The Case for a TR4 Five Year Control & Containment Program

12 November 2018

Introduction

This Business Case discusses the rationale for the industry and the Queensland Government to invest in the TR4 Program for the future.

It includes discussion on:

- the ACIL Allen Review of the Tropical Race 4 (TR4) Program, which is now on the Government website: www.bit.ly/ACILAllenReview;
- the elements of the TR4 Program; and
- the way forward to ensure a solid TR4 Five Year Control and Containment Program;

TR4 is in North Queensland and unfortunately, it's here to stay. While the disease is indeed the greatest threat to banana production worldwide and a detection is often flagged elsewhere in the world as the 'beginning of the end' for banana industries, it is recognised that the industry and the Department of Agriculture and Fisheries (DAF) have been successful in containing TR4 to the extent we have.

This unparalleled success is due to the biosecurity measures implemented by individual growers, the work of Australian Banana Growers' Council (ABGC), DAF, including Agri-Science Queensland and Biosecurity Queensland (BQ) and others.

Since March 2015 when TR4 was first found in Tully, ABGC has had the objective of containing the spread of TR4 so as to provide time until there are research options available, including highly tolerant, market acceptable banana varieties. Over the next five years, ABGC and DAF expect TR4 to spread, but hopefully to only a small degree. We also assume, based on scientific advice that it is likely to take longer than five years for a profitable highly TR4-resistant variety to be available.

ACIL Allen Report

ABGC has considered the ACIL Allen TR4 Program Review report. While it contains many inaccuracies, ABGC agrees with the key ACIL Allen finding that industry and DAF have collectively been successful in controlling and containing the spread of the disease for the benefit of the industry and Queensland, and that without the TR4 Program the disease would have impacted much more seriously than it has.

It is not surprising that the TR4 Program, run by BQ has been found by ACIL Allen to have a strongly positive benefit cost ratio. That is, the benefit cost ratio of continuing the Program versus not continuing it was estimated at 39 to 1.

ABGC also agrees with the following in the report:

- All current elements of the TR4 Program are worth continuing.

- BQ should align the Program's operational and financial systems with the Program's objective so that the Program's plan can be more easily demonstrated to stakeholders.
- The role of the ABGC/BQ Steering Committee should be strengthened.
- Biosecurity extension activities are to be renewed.
- A formal partnership agreement is to be developed between industry and government.
- That the TR4 Program is to be placed on a 3-5 year funding horizon.

The ACIL Allen report did not appear to fully appreciate industry's existing contribution to the TR4 Response. It only acknowledged:

- the ongoing contribution to the TR4 Program objective through the purchase of the first infected farm (1IP and 2SP),
- the destruction of all disease hosts on that farm and management of that de-commissioned farm, which stopped TR4 spore production from it.

The banana industry also contributes to the response through:

- Grower investment in on-farm biosecurity capital items and on-going operating expenses for these. Pinnacle Agribusiness' benchmarking project found that North Queensland growers spent on average $1600 per producing hectare since March 2015 on new capital items for biosecurity. [i]
- More than $2m annual contribution to research and development from grower levies, which is then matched dollar for dollar by the Commonwealth Government.
- ABGC's TR4 industry leadership and support to all facets of the TR4 Program and to TR4 R&D.

ACIL Allen also appeared to not understand that the beneficiaries of containing TR4 are all the people in the communities where banana production is a major economic driver, as well as those in affiliated industries like transport, agricultural suppliers and contractors, carton manufacturers etc, which are across Queensland. The North Queensland banana industry, which produces 94% of Australia's bananas, has significant flow-on social and economic values.

Data from Pinnacle Agribusiness research, made available this month, includes the socio-economic value of the banana industry. It noted in 2016/17, nationally:

- There were 5,325 FTEs employed on banana farms and 13,418 FTEs in the banana supply chain.
- The farm gate value of banana production was $679 million and total output was $1.276 billion.

Elements of the Program

The **aim** of the TR4 Program is to provide a cohesive response strategy which will capitalise on the successful work of the past three years and provide a program with enhanced efficiencies through to June 2024

The **objectives** of the Program are:

1. To limit the area infested by Panama disease tropical race 4
2. To slow the spread of TR4 by control and containment activities so as to buy time for the industry to incorporate new research outputs and for the industry and community to adjust to changes brought on by TR4.

Achieving Objectives

The Program will achieve its objectives through tracing & surveillance, regulatory compliance, sampling & diagnostics, communications & engagement and policy & planning.

The following activities comprise the core elements undertaken by the Program to control and contain Panama TR4. Over time, it is likely that the activities will change and adapt.

Tracing

Tracing is the assessment of the risk pathways to and from known infested properties (IPs) and is undertaken with each new detection of TR4 or if new information becomes available. The tracing activity facilitates the creation of risk profiles to inform the surveillance strategy.

Surveillance

It has been shown that effective surveillance, followed by rapid destruction and on-farm regulatory restrictions is the only way *currently* to control and contain the disease. Surveillance is the key mechanism that helps the industry and the government buy time. Early detection of the disease is a key part of the surveillance strategy and is built on the linkages identified through tracing.

Regulatory Compliance

The Panama TR4 Program's compliance strategy is to ensure that properties subject to a Notice of presence of panama disease tropical race 4 ('notice') achieve and continue to meet the risk minimisation requirements of that notice. The aim of compliance is to minimise the risk of the spread of Panama TR4 both within and off an IP. This activity includes education and some assistance with destruction of banana plants, as well as regulatory compliance and ongoing monitoring.

Sampling

During surveillance, Program personnel look for banana plants displaying external symptoms of the disease and subsequently label and take samples of suspicious plants. Strict protocols relating to collecting and dispatching samples are followed depending upon whether the plant is located on an IP or on a property not known to have the disease.

Diagnostics

Laboratory diagnostic testing of samples for Panama TR4 will continue to be performed for the Program at the Diagnostics Laboratory at the EcoSciences Precinct, Dutton Park, Brisbane. Diagnostics will be completed in accordance with the Program diagnostic protocol. Multiple diagnostic tests are used to determine the absence or presence of Panama TR4. These tests take a number of weeks to fully complete.

Communications

Program work in this area is focussed on community awareness and education, the preparation of documents that could be shared both in the community and the industry. It also includes the provision of formal/informal education.

Grower Engagement

Recent grower engagement work has focussed on the highest-at-risk growers and being Panama TR4 ready. It is envisaged that this work will continue to support growers to implement best practice farm biosecurity, encourage early reporting of the disease and adapt practices both individually and collectively to reduce the risk of disease incursion for themselves and others. It is done with the assistance of ABGC and DAF's Agri-Science Queensland banana extension team. The benefit of this element is that it supports management of a threatening and complex disease via strong engagement with a broad range of stakeholders. When growers protect their own farms from TR4, they protect the industry and this underpins the regional communities.

Policy and Planning

This element includes policy development, legislative support, program planning and risk assessment It provides a connection to externally available science and research. The outputs support management of each of the other elements of the Program and include risk assessments, work instructions, standard operating procedures, policy and legislative documents, administrative procedures and forms to record information.

The Way Forward

ABGC fully supports the TR4 Program and notes that without BQ surveillance and its regulatory compliance work for TR4, the disease would spread much quicker.

However, there is an urgent need for the Program to be more efficient and effective in future, especially in regard to:

- the use of modern technology, such as drones, for surveillance, where applied research is urgently required, and
- the need for further on-farm biosecurity training for growers.

There is also a need to ensure funding is made available for the next five years of the Program. Indeed, it is imperative that there be a solid and effective TR4 Five Year Control and Containment Program.

The Queensland Government has stated that it has committed $29 million in response to TR4 to date. The program will cost in the order of $4-5M per annum to continue the current scope of activities.

Under nationally approved biosecurity arrangements, the concept of shared responsibility, biosecurity is considered to be in part a private good and in part a public good and there should be "proportionate responsibility" for biosecurity risks which accrue to farmers, industry and the community.

A key principle of the *Biosecurity Act 2014* (Qld) is shared responsibility. All parties (governments, industries and individuals) are responsible for managing biosecurity risks and where appropriate share the cost of biosecurity responses. The Act provides for Industry and Biosecurity Queensland to enter into partnership agreements to ensure a coordinated process for both responding to a biosecurity event and sharing costs related to a biosecurity event.

ACIL Allen recommended that the banana industry increase its financial contribution on a sliding scale over 5 years and that there should be an interim period where the Queensland Government pays a larger proportion of costs while industry puts funding arrangements in place.

ABGC has advised government that growers are already contributing significantly to the TR4 response. Also, growers are paying off two debts, via two different levies, for the Banana Freckle cost-shared response and the purchase of the first-infested farm.

We also advised that growers have no capacity to contribute further, at this stage, to the TR4 response, as a result of these debts, the costs of individual farm's biosecurity expenditure and the cumulative effect of at least the last three poor financial year's results.

The Banana Industry Benchmarking project report by Pinnacle Agribusiness noted a reduction in cash profit of 68% on average (CPI adjusted) for banana growers in north Queensland between 2009/10 and 2016/17.

Consequently, ABGC requested the Queensland Government, as a matter of urgency, to continue to fund the TR4 Program for the remainder of 2018/19, as it has for the first two quarters of it.

In the meantime, ABGC advised that we intend to consult with growers nationally and to seek feedback on the case for industry and government investment in the TR4 Program, in the future. We advised government that ABGC needs to consult and receive the support of the industry before making a commitment for cash to be provided to the TR4 Program from an industry levy.

Nonetheless, ABGC believes that it is appropriate for industry to eventually contribute cash to fund part of the Program. A possible source of funding could be via the existing PHA levy. The use of levy funds would only be appropriate after grower consultation and the development of an agreement whereby industry has an element of control over the allocation of its funds.

A shared funding and operational agreement for the governance of the program is also proposed. This might take the shape of a Memorandum of Understanding (MOU). It will be informed by growers' views of this document and would underpin a solid 3-5 year plan for the TR4 Program going forward.

The MOU would need to be finalised in time for 2019/20 budget development, and signed by June 2019 at the latest.

ABGC will concurrently continue to work collaboratively with BQ on the TR4 Program

Your consideration of the value and benefits a future TR4 Program would bring to the industry and to Queensland would be appreciated.

Your discussion and feedback with ABGC Directors on this paper is encouraged. Alternatively, you could email or phone ABGC CEO, Jim Pekin (jim.pekin@abgc.org.au or 07 3278 4786.)

Regards

Stephen Lowe
Chair
Australian Banana Growers' Council

[i] 2018 Pinnacle Agribusiness: 'Banana Enterprise Comparison 2016/17' Final Report to Hort Innovation (in Publication).