

The Emergency Plant Pest Response Deed and Owner Reimbursement Costs

Supporting industry in a biosecurity emergency

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- Under the EPPRD, no grower should be better or worse off as a result of the implementation of an emergency plant pest response
- There is a system in place to protect against crop losses due to an emergency plant pest response plan
- ORCs aim to ensure there is no disincentive to reporting a suspected emergency plant pest



Spotted Wing Drosophila on a raspberry

Photo credit: Peter Coffey

The Emergency Plant Pest Response Deed (EPPRD or 'the Deed') is a formal, legally binding agreement between Plant Health Australia (PHA), the Australian Government, all state and territory governments and plant industries who are signatories to the Deed. It covers the management and funding of responses to Emergency Plant Pest (EPP) incidents.

Strawberries Australia Inc. and RABA, along with many other horticultural industries, are signatories to the Deed. Blueberries are not currently signatories to the Deed. This means that in the event of an incursion of an emergency plant pest that has the potential to significantly impact the strawberry or Rubus industries, such as Spotted Wing Drosophila, industry is directly involved in decision making, along with government, in the development and management of a Response Plan.

The Deed aims to provide a consistent and agreed approach to plant pest incursion management across Australia, including clarity around funding a response. Under the Deed, an industry that is a signatory may also be required to contribute to the cost of implementing

a Response Plan in the event of an EPP incursion that affects that industry. RABA is currently reviewing the levy structure to ensure they can meet their financial obligations as deed signatories.

These cost-sharing arrangements with government are based on the category of the plant pest, which is a measure of the public/environmental benefit versus industry benefit of eradication. An important, underlying principle of the Deed is that no grower should be better or worse off due to an EPP incursion and subsequent response. This means that the owner of a crop or property directly devalued or destroyed as a result of implementing an approved Response Plan may be eligible for reimbursement payments under the Deed.

These payments, or Owner Reimbursement Costs (ORCs), are made on an agreed valuation approach which is endorsed by industry, and are designed as an incentive for growers, or other stakeholders, to report suspected EPPs. It also provides social justice for growers who, through no fault of their own, are seriously affected by a Response Plan.

Category	Funding	Example
1	100% government	Dutch Elm disease
2	80% government 20% industry	Brown marmorated stink bug
3	50% government 50% industry	Angular leaf spot
4	20% government 50% industry	Strawberry tortrix

In contrast, an industry that is not a signatory to the Deed will not be involved in any decision-making processes in the event of an EPP incursion that may affect that industry.

Additionally, if the total farm gate value of the industry exceeds \$20 million affected growers would not be eligible for reimbursement for losses resulting from a Response Plan. If the farm gate value of the whole industry is less than \$20 million ORC payments may be available.

ORCs are calculated using an agreed valuation based on defined ORC evidence frameworks that are outlined in the Deed. The ways ORCs are calculated are crop specific, and will be different for an annual, short term rotation crop, like strawberries, compared to a long-term crop such as a cherry orchard, or a broadacre annual crop like wheat. Although the calculation is dependent on the type of crop affected, in general:

ORCs = (Previous asset value – Damaged asset value) + Response costs

A crop specific evidence framework identifies the appropriate information, documentation and processes needed to determine values used in the ORC calculation. If an evidence framework is not in place, it is difficult to calculate specific ORCs.

Development of an evidence framework is led by the Peak Industry Body with guidance from PHA, and must be endorsed by industry, government parties and PHA. It needs to be updated regularly to reflect changes in crop values. In the event of an emergency pest incursion, having an ORC framework in place means that the industry and affected growers are not trying to pull together the required information during an emergency response.

Despite this, of the nearly 40 horticultural industries that are signatories to the Deed, only 13 have an approved industry specific evidence framework. Strawberries and *Rubus* have not yet developed frameworks for ORCs, but PHA is actively encouraging industries to work with them towards developing a framework. The strawberry industry, along with other short rotation, annual crops such as melons, sweet potatoes and

vegetables, is currently working with PHA to progress the development of a framework.

As strawberries are grown year-round, in different production systems, different regions and with differing lengths of seasons, a framework for ORCs must be able to take this variation into account. This will involve identifying sources of regionally specific data which can be used in calculations in the event of ORCs being payable. In addition to having an industry evidence framework for calculating ORCs, it is important that growers also keep their own up-to-date records of all costs involved in their production that can be used in the event of an EPP incursion.

There can also be variations across industries in the quality of product produced. However, if a grower believes their crop is valued higher than the industry average, unless they have good records to justify their valuation, any reimbursement will be calculated using industry averages.

Industry experience of EPP incursion management demonstrates how important ORC evidence frameworks can be, and how important it is for growers to keep their own records. The chestnut industry dealt with an incursion of Chestnut Blight in 2010, before they signed the Deed and with no ORC evidence framework in place.

The response to the incursion involved destroying several thousand trees on 9 affected properties in Victoria that were decades old.

Luckily growers were given some compensation, but it didn't take into account the complex and variable nature of the industry and the length of time for trees to become productive, as detailed data was not available.

Experience from the citrus industry with citrus canker also reinforces the importance of having an ORC framework in place, and the need for growers to be aware that a system exists to protect them against losses as a result of an EPP response, so there is no disincentive to reporting a suspected exotic plant pest.

More information about ORCs and the EPPRD, as well as industries' approved ORC evidence frameworks, can be found at planthealthaustralia.com.au