

## Fruit Fly – 13 Oct 10

**Mr WHETSTONE:** I refer to Budget Paper 4, Volume 2, page 6.18, Sub-program 2.6: Performance Commentary, paragraph 1, line 2—improvement of early detection of fruit fly. Can the minister detail these improvements and exactly how they have improved the early detection of fruit fly?

**The Hon. M.F. O'BRIEN:** I know this is of great interest to the member for Chaffey. To do the answer justice I will pass it over to Will Zacharin.

**Mr ZACHARIN:** These improvements have come about through the implementation of the new Plant Health Act 2009. At the moment, we are about 10 months into the implementation of the arrangements under that act. The act requires all importers of fruit or plant or plant material into South Australia to now register their consignments under the act and also to be audited under the act. We have significantly improved our intelligence and understanding of what is coming into and out of the state in relation to fruit fly risk material.

We have over 350 people registered for self-audit in the industry, who we regularly audit as well. So there is a third party system in place, and we are far more prepared to be able to respond when we get some fruit fly material into the state. Recently, some strawberries arrived from Queensland into Woolworths. They were inspected on arrival, as required under the new auditing arrangements, and they found some maggots in those strawberries, and we were able to respond and confiscate that consignment and get straight onto the producer in Queensland in relation to those arrangements. To us, it is demonstrating that the system we have in place under the new Plant Health Act is far superior to what we had in the past.

**Mr WHETSTONE:** I refer to the same budget paper. With the reduction in hours at Ceduna and Yamba inspection stations—the nightshifts, in particular—how can the government guarantee that noncompliance will not begin to rise?

**The Hon. M.F. O'BRIEN:** I will give that over to Will but, member for Chaffey, I appreciated your phone call on this issue. I have also had representations from the citrus industry. We actually had a process underway in this area to deal with issues regarding fruit fly. I will not be unabashed in saying that we were looking for a greater degree of industry commitment to cost recovery.

I think the stumbling point was that some sectors of industry—not the citrus industry, but my understanding is some industry sectors not located in the Riverland—were a little less than enthusiastic about lending their support, so those discussions have been underway, and Will convened a scheduled meeting of that consultation group on the 18<sup>th</sup>. With that, I will give it over to Will, but there is a process underway and I think ultimately your concerns will be addressed.

**Mr ZACHARIN:** In relation to the specifics of the question, we are all about managing risk, so we are trying to get the risk down to an acceptable level. It will never be zero; we cannot give guarantees on zero. We have looked at the traffic figures that have come through the Ceduna and Yamba roadblocks over many years, together with our change in market mix in terms of how we roll out the program.

Every access point into South Australia now has fruit fly signage. We have bins and a lot of fruit is disposed of in those bins, so we know that our ramped-up community awareness program (which we won an award for last year) is actually working. Those bins are regularly full of fruit—for example, on the Dukes Highway—and we have contractors who go in and clean those bins and remove the fruit each year.

With the new Plant Health Act, again, we have started to utilise more random roadblocks, and we have already held two this year. In the last one, we actually issued expiation notices for the first time to 22 vehicles, so the message has changed somewhat. You cannot bring fruit into South Australia but now, if we catch you, we are not just going to take the fruit off you: you will receive an expiation fine.

So, we are ramping up the type of program that we have, and all the time we are looking for program efficiencies. We have made the decision, based on risk and based on a broader program than just having four static roadblock sites, that we can afford to reduce the expenditure over the midnight to dawn shift because it is relatively low risk. We have gone from 17-odd maggot detections per 10,000 detections in vehicles down to about one, so we know that our program is effective and we know it is working well.

**Mr WHETSTONE:** What form of consultation prior to the 3 October announcement was undertaken with the commodity industries? Is it true that the South Australian Citrus Industry Development Board had earlier received assurances from the minister or from PIRSA that they would not make any changes to the station hours? Has the state government budgeted for what is now a potential biosecurity breach in the \$1.1 billion horticultural industry?

**The Hon. M.F. O'BRIEN:** I certainly did not give that undertaking, and PIRSA did not, but that does not mean that somebody may not have. It certainly was not this minister. As I said, we are actually involved in discussions prior to the decision to work out a better means of financing this particular operation. It had been put to me by the Citrus Industry Development Board, which was quite forthright, that there was a public benefit element to this expenditure of public moneys. I think the reality is that we have long moved on from the days when every backyard in metropolitan Adelaide had a fruit tree.

So, the justification for the state government carrying all of the cost for the provision of this particular service, I think, is no longer sustainable. I think we may be getting the grudging acceptance of industry that there are also economic benefits for them in terms of, I believe, not having to place fruit in cold store for several days. I think there are other treatments which we do not have to subject South Australian fruit to, but which our interstate competitors, if I could describe them as competitors, have to do in order to access international markets.

There is a benefit for industry that is being carried at this stage entirely by the South Australian government. I am of the opinion that we will probably arrive at an equitable distribution of costs between government and the private sector on the basis of benefit. Those discussions are still under way, and I have every intention of keeping the member for Chaffey well and truly informed on those deliberations and seeking his input.

**Mr WHETSTONE:** The third part of that question was: has this state government budgeted for the now potential biosecurity breach to the \$1.1 billion horticulture industry?

**The Hon. M.F. O'BRIEN:** I will give this over to Will, again, but he explained that it has been done on a cost-benefit analysis, taking into account the risk profile. In discussions with the Citrus Industry Development Board, we made them aware of the fact that we are currently expending \$1.5 million dealing with, I think it is, three outbreaks of fruit fly within the Adelaide metropolitan area at this particular point in time.

**Mr WHETSTONE:** I think you will find there have been four confirmed outbreaks.

**The Hon. M.F. O'BRIEN:** Okay, yes, four. We are in the field; we are dealing with these particular issues. It has been explained to me that the location of these industries is adjacent to transport depots. Even with the regime that we currently have in place, we are still getting these outbreaks. I am not sure of the commonwealth regulation but I think there is now a prohibition on the movement of large transport vehicles at night. We have had these outbreaks in Adelaide by trucks coming over the South Australian border, not at night but during daylight hours. In essence, we do devote the resources to dealing with these particular issues.

**Mr WHETSTONE:** Just to refresh the current minister's view: your predecessor, the Hon. Paul Caica, made the following promise in writing immediately prior to the 2010 election in relation to the retention and maintenance of the Plant Health Sector in PIRSA, and I quote:

The Plant Health Program is an integral part of this government's new Biodiversity Division in PIRSA. There is no intention to downgrade this program.

And further, under the heading 'Retention of the current fruit fly program':

South Australia's fruit fly system, including trapping grids and roadblocks, will be retained.

The question is: how then does the planned cutback of these services fit with the former minister's statement?

**The Hon. M.F. O'BRIEN:** I think, in essence, we have retained the roadblocks. I think there was a concern that we might close them down altogether, particularly with the Ceduna roadblock actually pulled back, closer particularly to the Riverland. But those roadblocks are in place.

**Mr WHETSTONE:** Have the operating hours and/or staffing levels of the Pinnaroo and Oodla Wirra stations been reduced? If not, are there any plans to reduce them within the foreseeable future?

**The Hon. M.F. O'BRIEN:** No, and no.

**Mr WHETSTONE:** What assurances can the government give that the effectiveness of the fruit fly detection services will not suffer as a result of these reductions at Pinnaroo and Oodla Wirra, if there are any?

**The Hon. M.F. O'BRIEN:** There will not be.

**Mr WHETSTONE:** You can guarantee there will be no reductions?

**The Hon. M.F. O'BRIEN:** We are not budgeting for it and we have the forward estimates. It is certainly something that we have not considered. I cannot speak for industry, but I was going to say there is grudging acceptance of the closure of the night shifts—the midnight to 5 shifts, whatever the hours are—but that is not going to have an impact on biosecurity protection. However, there is a perception—and I think, member for Chaffey, that is one of your concerns.

The Japanese and Korean markets, which are basically our markets by virtue of the surety that we give on fruit fly, may have concerns that the level of protection has been reduced. It is our view that that is not the case, but I have taken on board your comments and observation that perception can be as persuasive as reality, and we are having those discussions with industry. I am not flagging an outcome but I am saying that I have noted it and we are now moving on to the next step of a wider discussion than that just with the citrus industry on this particular matter.

**Mr ZACHARIN:** In regard to the figures I gave before, we have changed the program from four static road block systems to a far bigger community education awareness program and have made sure that we now have signage and bins at all access points into South Australia, including the Dukes Highway where, of course, there is no permanent road block. We are putting in place permits under the new Plant Health Act for all agricultural machinery that comes into the state, so we have reduced the risk of agricultural machinery coming in. They have to tell us when they are coming in and from where. All these changes we have put into effect to try to boost what we already had.

The risk profile of the detection in fruit has gone down to one per 10,000 vehicles and, considering the low level of traffic through the midnight to dawn shift, it does not make sense any more to have that level of expenditure during midnight to early morning. You are far better off getting a better bang for your buck in terms of different activities that will continue to ensure that the fruit fly risk to the state is very low.

**Mr WHETSTONE:** I guess that noncompliance is really the issue, then. I know you are not going to be able to educate the noncompliant, but they are the biggest risk to the industry. There is an education process within the industry, but the external problem is that the noncompliant sector is going to cause a threat.

**The Hon. M.F. O'BRIEN:** I think we have fairly conclusively identified that the cause of the five outbreaks is through the carriage of material into South Australia by way of freight, because those outbreaks are immediately adjacent to transport depots. So we do have an education issue. We have the Plant Health Act in place. I will follow that up, because I think we will have to go back to the transport industry sector, most of whom I believe are compliant and know that we also do random checks. We are very much dependent on self-regulation, otherwise it would be horrendously expensive. We will consult with all transport companies to improve the level of compliance. You are correct: obviously, five carriers have come into South Australia carrying fruit fly larvae in their vehicles.

**Mr WHETSTONE:** Minister, has the government considered that these inspection stations are part of a battle against many other serious plant diseases and pests (for example, the phylloxera disease within the wine industry), and can it guarantee that inspection standards against other threats will not be compromised by this change? As a recent example, we can look at Queensland and the imported disease into the citrus industry with regard to citrus canker, which decimated that industry?

**The Hon. M.F. O'BRIEN:** Member for Chaffey, that proposition has been put to me. However, I suppose the rejoinder, if I could describe it that way, or the reality, is that, even if we were running the midnight to dawn shift and people wanted to bring this material into the state—and I don't have an intimate knowledge of the road network in the Riverland—they could easily avoid the roadblock by getting onto the back roads.

We do take those issues seriously. That probably was one of the drivers for the move at a national level to establish Biosecurity Australia. As I said, we aligned ourselves with the national structure by bringing all functions under PIRSA and renaming ourselves Biosecurity South Australia so that we could be seen to be very much a part of the national structure.

We have a whole range of issues to deal with, one of which is myrtle rust, to which the member for Hammond has referred on several occasions. We are in the process of monitoring deliveries to nurseries, and the like. There are some quite significant biosecurity threats to South Australia, and there are ways in which we are dealing with those which are probably a lot more cost effective than having individuals on a roadblock in the wee hours of the morning.

**Mr WHETSTONE:** I guess, minister, that it would be fair to say then that there would be no need to take the back roads for those non-compliant people—they can just drive straight through the Yamba roadblock during the night shift. Straight through!

**Mr PEDERICK:** They do not have to get off the bitumen!

**Mr WHETSTONE:** No.

**The Hon. M.F. O'BRIEN:** I have just been informed that we are going to set up random roadblocks, to send a clear message to—

*Mr Odenwalder interjecting:*

**Mr PEDERICK:** Yes, they're going to put one at Gawler.

**The Hon. S.W. KEY:** What about Gepps Cross?

**Mr PEDERICK:** Gepps Cross is hardly rural, though my father used to cart hay there.

**The Hon. M.F. O'BRIEN:** Member for Chaffy, discussions are still underway. I am not flagging a particular outcome, but I think that all concerns will ultimately be addressed. It is too vital an industry for a high degree of uncertainty to be created, particularly within our export markets. We will do whatever is required to protect those particular markets.

**Mr WHETSTONE:** Is the government intending to pass on the current cost of the Fruit Fly Detection Program directly to growers as part of its full cost recovery policy and, if so, when will this begin, what cost will be passed on and how will it be levied?

**The Hon. M.F. O'BRIEN:** As I said, we are in a process of consultation. I would hope that we have moved past the notion that governments should assume all of the cost because there is a public benefit. I made the comment earlier that we are probably several decades beyond the point at which most Adelaide households had a couple of fruit trees in the backyard, and hence what we were doing with our roadblock was providing a public benefit to householders. There is still some benefit; fruit trees in the Adelaide metropolitan area obviously are a sanctuary for fruit-fly.

It is an issue that we are obviously addressing, but I would hope that industry would now see that we are in an enviable position in South Australia. We have been able to carve out some reasonably significant niches for our horticultural product in international markets. There is a cost benefit to South Australian producers because they do not have to go through the regime that their interstate competitors have to go through to export their horticultural product. So, I am hoping that we will arrive at a position where growers—and I am not limiting it to citrus growers because I think that would be grossly unfair, but to all producers of horticultural vegetable product in South Australia—take on board some of the partial cost (and that percentage is also to be determined). I will pass over to Will.

**Mr ZACHARIN:** Through the chair to the member for Chaffey, Plant Health Australia has also facilitated the development of a national fruit-fly strategy where all horticultural sectors have been involved in the development of this strategy, as government agencies have. One of the action items out of the national fruit-fly strategy is to engage industry groups into cost-sharing arrangements for fruit-fly programs across the four states.

So, there is this national committee, in effect, under Plant Health Australia, and we look forward to seeing how the strategy is rolled out, what sort of R&D programs the industry requires and what sort of other inspection arrangements or systems approaches we can put in place to reduce the risk of fruit-fly because of the amount of material that travels between the states. So, there is certainly a national strategy which industry has signed up to which does include some cost sharing into the future, and we look forward to ongoing consultation with industry groups to see what eventuates.

**Mr WHETSTONE:** To the minister and to Will, the industry is concerned with the closing of Yamba and they ask the minister to please consider the ramifications of the closure of the nightshift—

the answer will be cost recovery—and to keep Yamba open 24/7. My last question to the minister is: has the government calculated what effect the closure will have on pricing and, if so, what is the expected effect and how will it affect the industry's competitiveness with imports and exports? Just on that, to the minister, it is the perception of the other importing countries that South Australia is dropping its guard on biosecurity.

**The Hon. M.F. O'BRIEN:** Member for Chaffey, you brought that to my attention early in the peace. As I said, you have an understandable view that it is not so much the reality—and my officers and I are of the view that, in reality, it will have a negligible impact on biosecurity provisions in the Riverland—but one of perception, and sometimes perception can be stronger than the reality. Your industry, the citrus industry, has carved out quite lucrative markets in China, and I believe is exploring those opportunities in South Korea and elsewhere within the Asian region. We are having meetings, which I think Will is chairing, to arrive at a solution to the broader issue of cost recovery for fruit-fly. It could well be that, out of those discussions, industry is prepared to see those shifts restaffed.

We are hoping that we can push those discussions along fairly rapidly. However, at the moment it is the old reality that, if you are not paying for a service, you expect and demand the gold-plated Rolls-Royce; if you are making a partial contribution and the money is coming out of your bottom line, so to speak—and my view is it would be, if industry is agreeable, a negligible cost impost—people are then prepared to sit back and do the type of analysis that we have done, because that is the way you run business, which is risk as opposed to cost. However, if the perception proposition continually comes to the fore then industry will make a decision that they want that shift staffed and the moneys that will be raised from industry—and I am not talking just about citrus in the Riverland but right across the state—will be allocated for that purpose.

**Mr WHETSTONE:** Thank you, minister.