

Australian Chicken Growers' Council Limited

ABN 31 837 493 703



PO Box 12009
George Street
BRISBANE QLD 4003

Phone: (07) 3837 4749
Fax: (07) 3236 4100

President Steve Teitzel

Vice President Gary Ekert

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Quarantine and Biosecurity Review Secretariat
Department of Agriculture, Fisheries & Forestry
GPO Box 858
CANBERRA ACT 2601
Email: quarantinebiosecurityReview@daff.gov.au

Submission to the Quarantine and Biosecurity Review

Dear Sir/Madam

Thank you on behalf of the Australian Chicken Growers' Council (ACGC) for the opportunity to make a submission to the review panel. ACGC represents the interests of some 800 contract meat chicken growers in Australia at a national level through six state organisations. Contract meat chicken growers as part of the vertically integrated value chain of chicken meat production in Australia are responsible for approximately 45-50% of the capital investment in the industry. ACGC is a member of the Australian Chicken Meat Federation (ACMF).

Farmers, in general, have a heightened sense of concern about issues relating to quarantine and biosecurity as they are the first to be impacted by an Emergency Animal Disease incursion as the result either of a breach of quarantine or import protocols which do not adequately address the relevant risks. Like other significant Australian rural based industries (beef, wheat, dairy, etc) the chicken meat industry is free of a range of diseases with significant production and animal welfare implications which plague other countries in the world and therefore it relies on strong and predictable science-based national quarantine protection as the essential foundation for its investment and growth. The ACGC sees this Review as both important and timely given that a number of significant international threats have arisen since the 1996 Nairn Review. These include diseases such as BSE, FMD, SARS, Avian Influenza and also the rise of international terrorism (paragraph 41 of Issues Paper).

The general public's awareness of Emergency Animal Diseases has been significantly heightened. This firstly occurred as a result of the media coverage of the spread of Avian Influenza (AI) firstly through Asia and then into Europe. More importantly was the linkage

between AI and a number of human deaths which lead to dire predictions about human pandemics. Consumers have now been sensitised and thus any strain of AI that appears in Australia, regardless of its strain, would induce significant consumer resistance to the consumption of chicken meat. Secondly the Equine Influenza outbreak in NSW and Queensland clearly shows the devastating effects that the introduction of an Emergency Animal Disease can have not only on the industry but also the broader community. It would be hoped that the findings of the Inquiry into the outbreak will be available to inform this inquiry.

It is important to understand that foreign criticism of Australia's strict – and WTO compliant – quarantine regime is to be expected. Australia is a high income developed market economy with zero, or very low, tariffs and a well-developed and open retail and distribution system. Overseas exporting countries intent on tapping into the lucrative Australian domestic market but finding themselves unable to satisfy Australia's justifiable and WTO legal quarantine restrictions because of their own disease status will, quite naturally, endeavour to denounce our quarantine system as "protectionist" in an effort to have our quarantine weakened.

Such propaganda and self serving trade friction – which is part and parcel of the business of international trade tactics and pressures – should be firmly rejected by Australia. Our IRA processes are the most highly developed, scientifically based and transparent in the world and are a model of compliance under the WTO SPS Agreement. Few, if any, countries in the world adopt the formal and necessarily time consuming "risk based" methodology and open, transparent IRA processes implemented in Australia.

It is in fact quite hypocritical for countries seeking access to claim that there is political interference in the IRA process given the methods that are employed in most countries to restrict trade.

The industries' concern about the introduction of Emergency Animal Disease is reflected in its substantial investment in maintaining its level of biosecurity and being prepared to eradicate any Emergency Animal Disease including Avian Influenza.

Activities carried out by the government agencies, Australian Quarantine and Inspection Service and Biosecurity Australia pre-border, at the border and post border are seen by ACGC as the vitally important first line of defense. Because of the primarily domestic focus of the industry, growers have mainly been involved in the import risk analysis process both pre and post Nairn. There is currently a draft IRA for uncooked chicken meat which is currently being reviewed by the Eminent Scientists group prior to its final release.

Given, as growers, our direct involvement in the quarantine and biosecurity has been with the IRA process and related issues this submission will be limited to making comments on this component of the Review.

If Australia is to maintain its relatively unique disease free status then it is vitally important that the Appropriate Level of Protection be maintained at a very low level of risk. This conservative approach has served Australia well. As noted in the Review paper, this is a qualitative concept which is open to interpretation. The issue then is whether there is a clear common understanding of what is meant by a very low level of risk. Given the risk assessment for IRAs is based on this concept then it becomes crucially important that there is a common understanding.

The Review raises the issue of who should be ultimately responsible for the final decision. ACGC firmly believes that the Minister should be vested with ultimate decision making responsibility as he is in the best position to weigh up the various elements based on both departmental and expert advice.

The risk analysis is science-based but there are other elements that that require a measure of judgment including social, environmental and economic. Given that the current roles of both Commonwealth and State governments are appropriate and reflective of their responsibilities in quarantine, we do not believe that there is any reason to make Biosecurity Australia into a statutory body. The present structures should be maintained and Ministers remain responsible.

There is further reference to this in the ACMF submission as follows:

“The ACMF would draw to the Review’s attention the reasons provided by the Government in its response to the Nairn Report in rejecting the recommendation for a statutory authority, namely:

“A fundamental consideration is the principle of accountability and responsibility for quarantine at both departmental and government levels and the issue of who should hold executive decision making power in relation to quarantine. The Government has concerns about the proliferation of Commonwealth statutory bodies and the resultant distortions introduced into Commonwealth policy development, policy advice and decision making. While endorsing the reform objectives of the Nairn Committee, the Government’s view is that the above objectives, such as community ownership of quarantine, cultural change and more efficient use of resources, can be achieved without creating a statutory authority” (Source Recommendations 9-22, accessible at <http://www.daff.gov.au/aqis/about/reports-pubs/nairn/govt-response>).

Recent comments on this issue by Professor Nairn himself about the developments that have taken place since his original recommendation are also worthy of note:

“The case for AQIS to be a statutory authority seems diminished given that: BA has been created as an independent agency; the IRA process reformed; the independent centre for risk analysis has been established; and the need to view biosecurity in a broader more multidiscipline light. It is important for strong links to be maintained between AQIS, BA and the product Integrity, Animal and Plant Health Division” (Source: M. Nairn, “A Retrospective of the 1996 Review of Quarantine in Australia”, Farm Policy Journal, Vol. 5 No.1, February Quarter 2008, page 7).

Administrative structures should however be reviewed to exclude any perception that Australia’s quarantine protection is being managed with an objective of achieving access to foreign markets for Australian exporters. The Review should consider whether the mixed responsibilities of BA, which might raise questions of “trade-off” between domestically quarantine protection and opening foreign markets for our exporters, should be terminated and whether BA should have responsibility only for national quarantine protection. Similarly the Review should consider in this light whether QEAC should be abolished with, if deemed necessary, a domestic focused body established to advise on

Australia's national quarantine policy, and if required a separate market access advisory body established in the department responsible for overseas market development e.g. DFAT or AUSTRADE. "

While the changes that were made in 2004 which established Biosecurity Australia as a financially independent organization there is still a concern about overlap between quarantine and trade facilitation. It is vitally important, we believe, for a clear separation between these two functions as their roles may well seem to be a conflict of interest.

In looking at the import risk analysis process itself we would make the comment that in our recent experience the consultative arrangements have been effective. We are concerned however that in the current process there is an almost exclusive focus on animal (and plant health) issues with little consideration for human health impacts either from zoonoses or contamination from antibiotics and other food safety issues.

It is vitally important that these matters are included in the IRA process so they can be dealt with fully by all stakeholders and not as it currently happens by low level discussions with the Department of Health and FSANZ.

We do not believe this would be outside the terms of the SPS agreement. It is obviously important that the focus not only be on the event but also the consequences.

While it is not specifically covered in the Review we would like to raise the issue of compartmentalisation as a concept which has been developed in recent years by the OIE and is specifically referred to in the Draft Chicken Meat IRA. The issues have been well outlined in the ACMF submission and we quote:

"An issue which is not identified in the Issues Paper but is relevant to the question of the appropriate mix between the public and private roles in quarantine as discussed in section C4. Culture, efficiency and resourcing is the development of compartments as a means of achieving disease freedom in order to comply with import quarantine requirements.

The Draft Chicken Meat IRA states that:

"In developing final recommendations on risk management measures, consideration is given to the potential impact of the measures on potential trade, and to minimising the negative effects on trade. Where there are alternative and equivalent risk management measures that achieve the required degree of risk reduction, the final recommendations need to take account of Australia's international obligations to ensure that its SPS measures are not more trade restrictive than those required to achieve its acceptable level of protection.

Among the alternatives which may be accepted in principle are measures such as compartment freedom or flock freedom accreditation schemes. These would need to be assessed on a case-by-case basis, but BA will consider proposals from exporting countries if appropriate data on the nature of the alternative risk management measure are provided.

A rigorous assessment of any application for approval of compartmentalisation or flock accreditation schemes will be undertaken to ensure that effective biosecurity measures are implemented and maintained throughout the complete chain from farm

to slaughter to export. A detailed submission will need to be provided by the veterinary authority of the exporting country and Australia will conduct an on-ground assessment of the proposed compartment or flock accreditation scheme. ("Draft Generic Import Risk Analysis Report for Chicken Meat, Part A", June 2006, Page 10)

The concept of compartmentalisation is one that has been developed in recent years by the OIE. Unlike more conventional disease freedom based on countries or regions which are based on geography the boundaries of compartments are based on biosecurity management systems. Accordingly verification of the disease freedom within compartments is critically dependent on information provided and activities conducted by private farming and processing entities. This entails significant governance and conflict of interest risks especially in countries with poorly developed veterinary surveillance, enforcement and certification systems.

The information provided in the Draft IRA on compartmentalisation does not include any indication of how any decisions to approve compartments will be made within the IRA Guidelines, nor how industry will be consulted before any such decision is made. Is it not indicated for instance whether a compartment can be recognised by an administrative decision without reference to any input by the Australian industry, or what arrangements will be made to ensure transparency of the decision-making process.

Australia seems to be well ahead of other countries in accepting this concept going so far as to incorporate it as a risk management method in IRAs whilst there are critical questions unanswered about how the concept will be implemented that could result in serious implications for the disease-freedom of Australian animals. The chicken meat industry believes that no compartments should be approved allowing products for import into Australia until the many issues associated with governance, transparency, administrative arrangements and consultation with Australian industry have been addressed. We believe this Review should inform itself about this important new concept and carefully consider the ramifications for Australia's quarantine system. "

There are a number of other issues raised in the ACMF submission which we believe should be given consideration in this review process.

A strong, well resourced Quarantine and Biosecurity regime in Australia is imperative if we are to maintain our competitive advantage. Australian consumers expect local produce to meet high food safety and quality standards and there is a growing interest in the environmental credentials of Australian food and fibre ie that agriculture production is sustainable.

We would be more than happy to elaborate on any of the issues raised in this submission