

QUARANTINE AND BIOSECURITY REVIEW

ADDITIONAL INFORMATION -

The following information is provided in response to requests made by the Review Panel during face to face discussions with Victorian Government representatives, on Thursday 1 May 2008.

1. Information from Biosecurity Victoria, Department of Primary Industries Victoria

"There is no AAHL equivalent for plant pests and diseases (Page 7 of the DPI presentation).

AAHL currently provides a strong national capability and capacity for rapid and accurate diagnosis of exotic and emerging animal diseases, has active programs for the development of new diagnostic tests, and provides a high level biosecurity facility (up to level 4 - BSL4) for animal biosecurity. There is no similar facility or collective capability/focus of expertise for plant biosecurity and emergency plant disease diagnosis. Instead, there is a loose matrix of state and some private laboratories that provide diagnoses and conduct some development of tests. Plant Health Australia (PHA) has proposed the creation of a national diagnostic network but this has not eventuated to date.

Further, the absence of a plant biosecurity version of AAHL or a structured diagnostic network is resulting in some duplication of capability. In addition, there is a recognised ongoing loss of experienced staff that exacerbates the effect of the fragmented nature of the present capability.

DAFF, some RDCs (Research and Development Corporations) and more recently the CRC for Plant Biosecurity provide some funding to develop diagnostic tests for Emergency Plant Pests (EPP) but at present there are diagnostic tests available for less than a third of the EPPs identified in PLANTPLAN.

The national Subcommittee for Plant Health Diagnostic Standards (SPHDS) has begun to take a stronger lead in setting standards for the development of diagnostic tests and protocols, but the creation of a plant biosecurity version of AAHL would further strengthen this process.

Another issue that is becoming more apparent as a wider range of EPP diagnostic tests become available, is how these tests are maintained and who pays for their maintenance. While the diagnostic capability is spread across multiple labs and duplicated in some cases, the lack of inter-laboratory proficiency testing programs (such as ANQAP in the animal health sector) creates a major risk. This issue would be simpler to address with a plant biosecurity version of AAHL. The development of an internationally recognised facility might also help to gain international acceptance of diagnostic protocols based on locally developed tests. It could also serve as a base for training staff throughout the country and in neighbouring countries to help raise their capability and reduce the threat of entry of EPP into Australia. In addition, it may also reduce the risk of a false positive diagnosis in a trading partner's laboratory if an EPP is an Australian export shipment. Technology transfer to state labs can then also occur as part of a structured national process.

Post entry quarantine (PEQ) for plants - more information on the future of the PEQ quarantine facilities at Knoxfield given DPI is to shift from IHD Knoxfield to Bundoora

AQIS is currently reviewing the future of animal and plant PEQ facilities nationally and has not made any decisions about a replacement for the plant PEQ facility at Knoxfield as yet. The lease on this runs out in 2011. AQIS has been informed by DPI Victoria that the lease on Knoxfield is unlikely to be renewed beyond 2011.

Currently there are two Commonwealth plant PEQs (Knoxfield and Eastern Creek in Sydney) and a number of smaller state-run PEQs. Both AQIS and the States are faced with similar issues of maintaining scientific capability and funding for operating their PEQs, as well as providing adequate technical and diagnostic support for import and export inspection staff. The increasing costs of maintaining multiple PEQ stations across the country calls for rationalisation of facilities, perhaps to one or two locations. For instance a single national facility would allow AQIS to maintain a critical mass of trained scientists, reduce (or at least limit) operational costs and minimise fees to importers. Geographical coverage by one or two PEQs is less of an issue nowadays since centres like Knoxfield already cater for some industries nationally, eg berry fruits, and improved glass house technologies can create just about any environmental conditions.

This also supports the case for the Commonwealth to operate a single national plant health laboratory for development and maintenance of diagnostic protocols for exotics, including the containment of positive controls.

PEQ - what is the effectiveness of chemical treatments? Is there a need for more R&D in this area?

At present AQIS and state quarantine authorities are heavily reliant on chemicals such as methyl bromide to treat articles and commodities in post entry quarantine. It is anticipated that over the next decade approvals for use of methyl bromide for phytosanitary and quarantine purposes will be phased out. There is a need for more nationally supported research and development into replacements for methyl bromide. There is also a need to find replacements for chemicals that are becoming less effective for quarantine and phyto-sanitary uses due to development of pest resistance (eg phosphine) and insufficient rates of penetration. A focussed national R&D effort is required to develop practical solutions to these emerging issues.

*Information provided by
Dr Hugh Millar
Deputy Director Biosecurity Victoria
19 May 2008*

2. Further information from Dairy Food Safety Victoria

Audit Services

Three years ago the organisation embarked on a major change project designed to improve the food safety performance in the dairy farm and manufacturing sectors. This change meant that routine compliance activities (auditing) would be contracted out. DFSV's resources were re-invested into industry monitoring and surveillance as well as analysing data and providing individual manufacturing establishments with performance data. Auditors employed in compliance work were contracted to the Authority to undertake the work, not to the establishments themselves.

At the same time, AQIS was presented with a proposal as to how compliance activities could be contracted out for export-registered establishments. Progress was positive until September 2007 when negotiations became protracted resulting in AQIS advising jurisdictions that AQIS was not in a position to allow anyone other than a Government employed authorised officer to undertake compliance work for export certification purposes. This appears to be in contradiction to our understanding of the export legislation and to the recommendations of the Frawley report.

During this period, DFSV was reviewed as part of a broader review into food regulation by the Victorian Competition and Efficiency Commission. The Commission found that the Authority's

services were both efficient and effective in meeting the outcomes of producing safe dairy products and minimum effective regulation. The Victorian Government supported this finding. Recently, DFSV has been required to identify additional opportunities for further reducing the regulatory burden on industry in line with Victorian Government policy and the target of a 15% reduction overall in the next 5 years.

With the AQIS decision, the Authority now finds itself at a crossroads. To meet the Victorian Government's policy, the export-registered establishments were identified as opportunities for contracting out compliance services (an activity already completed and operating effectively for manufacturers only supplying dairy products to domestic markets). If this service cannot be offered to export registered manufacturers, a hybrid model will continue to exist with export manufacturers being disadvantaged (though they contributed 85% of the additional funds to implement the change project on the basis of improving the cost-effectiveness of the system and value-adding to industry performance).

If AQIS does not change its position and Victoria elects to discontinue its services as AQIS agents, industry will again be disadvantaged as a duplicate system will need to operate to certify products for each of the markets – domestic and export. This is the situation currently operating for meat. In any case, the costs of any further duplication will ultimately be passed back to primary producers.

Since DFSV made its presentation to the review team, DFSV has received correspondence from AQIS which indicates it intends to maintain its position of requiring Government employed auditors to meet export requirements. The correspondence includes a statement that where a State Regulatory Authority's (SRA) delivery fails to meet agreed standards, AQIS will deliver audits at export registered establishments. AQIS can do this provided it can give assurance to SRAs that its auditors are meeting domestic food safety obligations.

This situation could be easily resolved if AQIS would accept the state dairy food safety regulatory systems as the basis for export certification. This proposal was put to AQIS nearly two years ago but was never formally agreed by AQIS.

If Victoria is to continue to provide services on behalf of AQIS, DFSV will need to charge for all services associated with export certification that it provides. Under existing arrangements companies only pay DFSV for the direct costs of audit. All administrative activities required by AQIS are currently absorbed by DFSV as AQIS provides no funding to SRAs for their services. In essence, domestic manufacturers are subsidising export services. This was allowed to continue only while the current negotiations were continuing.

Importing Country Requirements

It could be argued that Australia's dairy industry has been denied opportunities to access markets that have less prescriptive requirements than some importing countries, particularly the EU in the case of dairy.

Audits against the current Approved Arrangements, under instruction from AQIS, must meet all the requirements of EU directives even though the export-registered establishment does not export product to the EU. Cases can be cited where high value specialty dairy products can be imported into Asian markets where SRA approval would be acceptable rather than the specific requirements of the EU. AQIS has stated it cannot allow flexibility for market access requirements as this introduces complexity for its administration. Industry is seriously disadvantaged because of this lack of flexibility.

The solution to this situation is to fully implement the recommendations contained in the Frawley Report on Export Assurance where national standards represent minimum requirements for export certification with trade requirements being checked according to an importing country's requirements.

Anne M Astin
CEO DFSV
15 May 2008