



NORTHERN CO-OPERATIVE MEAT COMPANY LTD

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Quarantine & Biosecurity Review
GPO Box 858
Canberra ACT 2601
Australia

SUBMISSION

The Northern Co-operative Meat Company Ltd is highly supportive of the Federal Government's decision to call for a review of Australia's Quarantine and Bio-security Arrangements and we would welcome the opportunity to make a formal submission and if deemed appropriate by the Review Panel, a presentation at one of the focus forums.

Our Business Profile

The Northern Co-operative Meat Company Ltd is recognised as one of Australia's leading red meat food processors. Since its incorporation in 1933 the Co-operative's facilities have been constantly modernised and upgraded to ensure the organisation retains it's position as an efficient industry leader at the cutting edge of technology and food safety.

The Co-operative's primary focus is to provide its customers with an efficient meat processing facility utilising a highly trained workforce and specialised equipment in order to maintain it's ability to service all major global markets.

The Co-operative's processing facilities are located on the eastern seaboard of Australia in the North East corner of NSW, known as the Northern Rivers. The area is acclaimed as a pristine, clean green food bowl of Australia and we are acutely aware of the importance of Australia's clean green image when it comes to exporting products to the global market place which are derived from our producers.

The Northern Co-operative Meat Company Ltd is a 100% Australian owned company with over 1600 producer and operator members. It is governed by a Board of Directors who are elected on a rotational basis by the members. As a major employer in the area (at its main site in Casino, it employs over 1050 people), the Co-operative is very conscious of its responsibility and commitment to local communities.

The Northern Co-operative Meat Company Ltd is recognised as an industry leader in meat processing and is held in high esteem by its peers. The Co-operative has in place accredited *Meat Safety Quality Assurance (MSQA)* and *Hazard Analysis Critical Control Point (HACCP)* quality systems and is also one of the few meat processing plants in Australia with an *Ausmeat A+* rating.

The facilities at the Co-operative are of the highest level, with export licenses to most parts of the world including the very difficult European markets, United States of America, Japan, Korea, Halal, Organic & Biodynamic markets.

The Co-operative also owns and operates a major tannery trading as **Casino Hide Tanners**. The tannery exports hides predominantly to Italy as "wet blue" hides, with some also going to the Far East and South America.

It also owns and operates Cassino RSM Processing **an export pig processing plant at Booyong, east of Lismore NSW, with Singapore being one of the major markets.**

The Northern Co-operative Meat Company Ltd has reviewed the Quarantine and Biosecurity Review Issues paper and has cross referenced our comments to the various sections as defined "Issues Paper".

General Comments in relation to Part B - Context and Boundaries

B1 Quarantine and biosecurity

The Northern Co-operative Meat Company Ltd accepts the Context and Boundaries as defined in B1 of the issues paper and we clearly recognize the real threat of exotic diseases to Australia.

B2 Australia's system

International obligations

The Northern Co-operative Meat Company Ltd accepts and is supportive of our International obligations and we would expect other countries importing our product to treat us and our products with the same degree of scientific rigor as Australia utilizes to protect its borders.

Appropriate Levels of Protection

We note point 23 and we have an alternate view to that being portrayed in this dot point. Whilst successive Australian Government's have adopted a conservative approach to managing quarantine and Bio-security risks, we are firmly of the opinion that this conservative approach has been significantly diluted in the last decade and we will highlight why we have developed this opinion later in this correspondence.

We are firmly of the opinion that Point 26 was appropriately worded at the time it was created but it is our opinion that the Director of Animal and Plant Quarantine should never have been afforded the discretion of allowing the importation of goods which could potentially contain exotic diseases into our country, then allow multiple commercial importers with little or no Government supervision to be responsible for control and sterilisation of the imported product so as to mitigate the risk inside our borders. We will highlight why we have developed this opinion later in this correspondence.

We have significant concerns with point 32 as we are of the strong opinion that the States are not capable of acting uniformly and reliably when it comes to quarantine and bio-security.

General Comments in relation to Part C – Issues for Consideration**C1 Risk across the quarantine and bio-security continuum**

Questions Under Point 54

There are a number of extremely pertinent questions asked including: Is ALOP understood and applied in a consistent way? Do Australia's risk assessments (including import risk analyses) competently and comprehensively assess risk and risk management issues when providing advice on market access requests and import applications?

We are firmly of the opinion that whilst there may be a lack of understanding of the ALOP, it is most certainly not applied in a consistent way across all products of a like category. A clear demonstration of this inconsistency is when one compares Australia's stance on importing protein in the form of raw poultry meat into Australia. Australia's Quarantine measures prohibit the importation of raw poultry meat yet Australia allows the importation of raw pig meat into the country.

Both products are protein and both products potentially could be carriers of exotic disease. Bio-security Australia's decision on poultry meat was that it could only enter the country after heat treatment in the country of origin and the criteria set for the heat treatment was extremely rigid and to some degree it reduced the attractiveness of the product within Australia.

Under the Import Risk Analysis (IRA), raw pig meat however is allowed into the country in a raw state although without bones or glands. It is then required to be heat treated before entering the food chain. This heat treatment does not occur at a dedicated Government controlled facility instead it is handled at multiple commercial processing facilities who market the finished goods to retail commerce. All residual waste product and waste packaging from imported raw pig must be disposed of via deep burial in an approved waste facility or incinerated.

It is not uncommon for many of these processing facilities to handle imported pig meat with no direct Government oversight via AQIS or State Government when the product is being processed and we are aware of two critical and significant breaches of the Import Risk Analysis (IRA) and importation protocols.

Our understanding is that a State regulator is presently investigating taking legal action against a user of raw imported pig meat for two potential breaches of IRA, in that it is alleged it has used raw imported pig meat in retail goods and also that it has incorrectly described other imported pig meat as Australian product. We are also aware of another processor who has been dumping waste packaging material without heat treating prior to disposal, again outside the terms of the IRA.

In our opinion the above cases are only the tip of the iceberg and neither of the potential breaches would have compromised Australia's quarantine requirements had raw pig meat been treated via the same protocol as poultry i.e. heat treated prior to entry into Australia.

We made comment in relation to point 26 that we felt that the Director of Animal and Plant Quarantine should never have been afforded the discretion of allowing the importation of goods which could potentially contain exotic diseases into our country then allow multiple commercial importers with little or no government supervision to be responsible for control and sterilisation of the imported product and waste material so as to mitigate the risk inside our borders. In our opinion it is completely inappropriate for Australia's Bio-security system to allow multiple internal points of control to protect our borders from exotic disease.

We are of the strong opinion that the IRA and import protocol associated with raw pig meat has set a precedent that Australia will regret moving forward. Proponents may use the raw pig meat ALOP and the pig meat IRA as a precedent for the importation of proteins such as beef from countries with Foot and Mouth Disease or BSE and they may well use the same test case for poultry and other proteins.

We are firmly of the opinion that State regulators cannot and do not act in a consistent way and we are also of the opinion that the IRA was flawed in its expectation of AQIS or State regulators to meet their obligations which would require they have a presence at the facility whenever imported pig meat was being processed. This is completely unrealistic.

From a purely commercial perspective we are firmly of the opinion that there should be full cost recovery from the proponents and commercial beneficiaries of any imported goods that require Government assessment under the ALOP with any cost associated with the Import Risk Analysis and any subsequent legal challenges passed back to the proponents at all times if the assessment allows the product onto our shores. The cost should not be born by Australian tax payers.

Question under point 59

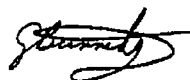
The Northern Co-operative Meat Company Ltd is firmly of the opinion as stated earlier that the relationship between State and Federal jurisdictions with regards to quarantine is both cumbersome and ineffective and we are supportive of any framework that improves our quarantine and bio-security arrangements. A classic example of our concerns relates to imported feed meal crossing our borders.

Whilst AQIS overseas the issue relating to mammalian content of any feed ingredient, the States look after quarantine issues. In recent years industry has raised ongoing concerns relating the feed meals that potentially contain residual antibiotics that are banned in Australia. If feeds containing these residual antibiotics are fed to Australian livestock there is real potential for importing countries to pick up these antibiotics at their point of entry screening test. To date the various States have not undertaken any form of assessment or monitoring of this potential risk to Australian exports.

In Conclusion

The Board, Management and Producer Members of the Northern Co-operative Meat Company Ltd are supportive of anything that increases and strengthens Australia's Quarantine and Bio-security measure to protect our country, our livelihood, our global markets, our businesses and our employees from flow on effects of an exotic diseases outbreak. We as a group cannot accept the complacent and inept decision making of the last decade to protect us moving forward.

Yours faithfully



Gary F Burridge
Chief Executive Officer
Northern Co-operative Meat Company Ltd