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Stephen Palethorpe
Committee Secretary
Senate Rural and Regional Affairs and Transport References Committee
PO Box 6100
Canberra, ACT, 2600
Australia
C/- email
Rrat.sen@aph.gov.au

Dear Mr Palethorpe

RE: inquiry into the proposed importation of potatoes from New Zealand

The McCain grower group Ballarat is constituted of 40 potato growers that supply 70,000 tonnes of potatoes worth $21 million at the farm gate. Processing, distribution and transport of these potatoes add further value to the employment and economic activity of the Ballarat region in Victoria.

We believe that importing potatoes from New Zealand has a significant pest and disease risk that will result in pest and disease outbreak in the local industry. Should this occur; our industry, employment and economic resilience would be damaged; creating a threat to Australia's food security and ability to export potatoes and possibly other Solanaceae crops.

The validity and supporting scientific evidence underpinning the Pest Risk Analysis included in the New Zealand Potatoes Import Risk Analysis 2009.

The McCain growers group Ballarat believe there are numerous scientific deficiencies in the proposal to allow the import of potatoes for processing. The following risks have not been appropriately assessed:

- **Failure to address the entire spectrum of issues.** The review of import conditions paper prepared by DAFF[1] discusses three pest and disease issues; Candidatus Liberibacter solanacearum (Zebra Chip), Potato Cyst Nematode (PCN) and Potato Black Wart (PBW). The pests and diseases known to occur New Zealand in 2007 (p 7) comprises of 3 bacteria, 3 fungi, 4 nematodes, 7 arthropods and 4 viruses; many of which are a significant concern to the Australian industry. It seems that a scientific review of the risk and impact of these pests and diseases has not been conducted. A major concern is that the list is accurate as of 2007 and supplied by New Zealand without any verification. There is a deficiency in the exploration, transparency and thoroughness of these and other known and unknown and unidentified pest and disease issues.

[1] Commonwealth of Australia, July 2012, Draft report for the review of import conditions for fresh potatoes for processing from New Zealand.

- **Capability and Conflict for NZ to monitor P & D status.** The review of import conditions relies heavily upon the disclosure and competence of New Zealand government agencies and subcontractors in addressing and managing the pest and disease issues. This is problematic based on historical performance. New Zealand has numerous destructive pests and diseases that Australia has been able to exclude in the past. There has been no assessment of the skills and capacity for NZ and Australian quarantine staff to meet the necessary obligations. **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.**
- **Failure to address vectors of transmission.** A key risk management tool is to control vectors of transmission for specific risks. The draft report does not provide a scientific assessment of the vectors of transmission or specific interventions to manage transmission. The draft report (p14) contains reference to tubers being washed or brushed so as to be 'practically free' from soil. This is clearly problematic as it is 1. Open to interpretation (i.e. practically) and also fails to outline the pests and diseases that are contained in the soil that require removal. Further, there is a risk of flying insects and larger animals that may be involved in the transmission of pest and disease. Clear assessment of the risks, transmission vectors and control points has not been presented; thus the risk remains.
- **Failure to assess the impact of a risk event.** Risk assessments normally have two components; initially an assessment of the likelihood of the incidence occurring is conducted. This appears to be the focus of the review for import conditions and basis for the proposed interventions to mitigate risk. The second component of risk assessment that is blatantly lacking from the work conducted by DAFF is a description of the 'impact' of an incident.

  The impact of an outbreak of the key pests and diseases in the risk assessment (in addition to the others that have not been addressed) is significant. Experience of these impacts can be found in America and the north island in New Zealand, especially with regard to the Zebra chip complex. The cost and destruction to industry has been significant from our understanding.

  Our direct involvement in the industry is small compared to other regions and processors in Australia. The Ballarat district farm gate production is approximately $21 million, translates into around $60m of processed product and employs nearly 1,000 people. The impact to our region, employment and livelihoods far outweighs the benefits of importing potatoes directly. It only takes one occurrence of pest and disease incursion to create this scale of impact. For example – if these pests and diseases occur in Australia, what impact will that have to our potato export markets, and future opportunities to export?

The extent of scientific knowledge and understanding of the Tomato/Potato Psyllid and other pests identified in the Draft Review of Import Conditions.

The infection Candidatus Liberibacter solanacearum (Zebra chip) has only been relatively recently discovered, in America in the 1990's and New Zealand in the mid 2000's. Our view is that there still is insufficient scientific knowledge of the genesis, transmission and expression of this bacterium in Solanaceae plants. This disease has made significant impacts to potato industries. Until further knowledge is obtained we cannot endorse the risk of import. We understand that there is no non-destructive test for Liberibacter detection in tubers, as such we would expect this disease to arrive with shipments that are only, at best, partially inspected or tested.

We endorse the scientific rigour applied by industry experts such as Dr Kevin Clayton-Greene, who has constructed a scientific review of the proposed import of potatoes. This review highlights significant weaknesses in the proposal and we would encourage further detailed discussion and interact with Dr Clayton-Greene on the matter.

Other related matters.

The McCain grower group Ballarat understand the premise of free trade, the imperative for market access and the political sensitivities around these issues. In general we agree that trade should not be restricted as trade facilitates economic and production efficiency.

The proposed changes to the import conditions for New Zealand (NZ) processing potatoes is confusing, as NZ already has access to our markets plus a significant currency advantage on the processing component of production.

The McCain grower group monitor trade data of potato crisps and fries. The data shows that NZ currently export a significant volume of processed product that is directly competing against our domestically produced product. The conditions of free trade and market access currently exist without the biosecurity risk, as Australia currently imports large volumes of potatoes from NZ in processed form.

If we are to truly adopt a 'free trade' approach to potatoes then Australian potatoes should be able to be exported to NZ. Our understanding is that this practice is not allowed, so allowing NZ imports will not achieve a free trade position. However we do not advocate this position of trade in the fresh market occurring; rather the sensible approach to manage pest and disease risk is for fresh markets to remain domestic for processed product to be the focus of export activities.

NZ currently has access to the processed potato markets, it does not add any value or create any benefit to add risk to the existing market access through importing fresh potatoes. The current situation where market access exists without the biosecurity risk is appropriate and ought to be maintained.

Our conclusion is that the risk and impact to our industry is great and has NOT been appropriately assessed by DAFF at this point in time.

Australia currently imports potatoes in the processed form, this is the appropriate expression of free trade; it also controls the biosecurity risk.

Sincerely,

LUKE ROLLEY
Executive Officer
McCain grower group Ballarat