Australian Government

Department of Agriculture, Fisheries and Forestry

Ms Sue Holmes
Inquiry Manager
Productivity Commission
PO Box 30
BELCONNEN ACT 2616

Dear Ms Holmes

I am writing in response to your letter of 30 July 2003 to Ms Meryl Stanton, Executive Director of the Australian Quarantine and Inspection Service (AQIS) concerning the Productivity Commission (PC) Draft Research Report (DRR) on the Evaluation of Mutual Recognition Schemes.

As the matters covered by your letter fall mainly within the responsibilities of the Market Access and Biosecurity area of the Department, Ms Stanton has referred it to me for consideration and response. We would also like to take this opportunity to comment on another matter of concern to this portfolio, namely agricultural and veterinary chemicals. We apologise for the delay in responding to your letter.

Quarantine Issues

You have asked for comments on the part of the draft report dealing with quarantine, and on the comments made by the Tasmanian Government in relation to quarantine, and particularly sought our views on the statement by Tasmania in relation to arrangements recently agreed by the Primary Industries Ministerial Council.

Tasmania has commented that 'the nature of the quarantine law exemption contained in the MRA may also impact on the capacity of governments to implement the arrangements for addressing regional differences in relation to import risk that were recently agreed to by the Primary Industries Ministerial Council'.

Commonwealth, State and Territory Ministers responsible for primary industry agreed, through an exchange of letters in 2002 under the auspices of the Primary Industries Ministerial Council, that the Commonwealth would address regional *differences* in pest status and risk as part of the import risk analysis process and take such differences into account in developing risk management measures for imports. It should be noted that regional differences in pest and risk status do not necessarily correspond with jurisdictional borders.

The exchange of letters does not apply to the measures put in place by the relevant jurisdictions to maintain the pest status of particular regions and is therefore, in our view, not relevant to the matters currently under consideration by the Productivity Commission.

In summary, while we concur with Tasmania's objectives in *seeking* to ensure that the MRA is consistent with nationally agreed quarantine policy and that it does not unintentionally impede the operation of national approaches to quarantine risk management, we see no need to amend the wording of the exemption clause. The exemption clause for quarantine allows the States and

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Territories to put in place appropriate measures to recognise regional differences in pest and risk status in a way that is consistent with nationally agreed quarantine policy.

I would like to take the opportunity to clarify some other points covered in the text on quarantine.

While it is correct that responsibility for border quarantine matters rests with the Australian Quarantine and Inspection Service (AQIS), the general responsibility for quarantine policy was transferred to Biosecurity Australia in October 2000. Biosecurity Australia (part of the Market Access and Biosecurity business group in this Department) is responsible for risk analysis in relation to proposed importation of animals, plants and their products and its advice is taken into account by the Director of Animal and Plant Quarantine in making decisions on these matters under the Quarantine Act.

The administrative process for carrying out import risk analyses (IRAs) is set out in the Import Risk Analysis Handbook, the current edition of which has just been published and is enclosed for your reference. http://www.daff.gov.au/content/publications.cfm?ObjectID=D667DCE6-A412-4673-A6B49B7579CF4AD7

In relation to the statement noting "... that there are appeal mechanisms in place for decisions about the importation of new commodities" (4ª' para, p112)1 would like to point out that the provision for appeal in the IRA process applies to the administrative conduct of IRAs and not to IRA policy determinations. There appears to be an implication to the contrary in the draft report and we request that this be removed in the final report. Appeal arrangements are explained in the enclosed Handbook.

Treatment of Agricultural and Veterinary Chemicals Under the TTMRA

As the report appropriately advises, the permanent exemption for agricultural and veterinary chemicals under the TTMRA has been in place since 1993. It is the very firm view of this Department that the permanent exemption should continue until there is a clear understanding of the potential benefits that might be gained from moving it to the special exemption classification.

The Australian system of agricultural and veterinary chemical registration (including standards and standard setting processes) is closely aligned with OECD best practice and strongly resembles both the US and EU risk assessment processes. It is these features that underpin the credibility of Australia's agricultural and veterinary chemicals management system.

It is the Department's view that the removal of the special exemption classification solely for the purpose of precipitating greater harmonisation of the agricultural and veterinary chemical arrangements with NZ is incompatible with our national interest in terms of public health and safety, environmental protection and agricultural trade with major international markets. Furthermore, it has the potential to undermine Australia's well-established and internationally acknowledged position as a best-practice system.

In doing so, we acknowledge that, Mr Barry Carbon, CEO NZ Ministry for the Environment, recently questioned the rationale for removing the permanent exemption for relevant agricultural and veterinary chemicals. As far as we are aware, this is not a whole of government view of the New Zealand Government and we are unclear of the objectives for any such action. We continue to believe that there are sufficient grounds for differing regulatory practices, most significantly because of our different interests in good agricultural practice.

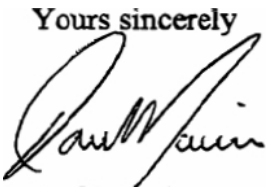
You may be aware that there are a number of processes in train that influence both schemes. These influences typically stem from efforts towards greater international harmonisation of standards and procedures. Australia is an active participant in these activities and will continue to reform its procedures, as appropriate as new international benchmarks are established. We do not believe that tying Australian performance to the need for closer agreement with New Zealand will benefit either party in terms of their approaches to chemicals management issues.

The Department has received no representations from Australian industry to harmonise our agricultural and veterinary chemicals system with that of New Zealand. We are aware of only one small group that is actively engaged in any discussions on the issue with New Zealand regulators.

Having made these points, the Department is prepared to consider a case for changes to the permanent exemption classification should New Zealand indicate a preference for such action. Prior to agreeing to a change in classification, we would need to clearly understand New Zealand's objectives and intentions and assess the implications for Australian public health & safety, environmental and trade interests.

Thank you for the opportunity to comment on these matters. If we can be of any further assistance please do not hesitate to contact Melanie O'Flynn on 6272 3619 or email melanie.oflynna@affa.gov.au (quarantine issues) or Andre Mayne on 62725391 or email andre.mayne@affa.gov.au (agricultural and veterinary chemicals issues).

Yours sincerely



Paul Morris
Executive Manager
Market Access and Biosecurity
9 September 2003