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24 August 2016

Regulation of Agriculture
Productivity Commission
Locked Bag 2, Collins Street East
Melbourne Vic 8003

Dear Sir/Madam

Please find attached Sheepmeat Council of Australia's submission in response to the Productivity Commission's draft report, *Regulation of Agriculture*, dated July 2016.

Yours faithfully

Mark Harvey-Sutton
CHIEF EXECUTIVE OFFICER
Att: 1

**SUBMISSION IN RESPONSE TO THE
PRODUCTIVITY COMMISSION'S DRAFT REPORT DATED JULY 2016 AND ENTITLED
REGULATION OF AGRICULTURE**

24 August 2016

BACKGROUND

Sheepmeat Council of Australia (SCA) was formed in 1979 and is the peak national body representing and promoting the interests of lamb and sheepmeat producers in Australia. Its core business is policy development and advocacy.

SCA provides policy advice to the federal Minister for Agriculture and Water Resources and his Department, makes recommendations on the rate of levies to apply for the funding of industry programs and works closely with the three organisations funded by sheepmeat producer levies (Meat and Livestock Australia, Animal Health Australia and the National Residue Survey) for the delivery of these programs.

At the risk of some repetition with submissions from any of these organisations and other peak national livestock bodies including the National Farmers' Federation, SCA provides commentary around three principal issues raised by the Productivity Commission: animal welfare, agricultural and veterinary chemicals and biosecurity.

ANIMAL WELFARE

PC's Draft Recommendation 5.1:

The Australian Government should take responsibility for ensuring that scientific principles guide the development of farm animal welfare standards. To do this, an independent body tasked with developing national standards and guidelines for farm animal welfare should be established.

The body should be responsible for determining if new standards are required and, if so, for managing the regulatory impact assessment process for the proposed standards. It should include an animal science and community ethics advisory committee to provide independent evidence on animal welfare science and research on community values.

The Commission requests feedback on the following (Information Request 5.1):

- *the most effective governance structure for an independent body tasked with assessing and developing standards and guidelines for farm animal welfare*
- *what the body's responsibilities should include (and whether it should make decisions or recommendations and if the latter, to whom)*
- *what processes the body should use to inform and gauge community values on farm animal welfare*
- *how such a body should be funded.*

SCA'S general policy regarding future strategies on Animal Welfare is the following:

- Approach animal welfare from an animal wellbeing perspective, therefore considering animal welfare from an animal health, biosecurity and productivity perspective,
- Provide tools and extension materials that promote best practice,
- Direct levy investment into research and development of products, techniques and infrastructure that replace and / or refine current practices and prioritise investments with a wellbeing outcome focus
- Support pest and disease control programs,
- Support development of systems to measure, report and respond to animal health and welfare outcomes,
- Support the monitoring and prosecution of acts of cruelty against animals through the relevant Prevention of Cruelty to Animal legislation in each jurisdiction, and;
- Develop and use other regulatory intervention only as a last resort (Note: any regulation should be harmonised nationally)

With this last point in mind, SCA is firmly opposed to the creation of an Independent Office of Animal Welfare.

Whilst some may claim that a leadership void exists at the Federal Government level; filling this void with a new bureau that would add additional red tape and bureaucratic processes and related costs on industry for no conceivable gain would appear contrary to the Commission's Terms of Reference¹ for this Inquiry.

Whilst acknowledging the Commission's suggestion for the Federal Government taking responsibility "for ensuring that scientific principles guide the development of farm animal welfare standards", SCA strongly suggests that Government's role is to support industry in establishing robust and accountable non-regulatory standards and guidelines. To assist this, we would support the reformation of an advisory, non-regulatory group to oversee the monitoring of national standards and guidelines development and implementation.

The AAWAC and AAWS performed a useful role in that they did bring together relevant people involved in animal-welfare policy in Australia. Apart from convening a forum for discussion however, since they were discontinued, industry progress demonstrates that they were a supplement to progress rather than a driver of change.

SCA is satisfied that animal-welfare imperatives for the sheepmeat sector are being met adequately through the sector's programs under Meat and Livestock Australia and Animal Health Australia. Further, while there may be a need for an overarching body to deal with non-production-animal sectors' welfare needs, the production sectors have ostensibly maintained their own vigilance when it comes to developing standards and meeting community needs, acknowledging there is scope for ongoing improvements as scientific knowledge and more modern animal-management methods become available.

¹ "The inquiry will define priority areas for removing or reducing unnecessary regulatory burdens where doing so will/can contribute to improved productivity for farm businesses as well as the wider economy."

The Sheep Welfare Standards and Guidelines were developed through a rigorous, science-backed consultative process involving theorists (researchers, academics, regulators, welfare groups) and practitioners (producers, livestock handlers, veterinarians). SCA is satisfied with the result and sees no need for a new regulatory body to “develop” standards and guidelines any further.

Therefore, in response to the Productivity Commission’s Recommendation 5.1 and Information Request 5.1, **SCA suggests that Government’s role is to encourage and support the industry progress that continues without the suppression created by the deadening hand of bureaucracy.**

PC’s Draft Recommendation 5.2:

State and territory governments should review their monitoring and enforcement functions for farm animal welfare and make necessary changes so that:

- *there is separation between agriculture policy matters and farm animal welfare monitoring and enforcement functions*
- *a transparent process is in place for publicly reporting on monitoring and enforcement activities*
- *adequate resourcing is available to support an effective discharge of monitoring and enforcement activities.*

State and territory governments should also consider recognising industry quality assurance schemes as a means of achieving compliance with farm animal welfare standards where the scheme seeks to ensure compliance (at a minimum) with standards in law, and involves independent and transparent auditing arrangements.

SCA supports the elements of this recommendation, particularly in relation to the recognition of “industry quality assurance schemes as a means of achieving compliance...” In fact, the cattle, sheep and goat production sectors are currently developing an Animal Welfare module under the industry-run Livestock Production Assurance program. While the details of this module are still being finalised, this demonstrates industry’s initiative in this area.

Jurisdictional governments, in recognising their potential influence in this area, should overtly display a willingness to assist quality assurance adoption throughout industry and ensure meaningful punitive action for deliberate non-compliance. It is industry’s responsibility to develop and promote relevant quality assurance schemes, but jurisdictional government support is essential.

Also, for the effects of this to be maximised, national harmonisation must be a priority.

Therefore, in response to the Productivity Commission’s Recommendation 5.2, **SCA suggests that the Commission strengthens its recommendations such that jurisdictional governments be required to harmonise legislative requirements such that there is a national approach to animal welfare. This would display support for the adoption of industry designed quality assurance schemes as a means of achieving improved animal-welfare across Australia.**

AGRICULTURAL AND VETERINARY CHEMICALS

PC's Draft Recommendation 6.2:

The Australian Pesticides and Veterinary Medicines Authority should make greater use of international evidence in its assessments of agricultural and veterinary chemicals (including by placing greater reliance on assessments made by trusted comparable international regulators). Reforms currently underway in this area should be expedited.

SCA has previously advocated for greater use of overseas assessments; its support for this approach continues but with caveats, which could best be described by quoting from Red Meat Advisory Council's² (RMAC) November 2015 submission to the Department of Agriculture and Water Resources' review of Agvet Chemical Regulation. On the matter of utilising overseas decisions as the basis for regulating in Australia, RMAC (with SCA input) provided the following commentary:

- Support, with cautious implementation.
- Consider using only one reputable organisation of a similar standing to APVMA (and excluding the EU given its propensity to deny access to useful chemicals on questionable grounds), thus increasing the likelihood of chemical access being improved.
- Ensure production conditions are equivalent to those applying in Australia to the maximum extent possible.
- Ensure Australia's unique flora and fauna are considered.
- Encourage the registration of chemicals by APVMA after initial access is granted through the use of overseas decisions.
- Require depletion data from the supplying chemical company so Australian users can be guided in determining withholding periods and export slaughter intervals.
- Appropriate to adopt the "most stringent" MRL, although adopting the Codex MRL (if one exists) may be more consistent with Australia's preference for international standardisation.
- The use of overseas decisions should not overrule the need for APVMA to conduct a separate trade assessment on the product.

PC's Draft Recommendation 6.3

The Australian, state and territory governments should expedite the implementation of a national control-of-use regime for agricultural and veterinary chemicals (which includes increased harmonisation of off-label use provisions), with the aim of having the regime in place in all states and territories by the end of 2018.

² Red Meat Advisory Council Ltd, or RMAC, was established in 1998 as an industry-funded advisory body to the Federal Government. It brings together policy-making bodies from the five sectors of the Australian red-meat and livestock industry, of which SCA is one.

Again, lack of inter-jurisdictional harmonisation in regulation of one kind or another continues to cause difficulty and additional costs for industry. **SCA strongly supports the Commission's recommendation for increased harmonisation of off-label-use provisions.**

BIOSECURITY

A great deal of activity has occurred recently, and is expected to continue, in the area of biosecurity. To name a few:

- Nairn Review of 1996
- Beale Review of 2008
- new federal *Biosecurity Act 2015*
- new Biosecurity Acts in a number of jurisdictions (Queensland 2014 and NSW 2015)
- NBC's 2015 review of Australia's approach to managing pests and diseases
- DAWR's 2015 review of agvet chemical regulations, and
- NBC's 2016 review of IGAB.

SCA has provided input, either directly or through its membership of peak bodies, to all but the jurisdictional activities. There tend to be common themes throughout:

1. industry has much to offer in helping to protect Australia from biosecurity threats and managing existing incursions;
2. the 'shared responsibility' advocated by Nairn and Beale is still short of optimal realisation;
3. jurisdictions continue to walk away from their traditional role in managing endemic diseases, pests and weeds, compromising their preparedness for an emergency disease incursion and putting greater pressure on industry to make up any shortfall; and
4. industry continues to face greater responsibilities and higher costs with no commensurate increases in necessary funding.

Relative to most of its international counterparts, the Australian red-meat and livestock industry has an extraordinarily powerful arsenal for dealing with biosecurity challenges; this comprises Meat and Livestock Australia and Animal Health Australia. The latter is unique in the world, bringing together governments and industry representative bodies in a single, 32-member company for the benefit of animal health, welfare and biosecurity policies and programs across the nation. (The plant industry and wildlife bodies operate similar models with Plant Health Australia and Wildlife Health Australia respectively.)

It is feasible that these organisations can be utilised more effectively in the process of improving industry's input to the shared responsibility for biosecurity. While AHA is not to be seen as an industry body or a government body, it is an industry/government body with notable powers of persuasion in bringing members together for the betterment of all. In spite of this, its funding has barely risen since its inception in 1996.

Therefore, in terms of biosecurity, **SCA suggests the Productivity Commission recommends an examination of funding for Animal Health Australia in order to have it adequately resourced to meet the biosecurity challenges of the future.**

Sound biosecurity outcomes will only be realised when effective engagement and communication between all key biosecurity stakeholders is undertaken. Collaboration between governments, industry and other stakeholders is vital to developing these relationships and requires wide consultation following recognised public participation principles.

As shared responsibility is a fundamental concept underpinning Australia's national biosecurity system, SCA suggests that an agreed process be developed by government, with appropriate engagement of industry, to ensure that biosecurity arrangements are as streamlined and coordinated as possible within and between jurisdictions while enhancing on-farm biosecurity capability. As such, it is recommended that a national biosecurity strategy could provide a vehicle to progress this coordination.

Traditionally industry has only been engaged in an advisory capacity; however, industry has a significant interest in building awareness and capability in the agricultural sector to help in achieving these outcomes, which is demonstrated through activities such as industry funded training in Emergency Animal Disease preparedness.

If governments were to utilise industry's established producer networks and expertise, biosecurity protocols would be improved, the sheep industry's capability as a producer of safe food and quality fibre that is ethically and sustainably produced would be enhanced and animal welfare would benefit through the protection of livestock from, and effective management of, diseases.

In delivering improved biosecurity outcomes to the sheep industry, SCA, alongside WoolProducers Australia, is developing a National Sheep Industry Biosecurity Strategy to support sheep producers and supply chain stakeholders in undertaking biosecurity actions that will improve the capacity of Australian sheep industry to manage the health and welfare of its animals and reduce the risk and spread of endemic disease. A critical part of this strategy will revolve around the collection and use of surveillance data, especially that available through abattoir monitoring. Not only will such data assist individual producers work to improve property biosecurity but it will also enhance Australia's capacity to monitor, detect and respond to biosecurity threats.

The Biosecurity Strategy will leverage existing jurisdictional, national and industry programs and tools to strengthen biosecurity practices and protect the health of the national sheep flock. Intrinsic to the success of the project will be a co-ordinated and collaborative process that includes the public and private sectors across all jurisdictions associated with the Australian sheep industry.

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