to stress—and a number of people have alluded to it this morning—is that this disease has only been around for less than 20 years in the world. It first appeared in Mexico in Central America in the early nineties and, as a disease, appeared in Texas in 1995. Nobody knew what it was and it took several years to even find out what the problem was.

CHAIR: A bit like HIV.

Dr Clayton-Greene: Yes. There are a number of issues that come out of that which I will touch on later. The first thing is the disease itself and the bacteria in the psyllid. The New Zealanders have done a lot of work in this area and they identified in 2008 what the causative organism was and developed a diagnostic for it. Up until that time, people knew they had this disorder and it was a significant problem but nobody really knew what it was. It has been found that the disease is a bacteria. It is only found in the guts of insects—in this case, psyllids. We have no idea why it suddenly became pathogenic.

The psyllid itself is a native of North America and was described—and there have been numerous review people look at this—as an intermittent pest of potatoes through the last 100-odd years of growing potatoes in the United States. At no stage was it ever a major pest and was never listed as one.

Suddenly, in the early to mid-nineties, this psyllid changed its behaviour. We do not know why this organism suddenly became a problem. There is absolutely no knowledge of that; in fact, we have only as recently as two or three months ago got a picture of its genome. Not knowing very much about this organism and its biology in 2009 and still not knowing an awful lot about it in 2021, the question then is: how can one make a decision about the likely risks and impacts of a disease if you know very little about it? That is the first issue.

The corollary of that is, which I have mentioned, is that one of the issues that we face in trade these days is we are mixing pests, diseases and plants from all sorts of areas that never co-evolved. The impact of that we are only just beginning to understand in viruses. The analogy I would use is what measles did to aboriginal populations in the South Pacific when they first came into contact with it and other European diseases such as smallpox in the central Americas. Because they have never co-evolved, there has been no way that these organisms have developed any resistance, and we are seeing that with this particular organism. There are no resistant potato varieties. We are not aware of any resistance in any other of the various forms of the nightshade family, which is tomatoes, capsicum, eggplant. There has been no resistance demonstrated.

Secondly, we have also found subsequent to this a number of other issues that indicate that perhaps the pest risk analysis that was done in 2009 was perhaps a little hasty and optimistic.

CHAIR: Thank you very much. You have got to tend to think like the enemy, and we have been thinking like the enemy for many years on this committee trying to protect Australia's clean, green status—one thing that we have got going for us. It has never been explained to me—and it troubles me greatly. I mentioned earlier John's disease. I mentioned the fire blight that turned up in the botanic gardens in Melbourne. We still do not know whether that was a deliberate assault on Australia through sabotage. We have had the illegal importation of the mandarin industry and citrus canker. I just think ordinary Australians need to understand what is at risk here, and obviously the industry is at risk because, as I have said many times this morning, I do not think it matters at all to the retailers, the small-food industry or the processors whose potatoes they are using, but it should matter to Australia that we can protect an industry that has global status. I think it is a disgrace that we are relying on science that is out of date.

Senator COLBECK: I might ask Mr Coburn or Mr Moar to comment on what they think the effect would be in the consumer world if this were to take hold.

Mr Moar: I believe that food security will be in real jeopardy if this complex becomes rampant in Australia. We have been working under an IPM, or integrated pest management, regime. At the most we would spray chemicals maybe once for insects. What we are faced with is maybe up to 18 sprays, we have been told from New Zealand. Like we heard earlier, it will not be a practical thing to grow these crops. We have heard a lot about french fry production, but this is not just about french fries. I myself grow crisping, fresh market and several other uses of potatoes. It will just be not practical to grow this crop if this complex gets rampant.

CHAIR: Do the 17 applications of chemicals find their way into the spud?

Mr Moar: I suppose with QA programs that we are using it would always—

CHAIR: But can I point out something. In the case of fire blight, we have had a bloody lot of experience with this stuff—and the New Zealanders are not happy that we have—and we have the closer economic arrangements with New Zealand. They use streptomycin. By the way, Mexico uses gentamicin, the last-resort antibiotic in that industry. But we do not test for the antibiotic on the product because we have this closer economic arrangement with New Zealand. Will the same apply here? Will we be testing these spuds for chemicals? Three-quarters of the prawns that came out of a province in China imported into Japan were rejected for antibiotics. They are grown in terrible conditions. That is the sort of stuff I mean. In Australian industry with its technology, the cotton industry now uses less chemicals than the strawberry industry. Do you think these potatoes will be eligible for chemical testing?

Mr Moar: I think that the law will say that they are using chemicals that are not registered in Australia in their country and it will apply to the chemicals that are able to be used in their country. So there will be a double standard.

CHAIR: Under the closer economic arrangements?

Mr Moar: Yes, exactly.

Mr Coburn: It is important to look at the long-term effects. If this disease comes to Australia and we lose our entire crop, our entire industry, that will have a long-term effect on pricing for potatoes. If we are reliant on potatoes being imported, this is greatly going to affect the price. We are going to be price takers—we are going to be dependent on what price is set by the importers. It is also about national security. We have to be able to feed our own people. If we do not have an industry, how do we do it? If a foreign country decides that it needs to have all of its crop to feed its own people and shuts off its exports to, for example, us, how do we feed our people?

CHAIR: That is a similar argument to shutting down all the fuel refineries and relying on—

Senator COLBECK: Dr Clayton-Greene, what have we actually learnt in the last three years that we did not know in 2009, which is the basis of the documentation that the department has put forward? What are the key things that we have learnt?

Dr Clayton-Greene: In 2009, when that document was prepared, there was a diagnostic available that was pretty insensitive. Since then, there has been a much more sensitive diagnostic developed which can test to much lower levels of bacteria. That has meant that some of the science in 2009, which suggested that various forms of transmission may not occur, has now been shown to be false. One of those is in tuber transmission.

In the initial document, in the pest risk analysis I think the words were something like, 'Tubers growing that are infected will be spindly and weak and unlikely to persist.' So the tuber transmission was dismissed as a relatively

low-risk. Since then we have found, with this more sensitive diagnostic are, that tubers that apparently tested negative then are, in fact, infected.

It was also claimed in the original pest risk analysis that this is only one psyllid and that it is the only host for this disease. We have now found evidence in Europe, in carrots, that there is another species of psyllid that will carry this *Libera bacta*. That was found in 2011.

We have also found, subsequent to that, although it was indicated in the pest risk analysis that native psyllids—we have a large number of them—would not feed on solanaceous crops, one has gone there. That is acknowledged; it is the eggplant. But no reason has been put forward as to why that is.

So because we understand so little about this, while we do not know, this new information that comes to light dramatically changes the landscape when it comes to assisting risk analysis. I would put it to the senators that we are only at the very cusp of understanding how the biology of this disease works. We really do not understand why this thing should suddenly have appeared.

Senator COLBECK: So in the context of unknown unknowns, there is still a whole heap out there that we do not understand, and if we are assessing things based on what we know, there are some questions. We are working on—

Dr Clayton-Greene: Absolutely

Senator COLBECK: our understanding of them to develop—

Dr Clayton-Greene: There has been a lot of discussion about a thing called psyllid yellows. That strongly hints that there is a pathogen involved but that still has not been resolved. Although it is mentioned in the pest risk analysis, talking to the people in New Zealand who are working in this area, I have found that their attitude is that it may not be what we think it is, but they do not have any evidence to suggest one way or the other. So the whole thing is a bit like a box that we are looking into; we can see little bits of it but we cannot really get a picture of it.

CHAIR: Sorry to interrupt, Senator Colbeck. Just yesterday we were told by the department that they work on the knowns. So would it be a concern to the potato industry that they might not want to know the 'not knowns'? Given that what we have now is the known and—

Dr Clayton-Greene: I find this absolutely unbelievable, to be honest. I cannot imagine how anyone working security of food or chemicals would ignore possible unknowns when you are carrying out risk analyses. It flies in the face of scientific principles, to be honest. To claim that you are using scientific evidence when you do not know what something is, and then to ascribe it as no risk, to me makes no sense whatsoever.

CHAIR: They are protected by the concept that they have to work on knowns, and it depends on how hard you hunt after the unknowns.

Dr Clayton-Greene: My argument would be that that may be the case but I do not think that is defensible, scientifically.

CHAIR: Either do I.

Senator COLBECK: You have mentioned the psyllids and the native species here. Could you clarify for me the capacity or the possibility of the native psyllids taking up the bacteria and whether or not they feed on any of the nightshade species. You did make mention of that.

Dr Clayton-Greene: Yes, I did. There is one native psyllid that, it has been shown, has developed an appetite for eggplants. There is enough evidence from around the world to suggest that psyllids change their feeding behaviour and hosts. That is documented in the submissions that we have made. We have alluded to that.

So whilst we do not know how the native psyllids might react, should they be confronted with this, there is enough evidence to suggest that we should adopt a cautionary approach to that, because they have demonstrated the ability elsewhere in the world to change their feeding patterns.

Senator COLBECK: I now want to go vectors. You said it started in Mexico and then went to Texas, and it has obviously moved to New Zealand. Do we have any understanding of that? I suppose, within continental North America—moving from Mexico through into Texas—the psyllid could actually move. Do we know anything about the range of these psyllids and their movement patterns, and what the vectors might be in moving these diseases around?

Dr Clayton-Greene: Yes. Initially, it was thought that the psyllids probably were carried up through North America out of the Gulf of Mexico on the wind currents that develop in springtime. It has now been found that there are resident populations and they are genetically different in the north-west and the south-west of the United States. It is believed they overwinter there and the winters can be severe. The pest has now expanded its range

considerably since the 2009 document was presented and it is now found in all states except Utah, west of the Mississippi. It is now becoming a significant issue in Washington.

I might put this in context. As a player in the United States potato industry, Texas is a very minor player but it is important because it is early and it has material available for crisping production early on in the season. Fifty per cent of the United States production comes out of the Pacific north-west, which is where the psyllid has appeared in the last two years and it is causing significant problems in those areas now. It has also now been found in Canada. This year psyllids were reported as early as April, I believe, in Manitoba.

It has shown a great propensity to change its behaviour. We do not understand why this should be. This is a native psyllid. It has been there for a long time. Why has it suddenly become a massive pest of potatoes? We do not know. These are the issues that are really fundamental to understand when you are talking about risk analysis. To answer your question, Senator Colbeck, it spread up and down the western seaboard of the United States. There are overwintering populations and they can tolerate very low temperatures.

Senator COLBECK: What about the timing of its arrival in New Zealand? Do we have an understanding of the vector in that regard?

Dr Clayton-Greene: There is a lack of conjecture but no definite answers. The weight of opinion suggests that it probably came into New Zealand through nursery stock. The disease was first discovered in 2006. But the evidence would suggest looking at the behaviour of what has happened there that the disease was the present earlier than that. Because of the nature of potato growing and the fact that this disease in potatoes resembles any one of a number of other diseases that you would automatically dismiss as something such as just a bit of a wet area in the paddock, it was probably dismissed by growers as something other than the psyllids. It did not become a big issue in the potato industry in New Zealand until 2008, by which time it was across the whole of the North Island and it is now found throughout the country with the exception of Stewart Island.

Senator COLBECK: Going to the document that the government has had out for discussion, and you have obviously make comment on it, there has been some discussion this morning about the vented or the door-open policy for transporting potatoes. I understand that that is a mechanism to ensure they maintain quality and do not sweat or deteriorate in the container while they are being shipped. How does that align with a risk based process of managing a potential hatching or something like that during a journey?

Dr Clayton-Greene: The short answer is it probably does not. In going through the import conditions, it was very difficult to get down to what was really intended. I cannot believe that anybody would suggest that a container with a door ajar that is sitting on a wharf in Australia would be a secure form of keeping that insect there. We suggested to senior DAFF staff last year that perhaps an appropriate way of dealing with this whole area was to use HACCP, hazard analysis and critical control points, which is the standard industry practice for dealing with food security and chemical security. The advantage of something like that is that it allows and produces a mechanism that is crystal clear. It allows science to be added to it, to identify all these hazards and have control measures in place. There is no such thing in this and so it is left to woolly arguments, so it is very hard to get to the bottom of what is intended and often it is contradictory. I would suggest that containers sitting on a wharf in Australia is a recipe for an incursion.

Senator COLBECK: We go to the requirement for only bringing them in to metropolitan areas, and there is a designation of what is regarded as metropolitan and what is not. What about risk vectors within metropolitan areas? You are not allowing it to get directly into regional areas by virtue of the fact that you are saying it cannot go there, but are there not a number of risk vectors in metropolitan area species that might be a host to the psyllid in those metropolitan areas? If so, how widespread might they be?

Dr Clayton-Greene: Absolutely. In fact, it is interesting to note that in New Zealand, when this disease first reared its head in 2008 and 2009, the biggest talking point in home gardening magazines for people with home gardens was why their tomatoes were not ripening. That was in metropolitan areas, home gardeners in the equivalent of Auckland, Wellington, Hamilton and those sorts of places who were growing tomatoes in their back gardens and suddenly they did not have tomatoes anymore. That suggests that psyllids do not necessarily respect the fact that a house is somewhere they should not go. Talking to the researchers in New Zealand, they have seen psyllids in their gardens in the middle of Auckland.

CHAIR: We must accept that in Sydney, for instance, there is a network of community gardens. There is a community garden at Woolloomooloo.

Dr Clayton-Greene: I do not know how that risk is being assessed.

Senator COLBECK: That is where I was going to go to next. In your view, there still remains a significant risk in metropolitan areas because of the range of host plants and, as Senator Heffernan said, community gardens as well as backyard gardens.

Dr Clayton-Greene: Absolutely. We have several hundred native psyllid species. The exact number is open to interpretation, but talking to Australia's experts on psyllids there are several hundred of them. Sydney or Melbourne has lots of native fauna and flora and it has lots of introduced fauna and flora. There is no reason to suspect that in those areas there are not native psyllids and there is no reason to suspect why an incursion would not find a perfectly happy home in a park in Melbourne or anywhere else in a metropolitan area, for that matter.

Senator COLBECK: Restricting access to those metropolitan areas is not necessarily reducing the risk vector. It is actually potentially provides a base for it from which it could spread. In a rural environment you are perhaps more likely to have some management regimes, but there would be much less than that in a home garden, for example, or a conglomeration of home gardens.

Dr Clayton-Greene: In fact, I think it is probably worse than that, because most people who are involved in production actively look out for things that they might be concerned about. In the suburban environment that is not necessarily the case. The second thing is if they get a tomato or a potato, even if it is a bit misshapen, they are so happy to have grown a tomato or a potato that they will accept that without burrowing into the reason why it is misshapen. I would argue that the risk is probably higher in a metropolitan area. Also, the real serious thing is if you did have an incursion in a metropolitan area, how would you control it with chemical sprays? Given the issues such as when we have had incursions in suburban areas—and we only need to look at the fire ant issue in Brisbane and the issues that created—how would you go about controlling them and suggesting to the people in suburban Sydney, for example, that we need to come through and put some insecticides around? I am not sure that that would go down that well. In fact, the argument that it is in a metropolitan area has two sides.

Senator COLBECK: Now I want to touch briefly on other diseases, because those are also raised in the work that you have done, and your assessment of how those other diseases are being managed as part of the risk assessment process.

Dr Clayton-Greene: The short answer is that they are not. When I went through the document that was provided in the import conditions—MAF provided two documents, only one of which I could access publicly—that document concerned solely PCN and black wart disease. Significantly, although it was a source document for the DAFF import conditions, it did not even mention psyllids or *Liberibacter*.

Within that document the area of PCN is ambiguous—there are two different protocols in place. It permits farmers to make the decisions about PCN control. In fact, I note that the original importation was suspended because of the lack of PCN control in New Zealand. I would ask, 'What's changed?' because PCN is not under control in New Zealand, and even New Zealanders will acknowledge that.

Secondly, there was a list of diseases on page 7 of this advice that were suggested as diseases of potatoes in New Zealand. That is obviously incorrect grammar; I assume they mean diseases of quarantine interest, because there are a large number of other potato diseases that occur in New Zealand which are not listed here—*Erwinia*, powdery scab, common scab—there is a whole heap of them.

Senator COLBECK: Do they exist here as well?

Dr Clayton-Greene: Yes, they do, but I am just going on the information that is provided in the document; I cannot read DAFF's mind as to what it meant. Interestingly, that list was compiled in 2007 and this advice is 2012. What has been done to update this list since then? Was anything done about it?

However, having said all that, these diseases and pests are listed here and, with the exception of zebra chip, PCN and black wart disease they are never mentioned again in this document. How are they going to be controlled? What is the mechanism in place? Clearly, the mechanisms are for controlling viruses and there are no mechanisms there to indicate what strains of viruses we have or what sort of mechanisms they have to differentiate between arthropods, nematodes and fungi. It is never even mentioned.

Unfortunately, the usual words are 'were given consideration'. In the other document used in reference to those are the pre-existing conditions prior to 1988. One has to say, in fairness to DAFF, that we have moved a long way in preparation of import conditions since then, but they are not considered there either. To answer your question, I really do not know, because it is not talked about.

Senator COLBECK: You mentioned two documents that came from MAF New Zealand. You had access to one but not to the other.

Dr Clayton-Greene: I endeavoured to. It was given a reference in the import conditions but no-one did it.

Senator COLBECK: Can you identify both of those documents for me?

Dr Clayton-Greene: There was the MAFBNZ Export Compliance Programme and the 2004 document, I think. I identified it in the submission.

Senator COLBECK: Which one could you not get?

Dr Clayton-Greene: I could access the one pertaining to PCN and the compliance program, but there was another that I could not. From memory, I believe it was referenced in the export compliance program document. I am happy to take that on notice and come back to you.

Senator COLBECK: You made a comment a moment ago about New Zealand growers having a choice as to which of the two they complied with.

Dr Clayton-Greene: No, within the MAF export compliance program document there are two PCN programs; one for export to Korea and one to other countries which presumably include the Pacific Islands and elsewhere. They have different standards and different requirements, but it is not made clear in the DAFF document to which one of those they are referring.

Senator COLBECK: So you could not make an assessment one way or the other as to the efficacy of which compliance program they are working with because you did not have that level of detail.

Dr Clayton-Greene: We were not told in the import review.

Senator COLBECK: And you do not have access to that document?

Dr Clayton-Greene: I had access to the DAFF document about PCN and black wart disease, which was the one document, but the other supporting document to that I could not access publicly. As I said, I am happy to take that on notice. I do not want to take up the committee's time rifling my documents.

Senator COLBECK: I am just trying to understand and to explore what those documents actually describe and do because in previous inquiries we have had information that was not for available for commercial-in-confidence reasons out of New Zealand. It took a while to actually understand what was going on, but the relevant information that we needed to understand was actually in the DAFF documentation, but because we did not know what the whole document said we did not actually understand that. I am trying to get a sense of what you were looking for. I can explore with the department later on as to whether there are some things that we needed to know or whether we did not need to know because they were not relevant.

Dr Clayton-Greene: Okay, I understand where you are coming from. In preparing the response there was reference made in the draft review for import conditions that a number of documents were consulted and taken into consideration. I was keen to see what all those documents were so that I could understand how they were going to address the issues that were highlighted as potential problems. The only one that I could access was one that pertained to the control of PCN and black wart disease in New Zealand, which was the main source document. There was no mention of any other diseases, so I thought 'Aha'. But it referenced another document which I thought might have other information about some of these other diseases. I was unable to access that document.

Senator COLBECK: The Tasmanian government's submission actually questions access to some of this documentation too.

CHAIR: Is that the secret of making a judgment only on known information? That is the bloody drop dead question here.

Dr Clayton-Greene: I can only produce a response based on the information that I can access and comment on. I do not want to go in there and stick the boot in if, in fact, there is information out there, but I could not access it. I think that if one has to make a judgment about the suitability or otherwise of documents that are referenced as key documents—and they are listed in this document—then you ought to be able to access them. Otherwise, how can we judge the veracity of what is being said?

Senator COLBECK: That is fair and it is something that we went through in other inquiries that we have dealt with. The situation could be helped by a statement that the other information does not actually relate to it. But if it is referenced and you want to have a look at it, it makes sense to be able to do so. As I have said, the Tasmanian government has made reference to that in their submission as well. In the context of dealing with the three key diseases, you have got concerns around the zebra chip and you have been able to look at PCN but not get a complete determination of which particular export protocol they are looking to use. What about black wart?

Dr Clayton-Greene: There is a declaration that New Zealand is black wart disease-free north of the Rangitikei River, so provided potatoes come out of that area I have got fewer concerns about that, because that is clear and verifiable. I have no issues with that particular part of the document. My issue is about PCN and the fact

that the way New Zealand treats it is not in line with what is proposed either for Australia—the new PCN plan—or the generally accepted way of handling it in the EU and other countries around the world. So, to talk about PCN and area freedom and stuff is absolutely nonsensical in New Zealand. To have things in there that permit fork testing—for argument's sake—for testing for PCN, whereby you dig up the potatoes and look to see if there are cysts on the roots, in the context of varieties that are resistant to PCN is absolutely meaningless because you will not find them. It does not mean to say they are not there; they just will not be on the roots. So, it is all rather wishy-washy and very unscientific.

Senator COLBECK: In the context of the control mechanisms that we are talking about, what are we saying in the management of PCN, as part of our documents, or are we relying on their protocols?

Dr Clayton-Greene: We are relying on their protocols within what is here.

Senator COLBECK: And in your view, those protocols are not acceptable.

Dr Clayton-Greene: No.

Senator COLBECK: Fine.

Dr Clayton-Greene: And they are not in line with what is proposed in terms of the new PCN plan for Australia, which is an Australia-wide document.

Senator COLBECK: How recent is the new PCN?

Dr Clayton-Greene: It was released for draft comments and available publicly since, I think, about June.

Mr Mulcahy: Yes, I would say about that.

Senator COLBECK: So that is a document that is—this year—

Dr Clayton-Greene: It is available and would have been available on websites for people to read.

Senator COLBECK: And in your view, it should have been incorporated into the control process that we are looking to use.

Dr Clayton-Greene: There should have been a discussion about the relevance of that and how that would fit into any proposed importation.

Senator COLBECK: Okay. Smaller operators: we have focussed so far on larger processors for crisping potatoes. Can you give me a sense of what other elements of the industry, and their potential preparedness or capacity, to deal with this imported product in a secure way?

Mr Moar: There are third tier-type processors that will, I believe, find it very difficult to come to the standards that would be required. They are there more buying on spec. They would probably be interested in just buying one container of product imported to hold their contract growers down in price. They would be using that as a leverage on their contracting arrangements at times when it was economic for them to bring them in. Every now and then we have a higher demand for our product and our prices are a little higher here. I am aware that they in our capital cities. They are smaller operations and would find it very difficult. I am not concerned so much with the major processing companies that I believe would be able to adhere to a lot of the regulation.

Senator XENOPHON: Dr Clayton-Greene, I have a stack of questions that I need to get through, because my colleagues have questions as well. Do you mind, on notice, if you could give us an idea of your expertise in this field—I understand it is extensive—for the benefit of the committee?

Dr Clayton-Greene: I am more than happy to.

Senator XENOPHON: Thank you. You have already outlined some of the flaws in the regional 2009 pest risk analysis. Were you disadvantaged in not being able to see those documents that you referred to with Senator Colbeck? Or, you do not know.

Dr Clayton-Greene: I do not know. I am sorry, I really cannot answer that. It was only one document. To be honest, it only underscored my disquiet, I suppose, at the rigour in the original documents. I am not sure that it would have made much difference to what view I would have come to, but, to be perfectly honest, I have no idea.

Senator XENOPHON: Okay. Again, because of time constraints, can you take on notice perhaps—you have dealt with it but it might be useful to me at least, and to other members of the committee, to outline some of the issues that need to be addressed to crystallise those key issues in relation to the preparation of the documents on the risk analysis. There is another issue I will address to Mr Mulcahy, and Dr Clayton-Greene if he wants to jump in. A note from the department makes reference to the AUSVEG. It states:

In undertaking this work...

That is, the risk assessment--

DAFF attended a number of conferences and workshops to present the findings of the 2009 assessment, including at the AUSVEG Zebra Chip Industry Summit.

It makes the assertion:

No substantive concerns were raised by AUSVEG or other potato representative bodies at that time.

Do you agree with that?

Mr Mulcahy: I would have to go back and look at the minutes of that meeting, but I think the bottom line is that science has moved along dramatically since that meeting in Melbourne in December 2009. That was some years back. We will outline some of Dr Clayton-Greene's experience, but it will be of interest to the committee that we have been funding him to go to a series of meetings in New Zealand with the experts in that country so that we are fully across the impacts of the disease. So we are taking a very strong position in terms of keeping up to speed—

Senator XENOPHON: I have two more questions, Chair. I know we have time constraints. An earlier witness said that they just do not trust New Zealand in the way that they manage pest and disease, given their track record, and I think Senator Heffernan outlined a whole range of diseases in that country that we do not have. Is that a fair or an unfair criticism?

Mr Mulcahy: I will just make a comment, but Dr Clayton-Greene is more familiar with the local arrangements. I am aware there have been dramatic cutbacks on expenditure in areas that could impact on the surveillance of diseases and the like. So I would not necessarily subscribe to the trust issue so much as to the fact that that government is under a lot of economic pressures and I believe they have had to curtail a lot of resources; and once that happens in this area then you have risk.

Senator XENOPHON: Sure. For the final question, I again refer to the New Zealand potatoes risk assessment document from the department. It says:

As reported on the DAFF website, the psyllid has been intercepted twice at quarantine inspection. Both consignments were fumigated to kill the psyllid and the companies involved in the exports were suspended from trade and remain so. This is our biosecurity system at work.

Dr Clayton-Greene or Mr Mulcahy, do you have any comment on that? Does that logically flow, from your point of view?

Dr Clayton-Greene: Yes, that is true; you have intercepted two psyllids. I am not sure that that says an awful lot other than that you have intercepted two psyllids. We do not know what else has come in, and based on our experience with this organism there could have been others that have come in; we do not know. But my argument would be that just because you found two psyllids does not mean everything is tickety-boo. The issue I have is that I do not see anything in this documentation here that indicates that the department has any understanding of how the industry actually works, or that it has the ability to manage that risk, and that is the point that really gives me concern. If we are going to be setting import conditions, I would need to be satisfied both as a scientist and as someone who works in the industry that the department had demonstrated an ability and rigour in their capacity to do this, and that is completely and utterly missing in this documentation. In fact, I would also argue that the reason why I have such concerns about this is that, initially, it was claimed that there had been no interceptions; then there was one and now there are two. If the department does not know what it is talking about, that is when I get concerned about rigour. When I see that sort of thing happening and the sort of thing that is exemplified by these documents and I am asked to comment, from a scientific rigour point of view that is where I have concerns. Then that raises general concerns about the level of rigour that is attached to these sorts of documents in their preparation.

Senator XENOPHON: Thanks.

ACTING CHAIR: Before I go to Senator Edwards because he has to go, I will very quickly ask you a question, Dr Clayton-Greene—and I hope this can be a yes or no answer. This bug is a flying insect. Once it has infected the potatoes, the theory is that, if the container on the wharf is open or the door is open, the bug could get out and start breeding. Is there any fumigation or something that can be applied while those potatoes are in the container on the way from New Zealand to Australia?

Dr Clayton-Greene: There are two things. I will be as quick as I can. One is the bug. Yes, you can kill the insect, but we are absolutely certain that under this arrangement, with what we know about this disease, diseased potatoes will be coming into this country. There is no way of telling—

ACTING CHAIR: Okay. I get that.

Dr Clayton-Greene: Therefore, my argument—

ACTING CHAIR: Doctor, I get you.

Dr Clayton-Greene: Yes, okay.

ACTING CHAIR: You have made that clear. So, if these diseased potatoes come into Australia and they are spread out within suburbia or in growing areas, even if there is no bug in there could they still infect our potatoes?

Dr Clayton-Greene: The answer is we are not sure.

ACTING CHAIR: Okay. That will do fine. Thank you. Senator Edwards.

Senator EDWARDS: I just want to add another scientific voice and get your comment on it. On 13 September a professor of plant pathology, David Guest, from the University of Sydney's faculty of agriculture and environment went on the record in broad terms saying that free trade deals drive quarantine rules in Australia. I will quote from him and seek your comments on his comments. He asserts that zebra chip will have a massive adverse impact on the Australian potato industry. In fact, he said:

If it happened in New Zealand, there's absolutely no reason why it wouldn't have a similar impact in the Australian industry ...

Professor Guest closely followed the lifting of the ban on apples from New Zealand. He was also a commentator on that. He said it was the system, not the science, which created points of contention, especially with the absence of a precautionary principle. He went on to say:

Science-based means there has to be solid scientific evidence to prevent imports. If they've got no evidence, they've got no reason to stop imports.

He went on to say:

What does zebra chip do to our native plants? We don't know. Nobody has ever looked at it.

Consequently, DAFF is obliged to tell the World Trade Organisation there is no evidence of a threat.

He said that while the quarantine measures looked good on paper there was a factor in the chain which jeopardised the process—humans.

He also said:

In biological terms, nothing is acceptable. You are talking about micro-organisms that produce millions and billions of propagules, so it doesn't matter what number you set as the threshold, as you keep importing the agricultural products into Australia, inevitably you are going to import the pest or disease ...

All it takes is one mistake and bingo—we've got this disease and we are in the same situation as the north island of New Zealand and the US.

He pointed out the spread of introduced diseases such as myrtle rust and chestnut blight as recent examples of quarantine failures.

It is really sad for a scientist to see that Australia has been free from pests and diseases in our horticulture industry until recently.

He is a scientist of some eminence. You are a scientist pushing your cause. I would like to hear your comments in relation to trade and biosecurity in this country.

Dr Clayton-Greene: I can be very succinct: I wish I had written that myself. I agree with it. It is absolutely true. I think that that is the one area that causes me the greatest concern—that we are continually told that it is science based. Yet the issues he is raising there are the very antithesis of science. If we followed the principle that is used in biosecurity currently, we would still be living in the days where we did not know about microorganisms. If we cannot see something and we do not know anything about it then apparently it is not a problem. I just cannot follow that. Unless someone can explain it to me clearly and lucidly—and I have had a number of people in that area try to do so—I am completely lost. It is just completely and utterly the antithesis of science. It is like saying, 'I can't see a star out at the end of the universe, so it does not exist.'

CHAIR: It is a bureaucratic solution.

Dr Clayton-Greene: Yes. It has no basis in science. It is the very antithesis of science, I would argue. That is why we have this issue about confusing evidence of absence and absence of evidence.

CHAIR: Are there enough potato farmers in Australia to blockade the wharf? I would tell them to bugger off.

Dr Clayton-Greene: It is not only potatoes we are talking about.

Mr Mulcahy: It can affect other vegetable crops too. We prefer to achieve our outcomes through operating within the—

CHAIR: I am happy to be in the blockade.

Senator EDWARDS: Your contention is the same as that of the other scientist—that, if we allow this, this disease will inhabit Australian potato fields?

Dr Clayton-Greene: In all the evidence that has been collected to date—there has been a Ph.D. student working on this at the University of Lincoln, looking at the temperature levels at which this organism can live—there is absolutely no reason to think that it would not infect most of the south-east of Australia. There is no evidence to suggest otherwise.

CHAIR: The great difficulty is, the consumer doesn't give a rats, because as long as they are cheap—

Mr Mulcahy: The impact of this is inevitably going to be in the opposite direction. If we end up losing substantial crops, as Mr Coburn pointed out, it is inevitable that the prices will go up, in terms of retailing, and there will be a greater reliance and dependence on imports.

Senator EDWARDS: It is what you call 'market power'.

Mr Mulcahy: The department's only issue to address, in their evidence this afternoon, is how the opposite of that is going to occur.

Dr Clayton-Greene: No, I think there is a lot more to it than that. They have to explain why—once again, coming back to science—this document produced in 2012 has one post-2009 reference. There has been a lot of work done since then. In any legal or scientific discourse, it is incumbent upon someone to say why and to take into account anything that may have come forward and then to provide a cogent argument as to why that evidence was either ignored or was not incorporated or used. That has not been done. Effectively, we have one post-2009 reference in this document. It is solely concerned, interestingly enough, with the name of the disease. That is all it is referenced for. That very reference, which I have a copy of, here—is also the one that describes tuber transmission. It is not even raised in this document. This is why I get concerned, when I see that sort of selective—and I use the word advisedly—referring.

CHAIR: Some people believe that what you do not know will not hurt you. I do not agree with that.

Senator NASH: We have had apples, ginger and pineapples and we have a hell of a lot of these IRAs in front of us, and have had for a period of time. With greatest respect to the department, they were at pains yesterday, and quite rightly, to point out to us that they work under legislative and agreement rules. That is how they base their decisions. I could be wrong, but I suspect that when they are in this afternoon they will say that they have used the matrix, that they have come up to the level of risk, that there will be risk mitigation measures put in place and that, therefore, it will be reduced to an acceptable level of risk—that it will not be zero but will be at minimal risk level.

How do we as a committee deal with what you are saying today, which is very coherent and very well argued, that this will spread, even though the department will say it is a tiny risk? I do not want to put words in their mouths; they may come up here and say something entirely different. It is this issue, is it not, the minimal risk or whatever word you want to call it? The department says, 'That's okay because we can manage it' and the industry says, 'No, we can't; it will spread.' How does the committee deal with those two views? I suspect the department is not going to come up here and say, 'We agree with AUSVEG.' How do we deal with that?

Mr Mulcahy: I do not profess to be a statistician and to be able to give you a dissertation on the matrix, although I think you took advice on other commodities yesterday. Dr Clayton-Greene may be able to add something to it, but I guess one of the abiding messages out of his message today, frankly, is about the competence with which they have tackled their assessment. It gives us deep concern about the competence in managing the risk situation. We look at the livelihoods of thousands of growers across South Australia, Victoria, and Tasmania, in particular, who could be put at risk by actions of people who say, 'Well, the risk is low'. However, when you look at the quality of their work, as Dr Clayton-Greene pointed out, it does not stack up. We are not just relying on him. He has talked to many of the other scientists around the country—people in research and development—and they share our concern. We have not found anybody who thinks this is a smart way to go. That is what worries us. I might ask Dr Clayton-Greene to expand a bit on the issue.

Dr Clayton-Greene: I am not going to comment on risk analysis. It is a statistical area and a mathematical area and is not something that I feel competent about. The risk profiles were developed in the 2009 PRA, which is largely a cut-and-paste document. I accept that it is a subjective process. I cannot fathom how some of those risks of moderate, high or low were produced because they do not make any sense, knowing what we know about the biology of the disease.

Senator NASH: Thank you. I was going to take you to that because you say in your submission in the risk assessment for pathways section:

The risk assessment pathways in this section rely extensively on cut and paste, and the risk ratings therein are unfathomable.

Senator COLBECK: So you would contest the risk ranking—

Dr Clayton-Greene: Can I indulge you for a minute?

Senator NASH: Yes, please.

Dr Clayton-Greene: If we go to those very risk management pathways and look at probabilities of distribution, they are all negatives. Everything there says we are going to have a problem, yet we come up with moderate, and yet again on another one where it all comes up with a problem we have high. I do not understand why you have two different ratings for two different sets of circumstances which essentially give you the same answer. That is where I start to get confused. I accept that it is a subjective process but once again some of these arguments are based on data which has been challenged since then to be false. So that changes the system again.

Senator NASH: You will be pleased to hear the committee is also very vexed by the issue of a risk matrix and are doing some work on that as we speak. It does seem that the biosecurity through this whole process is judge, jury and executioner, if you like. As you were saying earlier, we need more accountability by the department using the science and, I suspect, across a whole range of areas—and I am happy for you to take this on notice. If you are talking about accountability, what should the committee be recommending in terms of how we get that accountability and whether we need some sort of audit process or oversight body to step away somehow from this one body doing all of the assessment, all of the science, all of the protocols for the risk measures and then ticking off on each? You might like to take that on notice.

Dr Clayton-Greene: I would make just one comment. We have not turned our minds to what the answer might be but it is quite clear that, if you like, they are judge, jury and executioner. The competing pressures of attending to biosecurity, the preoccupation with the agency in terms of export activity and the political imperatives that must drive that mean that it is very hard to form a view that you will have solid, objective scientific advice when it is emanating from the same people who write to us and tell us that their focus is on exports, despite the legislative obligation to address domestic industry as well. I think you need some form of external unfettered scientific analysis before these analyses are made available and developed.

Senator NASH: That is a good point, thank you.

Senator McKENZIE: I want to go to the risk evaluation matrix. We have heard a lot of the science and I will get to that in my second question, but concerning the consequences of the end of the matrix, the consequences of the effects on the community of a virus like this getting into our crops, do you have any comment to make about the methodology used by the department for determining that?

Dr Clayton-Greene: Are you talking about the ratings or the matrix itself?

Senator McKENZIE: I am talking about the criteria used.

Dr Clayton-Greene: I do not have an issue with the criteria in terms of looking at probability of incursion, establishment and distribution. The issue I have is how we come to the ratings.

Senator McKENZIE: Sorry, it is probably more a question for AUSVEG, rather than for your particular area of expertise because it goes to domestic and international trading issues and environmental and non-commercial impacts of the disease entering Australia.

Mr Mulcahy: If the chair is agreeable, I may provide a written supplementary response on that, but from a grower perspective, I might ask Mr Moar—a substantial grower in your state of New South Wales—to give his view on what the impacts might be if this disease were to have an impact in Australia. I should note that in meetings with Biosecurity, they have acknowledged to Dr Clayton-Greene and I that this definitely, if approved, will result in diseased potatoes coming into Australia.

Mr Moar: The industry just will not survive. What we have seen is complete devastation. When you get the north island of New Zealand shutting down on potato production, it is going to be a hard thing to survive in Australia. We have very large potato growers with huge investment, and it will just be devastation. We just will not be able to take part in that industry.

Mr Mulcahy: Communities in areas like Ballarat—Senator Madigan's area—and east of Melbourne would be severely impacted if we saw failure of crop.

Senator McKENZIE: You have been quite scathing of the scientific process but, moving on from that, what would a good science look like if we were going to approach this?

Dr Clayton-Greene: To me, good science is where you write something and if you make a statement you have some evidence to support it.

Senator McKENZIE: Yes.

Dr Clayton-Greene: For argument's sake, there is a comment in there that potatoes that are being packed will have a one-metre separation. That just sits there by itself. So where is the evidence—

Senator McKENZIE: So, in your opinion, that is an arbitrary—

Dr Clayton-Greene: There may well be some fantastic sitting behind that that says that one metre is fine.

CHAIR: Can I just seek an explanation? What is a one-metre separation?

Dr Clayton-Greene: It talks about separating packages in a packing sheet and says that there will be a one-metre separation. I cannot remember the page number but I can pull it out for you. What I am saying is that this is an example of rigour and what I am suggesting is that, where you make statements about why you should be doing something, there should be some evidence to back it up that says, for example, 'Smith in 2010 did a study and found that psyllids won't fly more than one metre,' and there is some evidence to back up why you have picked up that particular statement. This is the sort of thing that I am talking about.

Senator McKENZIE: In your opinion as a scientist, if we were going to have a group examining best outcomes for this, what are the types of scientific areas that you think should be involved in that sort of discussion? Obviously plant pathology and entomologists, by the sounds of it, but are there any other sorts of scientists that might be involved in a review of—

Dr Clayton-Greene: There should be pathologists, plant geneticists and entomologists—

Senator McKENZIE: It seems like it is quite an adaptive species.

Dr Clayton-Greene: should all be involved in this because we are looking at a disease complex. We are looking at insects—so entomologists; we are looking at a bacteria—so pathologists; and, because we do not understand how these things have become pathogenic, we need to get some idea of how these things might become pathogenic from a genetic or genomic point of view.

CHAIR: Someone needs a smack in the back of the head, I think. Are you telling me that, as I am advised by Senator Colbeck, the protocol says that you can stack undesignated potatoes a metre from designated potatoes and that the little bug will not fly across the metre?

Dr Clayton-Greene: That question is best put to DAFF. I did not write it, but it is in the document.

CHAIR: Holy cow!

Dr Clayton-Greene: That is just one example I pulled out. In my submission, there are many other statements like that. Once again, if you were writing a scientific paper, just to come back to scientific rigour, and I wrote, 'This was given due consideration,' which is a phrase

CHAIR: But my point is that, with the apples, they were going to have buffer zones and the bloody Philippines and the minister for agriculture—and for bananas they were going to do the same—declared the thing endemic to get around that. Maybe they are going to declare this potato disease endemic and say, 'It won't matter if the bug does make it across.'

Senator MADIGAN: We have been listening here today at length to evidence about the disease pest risk analysis. If I drive out of here now and do not have my seatbelt on, I get a fine. If a potato grower drives out to McCain with his truck and it is unroadworthy, he gets a fine. There is a consequence for his actions. Are you or any of your members, or is anybody in this room, able to tell me what consequences there are for people who do not do their job properly to manage the pest risk analysis? We are talking about approximately 1.2 million tonnes of potatoes that are grown in this country, and then we have the multiplier effect into the community—the social, economic and environmental impacts this is going to have. Do you think that there are adequate incentives for the individuals who are supposed to be analysing this risk to do their job properly? And do they have any empathy with the devastation this is going to cause when this buggers up?

Mr Mulcahy: Senator Madigan, through the chair: this is what troubles us and, frankly, it is why, at Senator Xenophon's press conference this morning, I was quite vocal on this issue. It is a case of all care and no responsibility. It is all well and good for people here to produce a paper or a document or analysis—which, we have given evidence today, is severely lacking—but what terrifies us is that, if the end effect is that we have the disease in Australia, it will not be the bureaucratic people in Canberra who will wear this; it will be your neighbours in Ballarat, the folks in South Australia and Victoria, Mr Moar's businesses and associated neighbours in southern New South Wales, and the Tasmanians. That is where the damage will be felt. It will all be put down to, 'Well, we did our best.' And we will be left to mop up what is left of an industry—just like they are in New Zealand. It has devastated them. I have been over there every 12 months to talk to the industry. They are running out of funds. They have had to drain their industry body because they have spent so much in desperately trying to

do research. That is a long answer, but the bottom line is that I do not think anybody will take responsibility if this perceived low risk in fact fails.

CHAIR: You can be bloody sure of that! Reading about packing and labelling in the conditions, you are not allowed to store them more than a metre from other potatoes—but, getting to be a metre away, you can be six inches away—from a non-designated production area. You are not allowed to stack them below the potatoes. Only potatoes for export to Australia can be sorted and packed at any given time—even though you are in the same place: 'Oh, bugger it, Senator Colbeck—we're half a tonne short; grab a few out of that pallet there.' I mean, my God, what a bloody joke! We ought to tell them to bugger off.

Senator MADIGAN: As far as we have heard about the export market, would it not be reasonable to expect that we would be zealously guarding our disease- and pest-free status wherever we have it? As I understand it, the conditions that are placed on our farmers in Australia to export anything are extremely rigorous. The department is talking about export. But we are actually just going to decimate our industry locally, after which we will not even be in a position to export.

Mr Mulcahy: That is correct. I know Dr Clayton-Greene has had a fair bit of experience in dealing with the international market in seeds and with export activities, but, from my experience, trade negotiations are extremely complex. If there is any opportunity to seize advantage over a trading partner in terms of identifying a disease, it will be used vigorously. We have seen it with Taiwan and Korea and other export markets. It is an area we are keen to protect. We have looming issues with the potential removal of a couple of key chemicals that prevent fruit fly. That is causing great alarm around a number of growing areas in terms of our export capacity. So, yes, if there is any concern in relation to our commodities, that will be seized on in trade negotiations. I do not know if Dr Clayton-Greene would like to talk to any examples.

CHAIR: Are you referring to Fenthion?

Mr Mulcahy: Fenthion and dimethylate, yes.

CHAIR: That is another one we ought to march on parliament on. The evidence we have received on that is disgusting.

Senator MADIGAN: Other than theoretical experience, are you aware of anybody from any of the departments who you have actually physically seen visiting seed growers and having any understanding of seed cutting, planting, who have hands-on experience with the transport? When we are talking about they will only go to the suburban areas, with an intimate knowledge of what happens in the transport area, security, the fact of untarped loads. I know of many instances where I see potatoes on the road, I see them fall out at processing plants, I see people pick them up. That is the reality. It is not rhetoric, that is not fairytale stuff. Can you tell me of anybody that can tell me where these people have actually been seen hands-on at the coalface?

Mr Mulcahy: I have had no requests. We represent the interests of somewhere in the order of 9,000 vegetable and potato growers across Australia. I think the point was made earlier on about the human factor. Either Senator McKenzie or Senator Nash mentioned that. That is obviously central to our concerns. I do know they have had some visits to New Zealand officials but I do not know the full extent of that. Certainly in terms of seeking to be briefed, seeking to get a hands-on view of the operation and understanding the risks along the way, we have seen no evidence. Maybe they have done this independently but we certainly have not had any indications from any part of the country of requests by DAFF to get to that level of detail and enhance their understanding beyond what they might learn online or in textbooks.

CHAIR: We have heard evidence today that the processors agree with the non-importation of these potatoes. Have you heard that?

Mr Mulcahy: Yes, I have heard that.

CHAIR: Let me just say this: we could solve this problem today if the processors put their money where their big mouths are and say, 'We will refuse to process New Zealand potatoes.' End of statement, no market.

Mr Mulcahy: This is purely speculation, one speculates whether there is a broader agenda at work here, whether it is to get the door open for broader export from the potato sector into Australia or whether there is another trade-off in trade negotiations.

CHAIR: To assist your thinking in that process, yesterday we were dealing with ginger and I asked a very plain question of the very long-suffering officials—and I accept the long-suffering—'Were there any other applications?' Dr Grant said no and his friend sitting next to him said yes, and there was. They have not officially gone through the process but Thailand wants to bring in ginger. It is the tip of the iceberg. We are going to get smashed in this unless we do the smashing.

Mr Mulcahy: These trade negotiations, as you know better than I, are very much trade-offs often and we see it with all these bilateral negotiations and the Doha round and everything else. We are concerned that an industry could be expended as part of the negotiations.

CHAIR: As I have said many times, with modern communications, modern transport, global marketing, free trade agreements and the World Trade Organisation, the concept of what we have known historically as sovereignty is decaying. As there are no further questions, thank you very much for your time and patience.

Mr Mulcahy: Thank you, Chair and senators. We appreciate the opportunity to give evidence.

CHAPMAN, Mr Tim, First Assistant Secretary, Border Compliance Division, Department of Agriculture, Fisheries and Forestry

FINDLAY, Dr Vanessa, Chief Plant Protection Officer, Department of Agriculture, Fisheries and Forestry

GRANT, Dr Colin James, First Assistant Secretary, Plant Division, Department of Agriculture, Fisheries and Forestry

MELLOR, Ms Rona, Deputy Secretary, Department of Agriculture, Fisheries and Forestry

TERPSTRA, Mr Wayne, Assistant Secretary, Industry Arrangements and Performance, Border Compliance Division, Department of Agriculture, Fisheries and Forestry

[12:05]

CHAIR: I welcome once again the very fit Dr Grant and his team from the Department of Agriculture, Fisheries and Forestry. I remind you that the Senate is resolved that an officer of a department of the Commonwealth or a state shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy. It does not preclude questions asking for explanations of policy or factual questions about how and when policies were adopted.

Officers of the department are also reminded that any claim that it would be contrary to the public interest to answer a question must be made by a minister, and shall be accompanied by a statement setting out the basis of the claim. I invite you to make an opening statement if you so desire.

Dr Grant: There have been a number of impressions created today that Australia is unconcerned for and is putting at risk its biosecurity and production systems. The department's role is to protect Australia's biosecurity within international and national rules, and to safely facilitate trade—both export and import—under those rules.

I put it on the record today that we operate under a series of international and national rules. I would like to quote a couple of statements. Members of the WTO, of which we are one along with most if not all of our trading partners:

... shall ensure that any sanitary or phytosanitary measure is applied only to the extent necessary to protect human, animal or plant life or health, is based on scientific principles and is not maintained without sufficient scientific evidence, except as provided for in paragraph 7 of Article 5.

I have just quoted from Article 2 of the SPS agreement, to which we are a signatory. I also quote from Article 5, paragraph 2:

In the assessment of risks, Members—

that is, WTO members—

shall take into account available scientific evidence; relevant processes and production methods; relevant inspection, sampling and testing methods; prevalence of specific diseases or pests; existence of pest- or disease-free areas; relevant ecological and environmental conditions; and quarantine or other treatment.

Article 5, paragraph 7 says:

In cases where relevant scientific evidence is insufficient, a Member may provisionally adopt sanitary or phytosanitary measures on the basis of available pertinent information, including that from the relevant international organizations as well as from sanitary or phytosanitary measures applied by other Members.

We work under those international conditions.

I now quote from a court case in which our own conditions have been challenged before by an industry sector. We were taken before the District Federal Court. We lost the case, we appealed the case and before the full bench of the Federal Court the appeal was upheld. That judgement says:

The legislation does not suggest that quarantine decisions are to be made on an assumption that every scientific fact is known about every conceivable disease or pest that might be introduced into Australia, or that such decisions are to be delayed until all such facts are discovered and accepted. On the contrary, quarantine decisions have to be made in the existing state of knowledge. Imponderables have to be weighed and value judgments made. No specific criteria are laid down, other than the condition to be established must limit the level of quarantine risk to one which is "acceptably low"—which necessarily assumes there will be some risk.

CHAIR: That is very well put, Dr Grant—very bureaucratic, a lovely defence over a glass of wine, but very impractical in real life. Could you describe to me the difference between 'known' and 'available' for the purposes of what you have just read.

Senator WHISH-WILSON: We do not want Donald Rumsfeld's answer either!

Dr Grant: I note that today there has been quite some discussion about knowns and unknowns.

CHAIR: No, I am asking you to describe to me, under what you have just read out, which is the bureaucratic defence of telling our potato growers to bugger off, the difference between 'known' and 'available'.

Dr Grant: Available scientific evidence is by definition known scientific evidence.

CHAIR: No, I tend to disagree with you. It might be available, Senator Whish-Wilson may have it, but you may not ask him for it, so it is not known. It is available, but it is not known until you get it. Would you agree? I am sure there is a bureaucratic way out of it.

Dr Grant: What we do is that we source information that is available and known from all sources from which we are able to obtain it. We undertake a risk analysis. We then put out the draft of that risk analysis for public comment, which is a peer review process, and in so doing draw in any additional information from any source anywhere in the world.

CHAIR: But you would agree, surely, that there is a difference between what you know and what could be available?

Dr Grant: What I know and what could be available could be different, but what I do know—

CHAIR: That is all I need. Thank you. That is all I need to know.

Dr Grant: But what I do know—

CHAIR: This import risk analysis—I am going to talk over the top of you, and you are used to that. Information, as we understand it from the evidence we have received, is dated. To the best of your knowledge, on what you know—which we seem to think, Senator Colbeck, is based on something up to about 2009—and what is available, have you got all the 'available' into your 'known' column?

Dr Grant: We think we have.

CHAIR: If we can disprove that, will you provide free beer for the committee?

Dr Grant: I would look to you trying to disprove it, Senator.

Senator COLBECK: Can I first go to the discussion we have had around the age of the science. I accept the points that you were making in response to some of the earlier discussion about the evidence from the court case, or the judgement from the court case. I want to get a sense about that. It appears to me that we are in a learning phase around this particular disease, particularly the zebra chip. There is a lot that is being learnt in a period of time and quite a bit since 2009, when the original document was drafted. What scope within the parameters of that court judgement do we have? I think you alluded to it to a certain extent. Do we have to make some judgements about the changing nature and the learning process of the information? Not being stuck tightly to what is actually known, you know that things are evolving. What capacity is there to make some judgements around that within the process that we are dealing with as far as assessing the risks and then applying measures are concerned? Or is that too speculative for us under the way the regime is structured?

Dr Findlay: I think the most informative response there is to go to the way that we manage biosecurity risk measures. Our risk assessments at any given point in time are only an assessment valid for that period of time. We have most of the staff in DAFF working on a daily basis to make sure that we stay abreast of changes in science. We have knowledge of the logistics chains that influence the time frames within which trade will occur and we keep abreast of changes in pest and disease status in the countries that export to Australia. The important point is that any risk assessment we do is only valid for that day and, beyond that time, we have to work with the staff, the experts, the resources we have available to make sure that we take account of any changes that happen and to make sure that the measures that we have remain relevant and in place to protect Australia and the industries in Australia. That is the situation we are facing with potatoes.

Senator COLBECK: In the event of something material that changes or drives a change in the protocols that are in place, you then have capacity within the process to make modifications to deal with that.

Dr Findlay: It is routine business for us to respond quickly to changes that occur. I think zebra chip disease is a good example of that. In 2008 when it occurred, when we became aware that it was in New Zealand, we immediately banned trade. They are the sorts of things that we do in response to new information. We ban, we review, we change measures and we put in place measures to again protect the industry.

Dr Grant: If I can add: we do this over and over again and we have done it in the case of *drosophila suzukii* with the soft stone fruits from the United States a couple of years ago. At any point time we can and do review our position but, as Dr Findlay says and as in fact was taken up in the same court case, you can only review the

state of knowledge at a given time. The court case went on to say that you cannot take into account what can and possibly might happen in 10 years time because you do not know.

CHAIR: You are not allowed to assess an imponderable.

Dr Grant: You can take into account some degree of uncertainty but you cannot assume that something will be different in 10 or five years time or next week without some underpinning evidence.

Senator COLBECK: So you could take into account a possible event, a considered event, as part of the process and put a risk mitigation measure in to deal with that but, in terms of the pure science, you deal with what you actually know at that point in time.

Dr Grant: Correct.

Senator COLBECK: I want to go to the hierarchy of diseases. You have got a number of diseases. There has been discussion of 21 plus a number of others that exist—some that are in Australia, so they are shared by both Australia and New Zealand in this circumstance. Would I be correct in saying that we take the disease that poses the highest risk or requires the highest level of mitigation and build our mitigation measures around that one with the knowledge that it will deal with all of the issues that might exist for the other diseases that might have a lesser impact? Let's take zebra chip: we are restricting it to a zone—we are talking about metropolitan areas with secure disposal of waste, dealing with the water that they are used to process in. If our assessment is that those mitigation measures for that disease also deal with all the other diseases, there is less of a need to deal with those as a part of the overall risk-analysis process.

Dr Findlay: There are a couple of points to be made here. The first is that the most appropriate measure for one disease might not be the most appropriate measure for another disease. But if you have got a set of measures that are appropriate for, say, viruses, by and large, biological characteristics, you can group them and apply a biosecurity measure to deal with the biosecurity risk of the biological characteristics of that group of pests and diseases. In applying measures, yes, you can group pests and diseases together.

Senator COLBECK: What I am trying to deal with is the discussion that we have had. You have three headline diseases that we are talking about—there is zebra chip, PCN and black wart—but the discussion seems to be focused around particularly zebra chip. There is some concern around PCN and an acceptance that area-free sourcing from New Zealand can deal with black wart. I am just trying to give you the opportunity to deal with the issue that we have talked about. There is not a lot of mention of the other diseases within the document. Dealing with those key disease risks actually mitigates for the other ones that are being considered as part of the process. That is what I am trying to get at. Am I on the right wavelength?

Dr Findlay: The goal of risk mitigation and risk management measures is to make sure that you have safety nets—I guess you could describe them as that. It is not just one mechanism in place. What we try to do is provide layers of biosecurity management. If you add them all together, you would have a mechanism that provides the best protection against a failure. So, if one safety net fails, we have another one that sits underneath it and then another one again.

Senator COLBECK: So why not mention all the other diseases in the document?

Dr Findlay: It is probably a good time to describe the difference between the process we have undertaken for potatoes and the risk assessment process which we undertook for, say, ginger or pineapples. This is a very different process because we had measures in place, trade was occurring and we updated those measures to take account of the occurrence of zebra chip in New Zealand with the 2009 document. When New Zealand approached us for market access we took the previous information we had, the previous measures we have in place, the assessment we did in 2009, plus any science that had developed in those three years, to look at whether the measures that we had in place remained appropriate. That is the process we have undertaken here. It is not redoing the risk assessment that was done to establish the previous measures.

Senator COLBECK: There was the 2009 document and the measures that were put in that document. Are we saying that it would have been possible to bring potatoes in from New Zealand from the time of the publication of that document or is that a discussion document?

Dr Findlay: In 2009?

Senator COLBECK: Yes.

Dr Findlay: Yes, it would have been possible.

Senator COLBECK: But it has not occurred under the protocols that were in that document and remain part of that document?

Dr Findlay: Correct.

Senator COLBECK: So what change in the protocols have occurred in that time frame based on the new knowledge we have?

Dr Findlay: None of the information between 2009 and 2012 changes the risk mitigation that we put in place.

Senator COLBECK: So there has been no change to the risk mitigation measures based on—

Dr Findlay: No. Science has developed but that science has not influenced or resulted in a need to change the risk mitigation that we are proposing.

CHAIR: I think the question was: what is the change in the science, not in the mitigation?

Senator COLBECK: No—that is the next question.

CHAIR: I am sorry.

Dr Grant: Senator, you heard this morning that there has been some additional knowledge gained in the period between 2009 and 2012, and we are aware of that. The critical point that we are trying to make here, and it is critical to biosecurity, is that we have in place a set of measures, and we have not spoken about the detail of those at this point in time. But potatoes will come into this country to be processed in a facility and potatoes will be cooked as a result of that, and all the waste will be either incinerated or autoclaved and all water waste will go through proper quarantine treatment. Those measures do not need to be changed in our view. They are sufficient to cover the diseases that we know about, and the state of knowledge that has increased since 2009 to 2012 does not lead us to say that those measures are not sufficient.

CHAIR: Just to clarify, with your indulgence, of the potatoes that come into Australia, the 40 per cent that is carved off the spud will be either incinerated or autoclaved and-or then deep burial.

Dr Grant: Deep burial is now out.

CHAIR: We have been told deep burial. Is that out of date?

Dr Grant: You have not been told anything, Senator.

CHAIR: Not by you.

Dr Grant: There are options that we can use. We have specified that there are a number of options. What we have not yet done, and this is, as you know—we went through yesterday a number of times—we have not yet put in place the final conditions. What we are saying is that we will require that waste rather be incinerated or autoclaved.

CHAIR: And, like yesterday, you will endeavour to get to get permission from the Kiwis to give us the details before it becomes hung, drawn and quartered as a proposition.

Dr Grant: Yes.

CHAIR: God bless you.

Senator COLBECK: So deep burial is out. My recollection from previous conversations—and it is not a criticism—is that we did talk about deep burial previously. If that is a change, that is a change and that is fine. There is no issue from my perspective on that.

Dr Grant: I might add though that deep burial is a quarantine-approved approach to waste management but in a number of ways—

Senator COLBECK: No, no, I am not making a judgement in the context of that.

Senator XENOPHON: Chair, if it would be useful to the department if I could read one line or two lines. The department says:

Deep burial is also considered a suitable method of disposal, however, there are moves away from using deep burial. New South Wales has no approved site available. As a consequence it is unlikely this type of disposal will be used.

CHAIR: As Senator Nash points out, if someone runs into you, tips the truck arse over on the way to deep burial, then you have a problem. We also know that 20 million tonnes of granular salt is going to be stored in an approved storage which does not exist.

Senator COLBECK: We do not need to go on about that. Going to the questions that I was asking before about the MAFBNZ export compliance program for potato cyst nematode, which was raised in the Tasmanian submissions to the inquiry and was also referenced by Dr Clayton-Greene, is that information that is not relevant to the discussion and therefore not visible, or are we in a situation that we went through with apples where all the information that was required was actually in the document but we did not know that it was all in the document and the other stuff was superfluous, or is there a reason why this information is not available? The Tasmanian government has raised it and it has been raised in a couple of other submissions. It is a communication issue, from

my perspective, rather than anything more sinister. It is referenced in your document. How do we go back to check that stuff?

Dr Findlay: Just to clarify that the document it is referenced in our review—the *MAFBNZ Export Compliance Program for the Provision of Additional Declarations. (Potato Cyst Nematode and Potato Wart) 2009 V10*—is publicly available and we can provide the link to that. I understand that the second document that is referenced in the MAFBNZ document, which is a 2004 document on the surveillance of potato cyst nematode, is not publicly available and we will endeavour to provide that.

Senator NASH: Did you know that it was not publicly available?

Dr Findlay: We have never been asked for it.

Senator NASH: But did you know that it was not publicly available?

Dr Findlay: No.

Senator COLBECK: You must have known it existed.

Dr Findlay: Yes, we knew it existed because it establishes the framework which we will use to build the compliance mechanisms that we require for the trade into Australia.

CHAIR: Will that explain the one metre separation so that the little bugs cannot—

Dr Findlay: No, the one metre is a separate issue. When we come to that I will explain it.

Senator NASH: Sorry, Senator Colbeck, but can I clarify: where did you get the document initially?

Dr Findlay: From New Zealand.

Senator NASH: From a department-to-department exchange.

Dr Findlay: Just in normal departmental exchanges, yes.

Senator NASH: Should you now perhaps check, when you are doing reports or documents, whatever, that what you have referenced actually is publicly available?

Dr Findlay: We did not reference the 2004 document. We referenced this one, which is publicly available.

Dr Grant: This is an important point, Senator. It is a tiered thing. We have referenced the document we used. It references others, one of which apparently is not available. We will seek to source that. We know of it and we can source it, because it is government to government.

Senator NASH: Because you are you and we are us.

Dr Grant: As you know, we have been through this in a number of cases.

Senator NASH: Can you stop saying that, Dr Grant. I know we have been through everything a thousand times, and we will do it again. Stop wasting time. Take it as read that we all appreciate that, all the time.

Senator COLBECK: That is why we are asking the questions, because we do not want to go through it either.

Senator STERLE: Gain control, Chair. There is riff-raff here. It would not happen if—

CHAIR: A bit of mayhem doesn't hurt. If the first document relies on an unavailable second document, you really cannot validate the first document until you have had a look at the second document. How did you validate the first document?

Senator NASH: They saw it; we could not.

CHAIR: Have you seen the second document that is not available?

Senator NASH: Yes, they have got it.

Dr Findlay: We have the second document. The second document refers or relates only to the establishing of a framework, which we actually have to write ourselves. So that second document—

CHAIR: You have read the second document?

Dr Findlay: Yes.

Senator NASH: Government to government.

Senator COLBECK: The one metre. Bill has got me again!

Senator NASH: We are so close on this committee, aren't we! Is there a question? This one has us intrigued.

CHAIR: Part of the imponderable for a simple farming person like myself, as opposed to an academic, bright young fellow like Senator Colbeck, is what happens to the insect when he is flying across the metre, from one box to another?

Senator NASH: I would like an answer to that question.

Senator COLBECK: The one metre separation within the storage: is that beyond the capacity of the psyllid? Why is that a suitable—

Senator NASH: It is a no-fly zone!

Dr Findlay: The one-metre separation is a standard arrangement for the control of contaminating pests across the world and in trade.

Senator NASH: That is stupid!

Dr Findlay: That one-metre standard is a routine set of quarantine procedures that happen. I will take you to the specific wording of this. It says, 'Potatoes are to be stored at least one metre from potatoes from non-designated production sites.'

CHAIR: No wonder the world is a cock-up!

Dr Findlay: Non-designated refers to those production sites which do not have any of the pests or diseases that are of concern to us. Those pests and diseases are dealt with by a separate and specific set of quarantine measures. This is part of the safety-net approach that we have in place. There is a standard set of routine quarantine measures that get applied to everything, and then we have separate measures that deal with—

CHAIR: If it is not designated how do you confirm that they have not got the bug?

Dr Findlay: This is part of maintaining—

CHAIR: I think you are struggling.

Senator STERLE: She is doing all right. Leave her alone!

Dr Findlay: No, I am not. This is part of maintaining the highest levels of protection for industry and making sure that contamination of pests and diseases that we might not know about—

CHAIR: For this simple farmer, this row here, which is a metre from that row there, is designated potatoes. What—

Senator COLBECK: You are quoting from a document. It is a standard protocol document that you are quoting from.

Dr Findlay: This is our review document. This is a set of standard quarantine—

CHAIR: The designated spuds; tell me what they are. They are on their way to Australia under this process.

Dr Findlay: No, it is non-designated production site; not designated spuds.

Senator NASH: So these little psyllids are going, 'Not there, guys; it's the one metre!'

Dr Findlay: No, the psyllids are controlled by a separate set of measures. The one metre is for routine quarantine control arrangements.

Senator COLBECK: So we are talking about different things in that context. I get that. This is a standard quarantine mechanism. Where would somebody go to find that information—that standard quarantine information. This is the referencing stuff again. If we read this and think, 'We're going to stack stuff to go over there a metre apart from stuff to go over there.' We are just understand the basis of this. That was effectively the discussion that we had earlier. That is a standard quarantine mechanism. How do you find that information so that when you are doing a review of your stuff people understand where you go to find it?

Dr Findlay: We have our import conditions database. On that database you can go to any of the protocols in place and you will see the conditions that are common for all of those. They are the standard set of quarantine conditions that apply.

Senator NASH: Specifically on this for potatoes, what will that one-metre rule mean? What is the idea of one metre when it comes to potatoes?

Dr Grant: It is a physical separation.

Senator NASH: I understand that, but what is it stopping?

Dr Findlay: Anything that can occur if you leave potatoes sitting side by side.

Senator NASH: That is exactly my question: what would those things be? I understand that you are saying that it is the standard.

Dr Findlay: It stop soils being transferred.

Senator NASH: What else does it do?

CHAIR: You do not know.

Dr Findlay: PCN is an example, except we have separate measures for PCN.

Senator NASH: This one is in there for a reason, so what is it stopping?

Dr Findlay: No, that is what I am saying.

Senator NASH: You just said it is stopping dirt moving from one side to the other.

Dr Findlay: As an example of what the one metre does as a standard quarantine control. It is not specifically related to any particular pest or disease. It is a safety net to give us added assurance.

Senator NASH: I understand that. But in the case of potatoes, what would those things be?

Dr Findlay: Transfer of soil, making sure that when you get other beetles or insects in the storage area they are not able to transfer straight across. It is just standard practice.

Senator NASH: Why not? If they are flying around the storage area, how can they not go across?

CHAIR: How does the beetle not make it across the one metre? Is it barbed wire?

Dr Grant: No, the point to make is that we have a tiered approach. We are saying in general quarantine we like to keep things separated. That is a standard procedure. It is not the reliance that we place totally and wholly on quarantine. We are saying it is a standard operating procedure. It facilitates control at some level.

CHAIR: Walking around.

Dr Grant: It allows operational management and it facilitates control at some level. But we have a lot of hierarchy and higher measures.

Senator COLBECK: There may be other measures on top of that to prevent a psyllid flying from one to the other.

Dr Grant: Correct. It is just part of the number of safety measures.

Senator NASH: I understand that.

Senator XENOPHON: Where does the one-metre rule come from?

Dr Grant: It is a global standard.

Senator XENOPHON: What is the basis of the global standard?

Dr Grant: Everybody tends to use it. It allows a person to walk between; it allows machinery to go between.

Senator NASH: But they would do that anyway without the standard. They have to get around the space. Please take on notice the genesis of the one-metre rule, as Senator Xenophon asked you how that came about in the first instance. We understand it is only part of a range of measures, but as it applies to potatoes, what does that one metre do in terms of prevention or ensuring the efficacy of the process? I am not looking at human issues, walking up and down because they will do that anyway—people are pretty smart.

Dr Findlay: Thank you.

Senator COLBECK: I have one last question. We heard evidence that some of the information put into the matrix to determine the risk rankings has proven to be incorrect because there is new science. How is that reflected in the current process or is that going to be reflected in the review of the document that will be presented following the review?

Dr Grant: I think you said that new information has proven to be incorrect.

Senator COLBECK: I did not say new information, I was talking about inputs to the original matrix. I am pretty confident the evidence we got from Dr Clayton-Greene was that information that was used in the assessment of risk in the matrix in the document has proven to be incorrect. How is that to be reflected or is that something that will be assessed as part of the current process we are going through?

Dr Findlay: I think the information you are referring to seems to be a misapprehension that we have not taken account of the possibility or potential for tubers to be infected and if planted result in an infected plant. That is not the case and I will refer everybody to page 38 of the report, which says:

The ability of *Candidatus Liberibacter psyllae* to multiply in infected hosts and the ability of infected potatoes to produce daughter plants moderated by the absence of the vector supports a likelihood of moderate for the establishment of the disease.

So page 38 dispels the misinformation or misapprehension that we have not taken account of tuber transmission.

Senator COLBECK: I am struggling with that because mine says page 21 of 21.

Dr Findlay: This is the 2009 risk assessment.

CHAIR: We are working with the current risk assessment?

Dr Findlay: The current document is a draft review of measures already in place.

Senator COLBECK: So I have to go back to the 2009 document.

Dr Findlay: Correct.

CHAIR: The current document does not include that.

Dr Findlay: No.

Senator COLBECK: So this is a review of the 2009 document.

Ms Mellor: The current document supplements it.

CHAIR: It is what you call a bureaucratic quagmire.

Senator STERLE: Dr Findlay, the fear that the eggs of the bug could live in the plant, it definitely cannot. You cannot plant an infected tuber. I asked the earlier expert, Dr Clayton-Greene, if an infected potato came over and escaped, could it destroy our potato industry, which is the sort of information we have been receiving today, that an outbreak could just kill the potato industry.

Dr Findlay: There are two issues here. One is the presence of the psyllid and the information that the psyllid lives and breeds on the green part of the plant. And there is the bacterium which occurs in the phloem of the plant, like the blood of the plant. That bacterium can also occur in the tubers of potatoes. We know that if you plant an infected tuber you can get an infected plant and that the daughter tubers from that infected plant will also be infected. What you do not get if you do not have the psyllid is transmission from plant to plant.

Senator Sterle: Okay. If the containers are coming over from New Zealand, there is a risk that if there is a bug flying around in a container and it escapes it could do the damage. Is that right?

Dr Findlay: If a psyllid is in association with those potatoes.

Senator STERLE: The psyllid is the bug. If that got out it could destroy our potato industry.

Dr Grant: You have to put two things together here. One is you have to have an infected potato that grows into an infected plant.

CHAIR: We are going to have plenty of infected potatoes coming in.

Dr Grant: I will come to that. You have to have that happen first and concurrently or sequentially a bug, the psyllid, as a vector has to be here to be able to transmit it from that potato to another potato plant.

CHAIR: So there is not a bug and you plant the infected potato. The only potato in the orchard that will be infected is that one potato.

Senator COLBECK: That whole plant. There is capacity for a psyllid coming in to infect a potato here as well, is there not?

Dr Grant: Yes, that is potentially there as well. So then you ask the question, will potatoes with the bacterium come in. The answer, and we have said so before in Senate estimates and elsewhere, is that there is a likelihood, a very low likelihood, that that could happen. But this is commercial issue as well. We know that when you fry those potatoes as potato chips or crisps they come out with a black and white pattern and they taste like burnt sugar. They are not commercially acceptable and as such you then have to ask the question, why would some party bring in these things in large quantities to not be able to market them?

CHAIR: Can I give you the answer to that? If there is one spud in 1,000 spuds, no-one is going to notice. 'Oh, we'll chuck that one out.' Back to you, Senator Sterle.

Senator STERLE: Thanks, Chair. So what can we do then, Dr Grant, to alleviate the chance of opening a container full of spuds from New Zealand and one of these bugs escaping? Do we fumigate it in New Zealand? Dr Findlay?

Dr Findlay: That goes to the science around the association of the psyllid with potato tubers. There is a lot of information to support the evidence that psyllids are associated with the leaves and the stems of potatoes, not the potato tuber. We cannot find information to suggest that the psyllid is associated with the potato tuber so that gives you your first line of defence. The second line of defence is that all potatoes leaving New Zealand will be securely packaged, which means that if a psyllid is associated with a potato, it will be securely contained.

Senator STERLE: Like in a plastic bag, do you mean?

Dr Findlay: No, it cannot be plastic because potatoes sweat, but it can be in a meshed, secure—

CHAIR: Are they in wooden boxes or something, are they?

Senator NASH: Sorry, just how big are the little critters?

Dr Findlay: How big?

Senator NASH: Yes.

Senator STERLE: Can they get in and out is what we are trying to work out.

Dr Findlay: Millimetres.

Senator NASH: So it can get through a hessian bag?

Senator STERLE: So they can escape through a crate or an onion bag?

Dr Findlay: They will be securely contained, all of the potatoes. Then for physical security we are asking that the door of the container be shut before the containers are transported to the quarantine approved premise. That is to provide additional security around an accident occurring and potatoes escaping from the container.

Senator STERLE: So the spud will be pulled up in the field or whatever, the green bit will be got rid of, and we assume, in the day or two it takes to get from the farm to the packing shed or whatever, the bugs will not follow the potato, they will stay on the green stuff.

CHAIR: How long is this process from the paddock—to assist you, Senator Sterle—to the wharf?

Dr Grant: To the wharf in Australia?

CHAIR: Let us start with the wharf in New Zealand.

Dr Findlay: It can vary. Potatoes store very well.

CHAIR: Yes, but tell us: could it be three months?

Dr Findlay: It could be three months.

CHAIR: So in the three months after they are processed et cetera and stacked in storage a metre apart and God knows what else, can they put out a little sprout?

Dr Findlay: They could.

CHAIR: So in the little sprout, can this bug live?

Dr Grant: Yes.

Dr Findlay: It could.

CHAIR: So you have approved them, you have washed them, done whatever you want to, you put them in the store a metre apart: the ship is late; it's going to be another six weeks. In the meantime, bingo, we have a sprout and blow me down if my old little bug mate does not come and start to feed off the sprout. Most spuds you buy have sprouts, so where does that leave us?

Senator STERLE: Is it possible for the—

Unidentified speaker: *(inaudible)*

Senator STERLE: Okay.

CHAIR: No, I want the answer. They can live off the sprouts! In other words: you are going to have to guarantee there are no bloody sprouts on these potatoes. Best of luck, especially if they are three months old. How are you going to prevent the sprouts on the potatoes?

Dr Grant: Senator—

Senator STERLE: This will be good!

Dr Grant: There is a possibility that the potato that is sprouting may have bacterium in it. There is a possibility that there could be associated with that sprouting potato a psyllid, and therefore it is possible that a psyllid could transmit if it sucks on that potato and then goes to another one that is equally sprouting or it arrives in Australia and gets out of the system that exists to control it, including closing the container door during transport and then going to a quarantine facility for processing. This is all possible.

CHAIR: An imponderable?

Dr Grant: No, Senator, it is all possible. The likelihood of this happening all in sequence is all very low.

CHAIR: How do you judge that? Occasionally I go to the supermarket, not very often, or I see the product when my wife brings the product home. Most potatoes we buy at Junee are sproutable. Some of them come from Crookwell, and they are only a month or two—I do not know how old they are, but they are not very old. I think your case fails on the fact that you will not be able to prevent the psyllid in the time—if it takes six weeks, three months—from approved storage to the wharf and then across to here. I think your case has failed.

Dr Grant: I go to the basis of quarantine and biosecurity risk which says very, very low but not zero. I go to the court case of 2005 which accepts that decisions and judgements made are to be based on risk and it does not imply that there can be zero risk.

CHAIR: Having been to court a few times, with great respect and my fond admiration for lawyers—two out of every three I would get rid of—we all know that the court is not about the truth. The court is driven by the law, which is mostly set by precedent.

Senator WHISH-WILSON: May I ask a question, Chair?

CHAIR: You can.

Senator WHISH-WILSON: It relates directly to this. I am sorry if it has already been asked before. One of the reasons New Zealand is asking for the chance to export fresh potatoes is about our potato cyst nematode, PCN, status. The PCN-free status has now gone. That was the original reason we would not allow New Zealand potatoes into Australia, and that goes to the briefing note we were given. Do we know why we lost that status and what risk pathways were involved with potato cyst nematode becoming established in Australia?

Dr Findlay: I will reiterate the evidence that was provided for the inquiry yesterday. One of the instances that we are aware of with the establishment of PCN in Western Australia was illegal importation traced back to an Italian variety that somebody particularly wanted. Then there has been other establishments including in Victoria.

Senator WHISH-WILSON: And that is the only one we know of that was likely to have spread nationwide?

Dr Findlay: There may well have been others but illegal importation is the most likely scenario.

Senator WHISH-WILSON: So it was illegal importation. That was my question. Thank you.

Senator XENOPHON: If a potato tuber is infected and it is in a consignment of thousands of other potatoes, what would happen to that whole consignment? Would it still get through?

Dr Grant: The answer is, yes, it would. The bottom line here is it is going into a processing facility to be processed up. If one potato in many thousands has zebra chip bacteria in it, you would hardly notice it. One or two chips in a thousand packets might have a black chip in it. If the whole consignment ends up looking like that, it is a non-commercial product in terms of marketability.

Senator XENOPHON: Senator Madigan has very helpfully just pointed to the September 2009 risk assessment from your department. It says:

The association of 'Ca. L. psyllauros' with potato tubers, the likelihood of distribution to multiple locations and the ability of infected tubers to produce infected plants, moderated by loss of dormancy and premature sprouting, support an assessment of 'moderate' for the distribution of this species in potato tubers.

So there is premature sprouting with infected tubers.

Dr Grant: That is what we said a few moments ago.

Dr Findlay: Remember that what was being assessed in 2009 was potatoes for consumption and that the measure that was applied banned potatoes for consumption—so fresh potatoes are not allowed. What we did do was then apply measures that would allow potatoes to come in only for processing.

Senator XENOPHON: Can we go to the issue of risk assessments though. I guess risk assessments are valid at the time that they are done. Why hasn't there been an update? There is a lot of new evidence that has come to light in terms of tuber transmission, the fact that other psyllids are found to carry the disease, the fact that it can infect other crops. Why wasn't that included in a proper scientific and legal assessment as to whether to accept or reject New Zealand potatoes? Isn't that reasonable? If you are to have a robust system in place, surely you need to update it because there has been a significant new amount of knowledge that has come into play?

Dr Findlay: If we were considering the importation of fresh potatoes for retail sale in Australia, we would update the risk assessment. In this instance, we are considering established measures and taking account of the measures that were established as a result of the 2009 assessment only for potatoes for processing. So there is no new information that changes those measures that were established.

Senator XENOPHON: Surely that would be relevant, though. Wouldn't it be relevant in the context of a risk matrix in terms of new information that has come to light? You are making assumptions in relation to the so-called closed loop, aren't you?

Dr Findlay: I do not know what you mean.

Senator XENOPHON: If you get new information, why wouldn't you consider it?

Dr Grant: We do, Senator. But the point is that what we are required—

Senator XENOPHON: It is not in your assessment.

Dr Grant: Senator, what we are required to do is put in place measures that reduce risk. The measures that we have in place, which are for processing potatoes only, and control under quarantine conditions mitigate that risk regardless of the new information. That is the point we are making.

Senator XENOPHON: Does it, though?

Dr Grant: It does.

Dr Findlay: Yes.

CHAIR: How far can a psyllid fly?

Dr Grant: A few hundred metres, probably.

CHAIR: With a bit of wind?

Dr Grant: Wind assisted? Well, you heard earlier on that wind assistance probably took it from the southern United States to the northern United States.

CHAIR: So, under the protocol we have, we are actually at serious risk, in my view, of importing the psyllid, particularly if the potatoes are three months old; they will be sprouting. He can be in there, feeding away. You bring the potatoes out here, you say they will be cooked and the psyllids got rid of; but, when you open the door and go down in the factory, away he goes.

Dr Grant: All of this is theoretically possible, Senator, as you have said. It could happen. But there are a number of management options that are in place to reduce that risk to a low level. Sprouting inhibitors are often used, for example.

CHAIR: Are they going to be compulsory under the protocol?

Dr Grant: We have not worked out a protocol yet, and you are raising an issue here—

CHAIR: Yes, we'll be bloody interested to see the protocol.

Senator WHISH-WILSON: Dr Grant, we were asking you yesterday about your statistical sampling techniques in relation to ginger imports; presumably they are the same for potatoes? Is it every 600 or was it 800 batches?

Dr Grant: 600 units—

Senator WHISH-WILSON: So that could be boxes or—

Dr Grant: of every consignment, Senator.

Senator WHISH-WILSON: Of every consignment. That is the standard protocol. Where you have applied that to other imports, have you used your statistical analysis and any new information to go back—for example, in a Bayesian way—and assess whether you got your original risk assessment right or whether there was any deviation from what you expected in the original risk matrix?

Dr Grant: I think I understand your question. The first thing is that it is a standard procedure used all over the world. It gives you 95 per cent confidence of finding what you are looking for if it exists in half a per cent of the consignment. That is the first thing. The second thing is whether this is tested, as it were. If you go to the international standard, there is a sensitivity range around that, and the particular sensitivity is the degree of sampling: what is the sampling ratio? If you do a bit more sampling than that, you can lift your confidence from 95 to 99 per cent, for example; if you do less than that, you drop your confidence. The rest of the world has accepted 95 per cent confidence. So there is sensitivity testing around that standard. Does that answer your question?

Senator WHISH-WILSON: Sort of.

Ms Mellor: I might just add to that. At the border, where we apply the measures where they are relevant to the border management, if we discover a breach, an interception or whatever and we either fumigate, treat, re-export or destroy it—we have a number of options—we will feed that information back to the scientists, if you like, to test the measures. Quite often, it is not necessarily a failure in the scientific measure but a failure in application in the process, and that may also lead us to audit the process again to see whether or not the offshore and onshore things are being managed properly.

Senator WHISH-WILSON: You said you 'adjust' to get to the 95 per cent confidence interval. Is it your sample number you are adjusting to get to the 95 per cent confidence interval?

Dr Grant: The 600-unit sample is an international standard that says no matter what size the consignment 600-unit will give you a 95 per cent confidence. If the consignment is 600 then, by definition, you will inspect every single one, and you should get 100 per cent.

CHAIR: Is it 600 a tonne or apiece?

Dr Grant: It is a 600-unit of whatever the consignment is.

CHAIR: Is it one potato in a tonne? Is it in tonne lots?

Dr Grant: If the consignment is 10,000 cartons it is 600 cartons. If the consignment is 10,000 containers it is 600 containers.

CHAIR: But how much out of the 600 containers? Do they take one potato out of the container which is part of the 600, or do they take—you do not know? Do you take one piece out of the carton and also, if it happened to be 600 containers, one piece out of the container? That would not make any sense.

Dr Grant: Remember, a consignment in this context is likely to be a container. So out of that container you take 600.

Senator WHISH-WILSON: A randomly selected 600.

Dr Grant: Randomly selected potatoes out of that container.

Senator NASH: I want to be really clear on this. There might be x amount of the hessian bags, or whatever, that these things are in. They are all in bags in the container. Of the 600 do you look at every single potato in all of those bags or just one out of each bag?

Dr Findlay: We randomly select. We would take the first pallet off and select four bags out of that pallet and collect a potato out of there. Then we pull out another three pallets and grab potatoes from that pallet, making sure we get to the back of the container and that we get a selection of potatoes from that. They are randomly selected from throughout the consignment.

Senator WHISH-WILSON: We talked yesterday about expected values and you had a probability assessment of a nematode; in this case we are talking about a different insect getting through. When you do your sampling over time you can obviously look at whether that original probability or assessment that you made can be revised based on what you discover. That is a priori. That is pretty standard in any batch for any industrial application—you go back and check whether you got it right in the first place. How you have gone with your other risk assessments? Clearly, the more information you have the better you are going to be able to make a decision.

Dr Grant: The answer to that is yes, and we do that. Our inspection regime is intended to inform our processes and to ground-truth it. Remember, that goes to the import step only.

Ms Mellor: The probability of entering, not the rest of the probabilities in the matrix.

Senator WHISH-WILSON: For example, for this particular bug we are looking at today, would you use a benchmark of another occurrence to do your original probability assessment?

Dr Findlay: Yes. That is a really good point. When we undertake our assessments and apply our estimations for likelihood it is not done on an insect-by-insect basis or a nematode-by-nematode basis. We have a history of information around the biological characteristics of pests and diseases that are of quarantine interest, and we can ground-truth and build evidence around those characteristics to give us confidence that our assessments are consistent throughout risk assessments and across commodities.

Senator WHISH-WILSON: And you probably have access to international data for other markets as well.

Dr Findlay: Yes, extensively.

Senator WHISH-WILSON: I am interested in the risk vector—wind-assisted flying. Dr Clayton-Greene mentioned earlier that these things can blow in the wind. I know there have been examples of Australian insects going across to New Zealand because the wind tends to blow that way, but is it possible it could happen the other way? I know that in Tasmania we have seen issues with that.

Dr Grant: It is possible that it can and it is possibly not the other way. It probably goes all the way around. So it is on the same wind, essentially.

Senator MADIGAN: We have heard about the psyllids and the psyllids that potentially may be imported. Has the department been proactive and commissioned any research on native psyllids and their potential of transmitting zebra chip or any other disease?

Dr Findlay: We have not commissioned any research, but it is a good time to provide some clarity around the specificity of psyllids and their association with the various taxa of the candidatus bacterium. I think that there is more sophisticated science available than has been presented today around the various haplotypes of the candidatus liberibacter bacterium. There are four haplotypes in the world. Haplotypes A and B occur in North America. Haplotype A occurs in New Zealand. Both those haplotypes, we know, are vectored by bactericera cockerelli, and that is the psyllid that we have applied measures for in the importation of potatoes for processing to Australia. Haplotype C occurs in Scandinavia in carrots, and that is vectored by a trioizid psyllid. Haplotype D is in Spain and the Canary Islands, also in carrots, and that is vectored by a different bactericera psyllid. There is a body of scientific evidence that gives us confidence that there is high specificity of the psyllid association with particular haplotypes of this bacterium.

There are 3,000-plus psyllids in the world, and we know of only these psyllids that are capable of vectoring candidatus. So there is a good body of evidence to support that our native psyllids are not going to be an appropriate vector for this bacterium.

Dr Grant: In other words, there is no evidence that they are likely to be a vector for this bacterium.

Dr Findlay: Our native psyllid occurs in New Zealand too, by the way, so if it was going to happen New Zealand would have seen it.

Senator MADIGAN: And we rely on New Zealand for our information. We are not proactive about seeking and commissioning our own research. Is that what you are telling me?

Dr Findlay: We have not commissioned any research.

Senator MADIGAN: So the international research that the department continually refers to as your body of evidence, so to speak: has the department conducted any research of their own, at all, of any of the research that you rely on, to check the voracity of that research—as a check and balance?

Dr Findlay: We give various weights to the information we rely on, depending on the credibility of that information. We use a system whereby we look at the weight of evidence from the least valid information, or that that you can apply the least amount of weight to, which would include things like unsubstantiated statements, specialist literature, government reports, et cetera, right through to peer reviewed experimental data that is undertaken according to scientific principles and internationally recognised practices. So we weight that evidence according to the validity that you can apply to it.

Senator MADIGAN: And the testing sampling that is carried out by the Commonwealth: is that work carried out by Commonwealth employees or do you outsource the testing sampling of the containers to outside organisations?

Ms Mellor: Are you talking about the 600-unit inspection?

Senator MADIGAN: Any inspection.

Ms Mellor: It depends on what the inspections are. Some of it we will do ourselves, depending on what the conditions are. Some things we will send off—to accredited laboratories, for example, to test for certain things. It will depend on what the conditions are and what the commodity is.

CHAIR: Who takes the sample?

Ms Mellor: That will depend on the commodity as well, whether or not it needs a specialist extraction, for example.

CHAIR: In the case of potatoes, will it be an officer of the department?

Dr Grant: It really comes down to the specificity of the question. The question that Senator Madigan has asked is quite a broad one. What Ms Mellor is saying is dependent on precisely what the question is in respect to the commodity and the pest and the process at the time. Is this an 'at border' inspection? Are you talking about research conducted in the field?

Senator MADIGAN: I am talking about border inspection. I am talking specifically about goods, produce, that is coming from overseas. Are all the samples taken by Commonwealth employees, or is it sometimes outsourced?

Ms Mellor: Again, it will depend on the nature of the commodity and the risk that is being assessed and the skills in the staff.

Senator MADIGAN: So we do have outsourcing of this role. That is the question.

Ms Mellor: If we outsource, there is a reason for doing it and we manage that process. But, generally, for your general inspection at the border, it is undertaken by staff of the department.

CHAIR: I regret to inform you, Senator, that your time is up.

Senator XENOPHON: Within the department's document, the Australian risk estimation matrix combines the likelihood an event will occur with the consequence of that event. To what extent has the department looked at the economic consequences and the consequences on farmers in New Zealand of zebra chip?

Ms Mellor: Extensive. We accept that, if zebra chip came to Australia, it would have a significant impact on the industry, and we have rated that consequence as high.

Senator XENOPHON: Do you agree with the assessment that we have heard from earlier witnesses today that it could mean large sections of the industry closing down in Australia, that the industry would be on a knife edge, that it would not be viable?

Dr Grant: We agree that the consequences would be high.

Senator XENOPHON: To the extent that the industry would not be viable?

Dr Grant: That is a judgement that can only be made by the industry.

Senator XENOPHON: The industry has made that judgement, so therefore you have got no reason to dispute it.

Dr Grant: I would say that in New Zealand the industry exists with this pathogen and it produces—

Senator XENOPHON: Are you saying that the industry can exist with this pathogen here?

Dr Grant: No, I am not saying that, and that is the point I am making. We have assessed the consequences as high, but you are asking a separate question that large sectors of the industry would close down. That is a commercial judgement that I cannot comment on.

Senator XENOPHON: But it is a commercial judgement based on the costs that they have seen to the New Zealand industry and given that we have some disadvantages here in terms of a high Australian dollar, for instance.

Dr Grant: Again, this is all of a commercial nature—

Senator XENOPHON: Sorry. I have only got a couple more minutes. Let us go back to this whole issue about earlier reports, updating reports and looking at evidence. So isn't it the case that the department does not have to supply an argument to indicate why it uses or ignores evidence in the sense that no argument seems to be given as to why you have not updated the 2009 report?

Dr Grant: There are two issues there. We do not ignore evidence. We accept all commentary and evidence that is available. So we do not ignore evidence. The second part of the question was: do we need to update the measures based on new information? And our assessment is that the measures will cover the information additions that have come to the fore in the last three years.

Senator XENOPHON: But do you think you have engaged with industry sufficiently to explain your position in relation to these matters? It is the common complaint that we have heard today.

Ms Mellor: If we go back to their rating—

Senator XENOPHON: Do you think you have engaged sufficiently with industry?

Ms Mellor: Have we engaged?

Senator XENOPHON: Engaged sufficiently with industry in relation to this—the Australian industry?

CHAIR: Give a bureaucratic answer.

Ms Mellor: Pardon?

CHAIR: Give a bureaucratic answer.

Dr Findlay: I think she needs to answer the question in the way that she wants to answer it. You answer the question 'Have we sufficiently engaged?'

Ms Mellor: The information that was provided by industry today is consistent with the information we have taken into account in our risk assessment. We have rated the impact of zebra chip to be significant at a national level. This means that it is expected to threaten the economic viability of production through an increase in mortality and morbidity of hosts or moderate decrease in production expected to significantly diminish or threaten the intrinsic value of commercial criteria. Affects may not be reversible. I believe that is consistent with the information that we have heard today.

Senator McKENZIE: You have assessed that and we are still pressing ahead.

CHAIR: Where are you reading that from? Is that a protocol?

Dr Findlay: When you say 'pressing ahead', what we are doing at the moment is reviewing information in order to develop measures to enable trade, if it occurs, to be managed from a biosecurity safety perspective.

I take the point that people are saying we are doing things. We are in the analysis process at the moment, based on information that has been provided to us, in order to set measures. Those measures are designed to ensure that any trade that occurs—if an importer wants to bring in potatoes or processing from New Zealand, when there are measures—will be managed safely.

Senator McKENZIE: We are talking about mitigating risk here; that is acknowledged.

Senator XENOPHON: If New Zealand potatoes are brought into Australia and we end up with zebra chip, will you resign?

Dr Grant: There would be no need for me to resign. The point we are making, very simply, is that potatoes, if we permit them, will be permitted under certain conditions. The conditions will be designed to allow safe trade. We have indicated that there is a small risk—a very small risk—that some potatoes might have a bacterium in them; we acknowledge that. But we also say that the measures will protect those potatoes from finding their way into the environment. More importantly, and equal, in terms of another measure, we intend to control psyllid. You must have the two parties together, both the bacterium and the psyllid.

Senator XENOPHON: So if we end up with zebra chip disease in this country, you will stay in your job.

Dr Grant: I sincerely hope so. But the point at issue here is we have a long history of putting in place measures for control and the protection of Australia, to a very high standard. They are very good measures and, in fact, we have a very good track record.

Senator NASH: You think that measures can be put in place so that this really crappy, awful, terrible outcome does not happen.

Dr Findlay: Correct.

Senator NASH: Yesterday, Dr Grant, you said that part of the process is to take into account the impact on the industry, just following on from what Senator Xenophon was saying before. But, again, even with the significant potential impact on the industry, it comes back to the measures you are going to put in place to protect the industry from that happening.

Dr Grant: Correct.

Senator NASH: At the end of the day, if anybody disagrees with what you put in place to deal with those two things, is there any oversight or anything anyone can do to change your end determination? Does the minister have any ability, does the parliament have any ability—or does anyone have any ability—to do that? I want to make sure that I am correct, that this is the process.

Ms Mellor: We will just clarify the process. The purpose of the risk assessment is to develop measures—

Senator NASH: I know all that. I do not have time for that, Ms Mellor.

Ms Mellor: You are asking about the review point and I am trying to explain the review point.

Senator NASH: Please do it really quickly.

Ms Mellor: The measures will be applied. They are advice for the people who issue permits. The permit is the decision point that is challengeable in the system.

Senator NASH: Right. How?

Ms Mellor: Through ADJR review. It is an administrative decision that can be reviewed by the courts.

Senator NASH: So it is only a court process. At the point at which you determine that the measures are 'appropriate', that juncture, there is nothing the minister, the parliament or anyone can do to say, 'Actually, we don't think that's quite right.' It has to go through the process of getting to the permit being issued, at which point somebody can take you to court, if they do not agree.

Ms Mellor: That is correct. It is an administrative input to a statutory decision-making function.

Senator NASH: It is your call. At the end of the day, despite all of the industry input, anything parliamentarians might think, Dr Grant, you say what happens.

Dr Grant: No, that is not correct. I make a recommendation to the secretary of the department, who makes a determination—

Senator NASH: So it goes one more up the chain.

Dr Grant: He says, in issuing a permit, the permit issuer should take into account these conditions and any others. In so doing, a permit is issued. An issued permit specifies the precise conditions under which something can enter, and those conditions can be challenged legally.

Senator NASH: I understand all that. At the point at which you give a recommendation to the secretary, can he say no to you? Can he say, 'No, I don't like that'?

Dr Grant: Yes, he can, and he has.

Senator NASH: Can you take on notice to provide when and in what circumstances the secretary has said no?

Dr Grant: I can tell you that he has said that he wants more information. He has never said no, per se. He has said, 'I am not prepared to make a determination at this point without further information.'

Senator NASH: Would you provide the instances when that has occurred.

Dr Grant: I can do it right now.

Senator NASH: No, I do not have time, sorry. I take your point on the issue raised earlier about metropolitan versus regional. Correct me if I am wrong, but you have given some very clear guidance that the processing centres will be in regional areas.

Dr Grant: No. They will be in metropolitan areas.

Senator NASH: So the processors will be in metropolitan areas. Given the evidence provided this morning, and I think some comments by the chair, about the number of areas within the metropolitan area and that there could be spread, that there could be vector, and that it would not be just in a regional area, some of the argument has been that the processing centre will be a long way from an area that it could potentially impact in terms of a potato field, what consideration has the department given to product in metropolitan areas causing an issue and having an instance of infection within a metropolitan area?

Dr Grant: There has been some discussion this morning about the existing processing plants. There is no specification that an existing processing plant will be used, so that is the first point. The second point is that we are saying that it will have to be within a metropolitan area. That will require the processor to identify to our satisfaction the location of such a plant, which would then be certified subject to it fulfilling all its criteria of conditions to operate. Thereby, we will seek to make sure that it is as far removed as possible from the potato-growing areas of regional Australia.

Senator NASH: In 6.2, 'Packing house processes', it says:

Consistent with the Australian domestic conditions for the management of PCN, measures will be required to ensure potato tubers are practically free from soil.

What does 'practically' mean?

Dr Grant: 'Practically' is defined by a number of dictionaries as 'almost'—

Senator NASH: No. For the purpose, what do you mean by 'practically'.

CHAIR: For practical purposes, what in the bloody hell does it mean?

Senator NASH: What do you mean by 'practically'?

CHAIR: Not what the *Oxford* dictionary says.

Dr Grant: 'Practically' means that it will be almost, virtually, nearly free of soil, to a sensible level but not completely free.

Senator NASH: How does someone determine, 'almost, nearly, kind of'? As somebody who has to comply with these regulations, how do I comply with 'practically'?

CHAIR: What in the bloody hell does that mean? That is twaddle.

Dr Findlay: This is an important point about our being able to apply the measures to the importation of goods only to the extent that we have measures applied domestically. I refer you to ICA 44, which controls the movement of potatoes from PCN infected areas in Australia to other areas. The measure that we have used to inform our work refers to:

Potatoes shall be washed so as to be practically free of soil ... :

1. remove soil clods, oversize and reject potatoes;

We have used that information to inform the establishment of measures for the importation of—

CHAIR: Does that mean that there are no clods allowed in the pallet?

Dr Findlay: So that you cannot see soil.

CHAIR: What size is a clod?

Dr Grant: It says, 'practically free'. A clod would not be 'practically free', in our view.

CHAIR: But that would allow any inspector a fair bit of licence to do whatever he liked and get away with it. Because he could say, 'I thought that was practical,' even if it was not. What the bloody hell?

Dr Grant: If I can answer that question, yes, there is judgement involved in this. The point we would make is that, if you go to the New Zealand apple issue, inspectors were finding small pieces of leaf two millimetres by two millimetres, which were considered not acceptable and consignments were rejected. I will make a point, if I may. This morning it was said that those consignments were rejected in Australia; they were not. They were rejected in New Zealand. They never came to Australia.

CHAIR: I entirely accept that.

Dr Grant: I will make a point, if I may. This morning it was said those consignments were rejected in Australia. They were not—they were rejected in New Zealand and never came to Australia.

CHAIR: But it is an escape clause.

Senator McKENZIE: I thank the department. Has the department had any discussions or meetings with DFAT or the Minister for Trade with respect to the New Zealand Minister for Primary Industries' request?

Dr Findlay: Not specifically on potatoes.

Senator McKENZIE: Earlier Senator Xenophon mentioned the methodology on the axes, the consequence et cetera and outlined that Australia assesses these impacts at different scales, including local impacts and the community level. We have talked a lot about crop and plant health et cetera. We have also heard about increased use of pesticides, sprouter inhibitors et cetera. Has any work being done on the impact on human health?

Ms Mellor: That is not a biosecurity consideration. We take advice from the department of health on whether or not something fits within food standards codes and things like that.

Senator McKENZIE: So when we talk about the community level we are not talking about people; we are talking about environmental, non-commercial, domestic and international trade. On notice, would you flesh out the methodology around what—

Dr Grant: Criteria we take into account?

Senator McKENZIE: The criteria and what measurement tools you have used against those criteria. Earlier we were talking about scientific knowledge and there has been a lot of criticism today of the department's approach to the science by a variety of witnesses. Dr Findlay, you were talking about the process of 'stop, review, change' in light of new evidence.

Dr Findlay: Yes.

Senator McKENZIE: Does that process account for the fact—and it goes to the known and unknown debate—that, when something is newly discovered, the rate of knowledge acquisition is exceptionally high and then peters out? What might be a trickle of information at the start as academics debate around the world becomes quite large. Is that built into your review and decision-making process?

Dr Findlay: Yes. The best example is where we respond to ban trade. Where there is a new pest or disease that we know very little about and trade exists, we ban trade. Once we have the confidence that we have enough information to make a justifiable and rigorous biosecurity assessment, only then do we look at re-establishing measures. We can take as long as we want to collect information, undertake our risk assessments and put in place measures. We do have an obligation, however, to start that process and to continue it.

Senator McKENZIE: When you are looking at new scientific evidence, do you also look at other, political and economic, evidence or changes that occur within an exporting nation—for instance, budget priority shifts within a government, how much resourcing they are putting into their own export-monitoring facilities and changes in their practices, processes, staffing levels et cetera? Do those sorts of things give you a trigger, for instance, that says, 'Hang on, we need to stop and look at what New Zealand is doing; we cannot just take them on face value'?

Dr Grant: The answer is that we look at two or three things. One is the constantly changing science, and we are monitoring it constantly. That is our job: to safely protect Australia. The second is that, if systems of production or of certification change overseas for whatever reasons—you have suggested budget or government decisions—yes, we take those into consideration because what we specify is conditions for entry into Australia, which involves a suite of conditions covering both the knowledge in science and the production practices and export certification practices.

Senator McKENZIE: We have had a lot of evidence today of the impact of this disease. I am taking your position to be that you are confident that we can manage it if it does get in. Clearly, that does not seem to be the will of industry, and I am just wondering whether at an international level, where we are having these conversations, we are making the views of our growers' and our industries'—because it is not just potatoes that this is an issue in—known and are we having an advocacy role internationally in relooking at the standards et cetera used?

Dr Grant: You just made two points and I will answer them both separately. Firstly, we protect Australia from the entry of the disease, the establishment and the spread. You asked a question about our confidence in dealing with this. Our confidence is that we can protect Australia to a very low level, but not zero, in the measures that we put in place, and we have said so—

Senator McKENZIE: That is what I have taken you to have said.

Dr Grant: I think the second part of your question was: are we involved in establishing international standards and standards in the world; are we abiding by them; and what is our status?

Senator McKENZIE: No. I know we are involved in those conversations internationally. We are hearing over and over again that it is not just the potato industry, that a variety of our primary producers, particularly around horticulture, have an issue with the international standards that we are applying that are resulting in the types of inquiries that have had to be dealt with and the conversations that we are having to have. They are not happy. Is our nation taking industry's issue with the standards from which all this is derived from back to those forums in an effort to change?

Dr Grant: The answer is yes. Both Dr Findlay and I were in Rome just a few weeks ago having such discussions about international standards and the content of those standards. You have to accept that it is an internationally agreed outcome. So there is an enormous amount of negotiation and you end up with a product that is acceptable to the 177 members of the International Plant Protection Convention. So the answer is yes we do and we have a fairly strong voice in this because we have a very good system. But we obviously have to recognise that other countries have a say as well.

CHAIR: I am disappointed that I did not get an invite.

Ms Mellor: Likewise, we represent the interests of industry in export discussions as well.

CHAIR: I reckon that I would make a better bodyguard than Mr Terpstra. I am going to go to you now on border compliance—because you have been sitting there quietly all day. As Assistant Secretary or First Assistant Secretary—whatever that means—do you conduct your compliance behind a desk or in the field?

Mr Chapman: We have got—

CHAIR: Not what you have got; what do you do? Do you sit behind a desk all day?

Mr Terpstra: No. I go out to field staff as part of my role to ensure that—

CHAIR: But yours is administrative rather than field?

Ms Mellor: Mr Terpstra leads the processes in relation to industry arrangements. So he is involved in strategy, budgeting and he goes out with staff.

CHAIR: So he is an administrator as well as visits the field?

Ms Mellor: Yes.

CHAIR: In your career, given the Australian Crime Commission, the AFP and others—who I talk to regularly—have you come across the sort of corruption that I and they have come across at the border in your compliance regime?

Mr Terpstra: I do not know what corruption you have come across, Senator, to be honest.

CHAIR: But have you come across corruption?

Mr Terpstra: I have read—

CHAIR: I am not asking what you have read; I am asking whether you have come across corruption?

Mr Terpstra: Not personally, no.

CHAIR: Mr Chapman, have you?

Mr Chapman: No, Senator.

CHAIR: You want to get out and about a bit. My final question is to my kindest friend, Dr Grant. On 14 September the committee wrote to you—you will recall the letter—saying that the committee would like you to delay the final decision in relation to the import conditions for fresh potatoes for processing from New Zealand

until after the committee has conducted its inquiry. We intend to make this letter a public document. We have not and you have not responded. When are you going to respond?

Dr Grant: I thought we had responded.

CHAIR: We have not received it. If you have, what is the answer?

Ms Mellor: Senator, we are nowhere near concluding this process. As I have indicated, we have put a draft out for comment and we have received a number of submissions. We are seeking some independent expert advice on some parts of the science. We have got some months to go and, as we have said before, whether it is in briefing or committee—

CHAIR: So, to guide the committee, it will be some months before you come to terms with the import conditions?

Ms Mellor: Before we settle measures that can be applied—

CHAIR: Can you give that to us in writing, as requested?

Ms Mellor: Yes. If we have not done so, we will.

CHAIR: God bless you. I thank you for your evidence today and I thank all the witnesses and everyone else concerned.

Committee adjourned at 13:35