The non-regulated analysis of existing policy for apples from New Zealand

Questions and answers – 29 July 2011

Why is this analysis being undertaken?

After a long dispute with the New Zealand government, the World Trade Organization (WTO) ruled that Australia's measures for New Zealand apples were not sufficiently supported by science.

In considering the WTO ruling, the Government decided the most appropriate response would be to review the existing quarantine policy for the three pests that were the subject of the WTO dispute; fire blight, European canker and apple leaf curling midge.

The Biosecurity Services Group of the Department of Agriculture, Fisheries and Forestry announced the commencement of the review on 7 December 2010.

Australia negotiated with New Zealand a period of eight months to implement the WTO decision that concludes on 17 August 2011.

How does this review work?

This review is being conducted as a 'non-regulated analysis of existing policy'.

Like an import risk analysis (IRA), the review assesses the risks posed by pests and diseases and, if those risks exceed Australia's appropriate level of protection, specifies what measures should be taken to reduce those risks to an acceptable level.

Although this process is a non-regulated analysis of an existing policy, it is being conducted to the same standard as an import risk analysis (IRA) as described in the *Import Risk Analysis Handbook 2011* (available on the Biosecurity Australia website).

This review was released on 4 May 2011 for a 60-day stakeholder comment period, which closed on 4 July 2011. All stakeholder comments will be considered before the review is finalised.

What is being considered in the review?

The review is considering the three pests that were the subject of the WTO dispute; fire blight, European canker and apple leaf curling midge.

In light of the WTO ruling, the review has re-examined existing science. It has also considered evidence that was not available when the 2006 IRA was completed.

The review has closely considered New Zealand's commercial practice for production of apple fruit for export that manages pests.

What quarantine measures have been recommended for fresh apples from New Zealand?

Apple fruit to be exported to Australia must have been grown and packed using practices, which include:

- pests and diseases in New Zealand orchards continue to be managed through the Integrated Fruit Production program
- only mature and symptomless apples, free of leaf material and other contaminants will be exported
- fruit are brushed and washed under high pressure sprays
- maintenance of wash water sanitation
- 600 fruit from each export lot will be inspected for pests of quarantine concern. Detection of quarantine pests will result in the rejection of that lot for export to Australia
- a supporting operational system to maintain and verify the phytosanitary status of consignments
- The Australian Quarantine and Inspection Service (AQIS) will verify that the recommended phytosanitary measures have occurred

What other pests were identified in the 2006 IRA that require risk management measures?

In addition to the recommended measures contained in the 2011 draft review, risk management measures are also required for five species of leafrollers, two species of mealybug, and codling moth.

Are there any regional differences for Australian states?

Codling moth and two species of mealybugs are quarantine pests for Western Australia only. These pests are present in the eastern states.

The recommended quarantine measures take account of this regional difference.

During 2009, Western Australia confirmed that apple scab was now present in the state so risk management measures for this disease are no longer justified.

What measures are recommended for leafrollers, mealybugs and codling moth?

The 2006 final IRA report recommended that a sample of 600 fruit per export lot be inspected and must be found free of leafrollers. Detection of quarantinable leafrollers will result in the rejection of that lot for export to Australia.

For mealybugs, it was also recommended that a sample of 600 fruit per export lot be inspected and found free of mealybugs.

A range of options were proposed to manage the risk posed by codling moth, including area freedom or fumigation with methyl bromide. However, before access to Western Australia can be considered, New Zealand will be required to provide a submission detailing how codling moth will be managed.

Will Australia be adequately protected from fire blight?

New Zealand producers have adopted an integrated approach to manage fire blight including targeted measures to prevent blossom infection (that could result in fruit contaminated with fire blight bacteria). This integrated approach effectively manages fire blight to low levels. There have been no outbreaks of fire blight in New Zealand since 1998.

New evidence has confirmed fire blight bacteria can only survive, if at all, in very low numbers in a poor state of health on mature apple fruit. Mature apple fruit is an adverse environment for fire blight and the evidence demonstrates that bacteria die quickly.

If fire blight survived long-enough to enter Australia it would then need to survive on apple waste (rotting fruit or discarded apple cores) to be of concern. The review considered new evidence which indicates that in wet conditions, bacteria known to compete with fire blight bacteria had excellent survival and growth rates while in dry conditions, the lack of water prevented fire blight growth.

If fire blight were to survive in apple waste, it would then need to be moved to a new host; it cannot move independently.

Therefore, the review concludes, there is no evidence to support the hypothesis that fire blight can be transferred from mature apples or from apple waste from mature fruit to a host in Australia.

Does this give the go-ahead for the import of apples from New Zealand?

Import policy already exists to permit access for apples from New Zealand under the 2006 IRA. Trade has not commenced under that policy which was the subject of a WTO dispute for the three pests considered in the current review.

This draft review recommends that certain aspects of that import policy be amended. Stakeholders were invited to provide written comments on the draft review by 4 July 2011 (60 days). All submissions will be considered by Biosecurity Australia in preparing a final review report.

What happens next?

After a final review report is prepared, the Director of Animal and Plant Quarantine will be asked to make a policy determination on the import conditions for apples from New Zealand. In making a determination the Director will consider the final review report and any other relevant information.

The making of a determination is an administrative process that provides a policy framework for decisions on whether or not to grant an import permit and any conditions that may be attached to the permit.

The issuing of a permit is the legal instrument that will permit the entry of apples into Australia.

What happens after the policy determination for New Zealand apples is made?

Australian and New Zealand quarantine authorities will finalise an operational work plan that implements risk management measures recommended in the draft review. Australia will also audit the operational work plan in New Zealand. Once the quarantine conditions are established, trade may commence, but only after an import permit is granted.

Does Australia import any apple fruit?

Australia received the first shipments of apples from China in early 2011. In addition, there is quarantine policy that allows the entry of apples from New Zealand subject to quarantine conditions set out in the 2006 IRA. Australia also allows imports of Fuji apples from Japan. To date, trade has not commenced under policies established for New Zealand or Japan.

Biosecurity Australia is also conducting an IRA for fresh apple fruit from the United States of America, Pacific Northwest States. The IRA is currently on hold under the 'stop the clock' provision in the *Import Risk Analysis Handbook 2011*. Biosecurity Australia is waiting on information from the USA essential to complete the IRA. More information is on the Biosecurity Australia website.

Consultation

Has industry been consulted in developing the draft review?

Biosecurity Australia met with representatives of Apple and Pear Australia (APAL) several times face-to-face and via teleconferences. The communication between APAL and Biosecurity Australia is ongoing.

The Department of Foreign Affairs and Trade, and the Attorney-General's Department have also briefed APAL on the implications of the WTO ruling.

Background information

Does Australia export apples?

Australia can export apples to a number of countries, including China, Hong Kong, India, Indonesia, Malaysia, Papua New Guinea, Russia, Singapore, Sri Lanka, Taiwan, the United Kingdom and Western Samoa.

How can Australia ensure apples imported from New Zealand are safe to eat?

The draft review has considered the plant biosecurity risks associated with the importation of apples from New Zealand.

Human health risks are considered by Food Standards Australia New Zealand (FSANZ) who develop and maintain the Australia New Zealand Food Standards Code.

FSANZ released a risk assessment on 16 May 2011 that concludes the use of streptomycin during apple flowering presents a negligible risk to consumers.

Do New Zealand apples require country of origin labelling?

All food imported to Australia requires country of origin labelling under provisions of the *Commerce (Trade Descriptions) Act 1905* (the CTD Act) and the subordinate *Commerce (Imports) Regulations 1940.*

The CTD Act is enforced by the Australian Customs and Border Protection Service.