

Michael Tull • Deputy President

# 4<sup>th</sup> September 2009

Jeanette Radcliffe Committee Secretary Senate Standing Committee on Rural and Regional Affairs and Transport PO Box 6100 Parliament House Canberra ACT 2600

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Dear Ms Radcliffe

# Inquiry into the removal of rebate for AQIS export certification functions

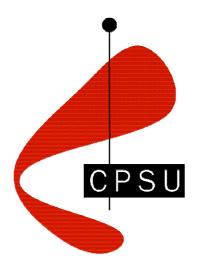
Please find attached a submission from the Community and Public Sector Union (PSU Group) to the Senate Standing Committee on Rural and Regional Affairs and Transport Inquiry into the removal of rebate for AQIS export certification functions.

The contact person for this submission is Ms Alison Rahill, Parliamentary Liaison Officer CPSU tel 02 9660 6930.

Yours sincerely

Michael Tull

**CPSU Deputy President** 



# **CPSU (PSU Group) Submission to:**

# Senate Standing Committee on Rural and Regional Affairs and Transport

Inquiry into the removal of rebate for AQIS export certification functions

September 2009

## Introduction

The PSU Group of the Community and Public Sector Union ("CPSU") represents workers in the Australian Public Service ("APS"), Commonwealth Government statutory agencies, the ACT Public Service, the Northern Territory Public Service, Telstra, the telecommunications sector, call centres, employment services and broadcasting including ABC and SBS.

As the principal union covering staff in the Australian Quarantine Inspection Service (AQIS), CPSU has considerable knowledge and experience of AQIS operations. This report has been guided by the experience and views of frontline AQIS members, and as such we believe it provides a unique and valuable insight into AQIS operations.

# Scope

CPSU welcomes this inquiry into the removal of rebate for AQIS export certification functions by the Senate. This CPSU submission is limited to addressing the following terms of reference:

- a. the level of industry support for the removal of the 40 per cent rebate prior to the implementation of comprehensive reform of AQIS's export inspection and certification services;
- b. the adequacy of consultation by the Government in the development of industry work plans;
- c. the capacity of the Government, including AQIS, to implement efficiency proposals;

The scope of this report is limited to the export meat inspection arm of AQIS in the Department of Agriculture, Fisheries and Forestry (the Department) and the administration of the *Export Control Act 1982*.

CPSU is party to the Union Collective Agreements currently covering AQIS APS employees:

- The Department of Agriculture, Fisheries and Forestry Collective Agreement 2009 2011
- AQIS Meat Program Agreement 2007 2010

# **Recommendations**

- maintain a strong efficient independent public sector meat inspection service
- 40 per cent fee rebate for the Australian Quarantine and Inspection Service (AQIS) export certification functions rebate needs to be continued along with improved funding, training and resources
- commence genuine consultation and engagement with union representatives
- Management structures and culture that are more clearly focused on ensuring rigorous and effective export certification functions

# a. The level of industry support for the removal of the 40 per cent rebate prior to the implementation of comprehensive reform of AQIS's export inspection and certification services;

CPSU does not support the removal of the 40 per cent fee rebate. CPSU believes export certification functions rebate needs to be continued along with improved funding, training and resources.

CPSU members fear that the removal of the 40 per cent fee rebate will be accompanied by a reduction in staffing levels of government controlled meat inspection service.

The importance of maintaining on-plant government controlled meat inspection & certification service – The meat inspection regime is vital to protect and promote Australia's exports of red meat and livestock. The total value of Australia's off-farm beef and sheep meat industry is A\$15.6 billion per annum. Any reforms that dilute this regulatory regime will have a negative flow-on effect for Australia's red meat and livestock industry, producers and the economy.

There are many benefits to maintaining on-plant government controlled meat inspection & certification service:

Firstly, relative to the financial benefit conferred on the plants by government certification (i.e. market access provided) AQIS does not actually cost meat companies all that much. Industry claims the per head meat inspector or on-plant vet cost and the single registration charge cost is outrageous.

CPSU members support the other side of the argument which is that because of their presence, meat companies are able to export and earn money they otherwise would not. The price of government controlled meat inspection & certification service per kg exported is pretty low.

Secondly, the meat inspection section of AQIS has already done the efficiency exercise. Since the late 1990s the number of meat inspectors and senior meat inspectors has dropped dramatically as plants have been handed control of security and food safety matters in ancillary areas.

As one CPSU member commented:

"We are down to our bare bones now at the on plant level. I suggest that the management levels of AQIS are heavily over-populated, especially at the upper, non-veterinary level in Canberra".

Thirdly, industry are all crying poor and complaining about how expensive AQIS is for them. Inspection costs are actually a small expense in most cases compared with what they pay for utilities such as water, sewerage/waste-water treatment, electricity, or gas. As a percentage of the budget of most plants of inspection costs are small.

<u>Industry wants control over regulation</u> What those in industry who are pushing for changes really want is not the monetary saving but control over the inspection/regulation function. In some cases it is because they have trouble meeting the regulatory/food safety/market access requirements.

It causes a great deal of concern for CPSU members, experts in their fields who've worked in the government controlled meat inspection & certification service for decades – to imagine handing over their roles to self-regulation, audit or verification systems controlled by industry.

Importing countries and consumers will find out if standards and processes are not adhered to and short cuts are taken. Interestingly it is usually the establishments that are regularly the worst performers on AQIS audits that make the most noise about over-regulation and excessive costs.

The good operators realise that they would not be able to get the same outcomes themselves anywhere near as cheaply as AQIS does it for them and they realise the value that AQIS meat inspectors and on-plant vets provide from their simple presence for market access matters. The presence of AQIS inspectors eliminates a whole level of concern for most importing country authorities when assessing whether or not to accept an establishment for listing.

# As one CPSU member says:

"I've seen the difference between AQIS presence and absence. A plant I was on that had an export section and a domestic section once worked the domestic side for a whole day with no hot water after the export side stopped from working due to food safety concerns with no steriliser water. Also, recently, I've seen beef and lamb carcases that came from a domestic abattoir and were covered in wool, hair, hide dirt, ingesta, and faeces. I absolutely guarantee that this would not come from an export plant staffed by AQIS meat inspectors."

Please refer to a submission made by CPSU members from the on-plant vet section in Attachment A for more information.

<u>Risk to consumers</u>: Anecdotal evidence provided by CPSU members with many years experience in the meat industry leads us to the view that a minority of meat industry operators, processing all categories of animal, wild or farmed, will not take all steps to protect the consumer unless forced to do so.

If unsupervised, we believe, practices like those in the United Kingdom will occur:

"...faeces will be diluted and spread over the meat by washing or wiping the carcase with cloths and water.

We have the same view concerning the practice now used by MHS of allowing some red meat plants to kill and process animals without any official presence and then for the MHI to arrive hours later or even the next day to inspect the meat and offal, this practice is referred to as, "Cold inspection"."

<sup>&</sup>lt;sup>1</sup> UNISON's comments dated 020909 on "REPORT FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT on the experience gained from the application of the hygiene Regulations (EC) No 852/2004, (EC) No 853/2004 and (EC) No 854/2004 of the European Parliament

<u>AQIS human resource management:</u> AQIS has done little to address the issue of an aging workforce. Problems created by a lack of training and recruitment are being used by AQIS and other advocates for self-regulation. Pressure is being applied to Government to agree to extract AQIS from this situation, and thereby removing the requirement for the current numbers of meat inspectors.

CPSU members believe the push to reduce the number of meat inspectors employed to carry out controls in export licensed meat premises is being pursued regardless of the effect of that action on compliance with regulations designed to protect the consumer.

<u>Fear of market failure</u>: The position often stated by AQIS is that less government presence will lead to the meat industry taking measures that will protect the consumer more, despite the potential production disadvantages of those measures.

It is counter to evidence and precedence of regulatory enforcement that a reduction in official enforcement should result in an increase in compliance. This is especially true in this industry in which our members are subject to victimisation in direct proportion to their desire to enforce the regulations designed to protect the consumer.

Our members also state that the continual reduction in meat inspection team numbers has reduced the quality of all inspection, as there is just not the time to perform the function properly. Our members believe AQIS does not regard meat inspection as vital and do not dedicate appropriate resources to do the job properly.

<u>Industry voice is not united</u>: CPSU members often report on informal discussions with meat company management in the field. Members believe it is the view of many in the industry that regardless of the 40 per cent fee rebate, a majority of companies want to keep the current government controlled meat inspection service.

CPSU members report a vocal and influential minority in the industry who are pushing the self-regulation agenda for greater company control. The 40 per cent rebate assists meat exports to remain competitive in overseas markets. Australia's market share is maintained by a strong efficient independent public sector meat inspection service, a view backed up by Beale's report to government on the Inquiry into Quarantine and Biosecurity:

"... some meat export businesses argued that allowing exports from businesses that only meet domestic standards would be retrograde.

'Some 8 years ago it became government policy to permit meat exports from "domestic" plants where a market was willing to accept this standard.

The standard is the Australian Standard which relies on company controlled meat inspectors without the presence of a government veterinarian. On the face of it, it is an unsatisfactory system which has resulted in market failure ...' (Fletcher International Exports submission, p. 2)

The reasons given in the Fletcher International Exports submission included non-uniform application by state authorities of the Australian Standard for the

Hygienic Production and Transportation of Meat and Meat Products for Human Consumption (AS 4696: 2007), and anecdotal reports that AQIS staff are uncomfortable about the variable level of hygiene in domestic plants.<sup>2</sup>

### Recommendations

- maintain a strong efficient independent public sector meat inspection service
- 40 per cent fee rebate for the Australian Quarantine and Inspection Service (AQIS) export certification functions rebate needs to be continued along with improved funding, training and resources

# b. The adequacy of consultation by the Government in the development of industry work plans

CPSU can report on a long history of industrial disputes with AQIS over their failure to consult their workforce over changes in work practices. There exists a persistent culture within AQIS management which refuses to provide employees and union delegates with the bona fide opportunity to influence the decision-making process. The standard practice in AQIS is to inform the workforce of the changes as they are to occur without prior notification or opportunity for collective representation. Employees are discouraged from raising concerns about work practices. Attempts by CPSU to represent the concerns of members have largely been ignored by AQIS management.

The absence of consultation with the workforce who perform the export inspection and certification functions is best demonstrated in this instance by the fact that CPSU workplace representatives on the shop floor have no coherent, consistent view or understanding of the 'industry work plan' referred to in the terms of reference for this inquiry. Further to that point, the Canberra-based AQIS taskforce looking at export meat program efficiencies have to date not engaged with the workforce or union representatives.

CPSU believes that AQIS management's refusal to engage its employees and their representatives in a constructive dialogue about work practices shows a disregard for the professional opinions of employees. This behaviour undermines Australia's quarantine integrity and consequently its biosecurity.

# **Recommendations:**

- commence genuine consultation and engagement with union representatives
- Management structures and culture that are more clearly focused on ensuring rigorous and effective export certification functions

<sup>&</sup>lt;sup>2</sup> Pg 156 The Independent Review of Australia's Quarantine and Biosecurity Arrangements Report to the Australian Government. BEALE | FAIRBROTHER | INGLIS | TREBECK 30 SEPTEMBER 2008

# c. the capacity of the Government, including AQIS, to implement efficiency proposals;

CPSU members are concerned about the capacity of senior AQIS management to implement efficiency proposals. There is also widespread doubt over the capacity of AQIS to develop efficiency proposals that do not in turn jeopardise the meat export industry, animal welfare and human health.

CPSU members doubts over AQIS management's capacity to deliver for the future of the industry are backed up by similar concerns expressed by importing countries in the Beale Inquiry into Quarantine and Biosecurity.

<u>Beale Inquiry into Quarantine and Biosecurity</u> - CPSU argued strongly for the Government to maintain a strong independent public sector meat inspection service in our submission to the Beale Inquiry.<sup>3</sup>

The Beale Report goes to three areas of meat inspection service:

- 1. AQIS senior management
- 2. AQIS to be replaced by a statutory body
- 3. Change of fees for meat inspection

The government committed to having an independent review into Quarantine & Bio security to ensure that the strongest possible arrangements underpin Australia's favourable plant and animal disease free status.

CPSU members working in the export meat inspection service have some doubts as to whether the changes the government has agreed to will be better than current practise on export meat plants.

Commissioner Callinan raised some significant concerns about issues in his report on the Equine Influenza outbreak in particular a cost recovery for horse importation, AQIS management structure, staff rotation and training.

A number of submissions received by the Beale Inquiry expressed concerns about AQIS management:

Submission – Fletchers International Exports: "It has been obvious from time to time that there has been a lack of experience and knowledge in Canberra".

<u>AQIS Senior Management</u> – CPSU members were critical of the Beale report in relation to the export meat industry. For example the Beale Report notes that industry can self-regulate as demonstrated by the successful eradication of T.B and Brucellosis. The Beale Report says this was achieved through effective co-operation between all levels of government, beef producers and under rural community.

However, the EU is critical of Australia:

<sup>&</sup>lt;sup>3</sup> CPSU submission <a href="http://www.quarantinebiosecurityreview.gov.au/documents/submissions/130a-cpsu-sub.pdf">http://www.quarantinebiosecurityreview.gov.au/documents/submissions/130a-cpsu-sub.pdf</a>

### EU Commission submission:

"Despite claims of being disease free there is often questions over the veracity of these claims, particularly, over whether the Australian surveillance systems are capable of discovering all relevant pests or diseases on the premise that if you do not look for it, you are unlikely to find it".

CPSU members report that AQIS do not always undertake evidence based policy or random trails but push ahead with implementation and the self-belief that once a decision is made the right result will follow.

One example involved research undertaken by the pig industry over the question of whether it was safer to incise lymph nodes or not. Before the results of the research were completed AQIS changed the meat inspection procedures. AQIS were fortunate that the result of the research was consistent with the changes.

Resourcing & Staffing - AQIS senior management did not receive a glowing report in the Beale Report with many submissions commenting that the authority is in disarray. This is displayed under the Resourcing & Staffing section of the report.

"The panel was advised the confusion over AQIS, a lack of senior executive service officers has inhibited critical decision making".

CPSU members believe AQIS senior management is in total disarray with their handling of the meat export program, saying "many people don't actually know what their role is within the system." AQIS Technical Service is a perfect example of this with too many people verifying industry practices. CPSU members ask why AQIS needs so many people assisting industry? On occasion up to four people can be visiting a plant at any one time.

The impact of cost recovery and resourcing levels were also a matter considered by the Beale Inquiry:

"The panel noted the confusion over AQIS's role as regulator versus service provider or somewhere between the two".

As one CPSU member reported receiving mixed messages from AQIS management:

"... for years the meat inspectors were informed that they were regulators, then AQIS changed back to service providers, then 12 months ago told they were back to regulators..."

<u>Fees for Service</u> – The Beale report contains many issues that CPSU members have been attempting to bring to the attention of AQIS senior management:

"The way in which fees are determined and the extent to which AQIS responds to those most sensitive to fee increases, is said to have discouraged investments in training and information technology".

For many consultative meetings with AQIS over the past decade the union has included "Training" as an agenda item. AQIS response has remained the same "no funds for training".

The OH&S structure in the export meat section is another area with no funding allocated for training. Some Designated Work Groups have OH&S reps with no training despite having been in the position for 2 years.

AQIS has stated many times that with the fees being only 60% cost recovery there is no budget for training of meat inspectors. Will this change under the new fees structure?

<u>Cost Recovery and Budget funding</u> - The Beale recommendations will adversely affect meat inspectors employed by the government and their future in the export meat industry.

Beale considered the important question of which functions are appropriate for cost recovery and which should be funded by taxpayers at large. Beale supported the principle that those who create the need for regulator should bear its costs and notes the efficiency and equity benefits can be achieved. The advantages for industry are cost savings and less regulation interference.

The export meat industry (based on various submissions) is divided on the role of government controlled meat inspection as shown by this comparison of domestic versus export sector submissions:

- a) Domestic sector "AQIS are too hard when Domestic plants want to export".
- b) Export Sector -- "Do not let the domestic sector export because it will cause the whole industry to fall down."

<u>Regional jobs</u> – one significant cost of a reduction in meat inspection services is the cost of job losses in regional Australia. Many plants in Australia are in rural areas. A number of meat companies have already informed meat inspectors at these plants that they would not be employed by the company in the future.

MSEP (Deregulation) - AQIS has said that MSEP is not been pushed by industry and overseas markets do not accept MSEP (including the Asian market).

<u>Future for meat inspectors</u> - In October 2008, AQIS Exports Executive manager spoke to a meeting of CPSU Food Inspection Section representative about multiskilling meat inspectors. At the time, union members saw this as an indication of AQIS wanting to push an agenda of reducing the meat inspection service and planning job losses.

CPSU members are concerned that at the same time AQIS management talks about re-training the workforce ... they complain about an aging workforce whose average age is 53, who largely live in remote and regional areas and whose only workforce experience is 30 years service in the meat inspection section. CPSU members ask what hope do they have to re-train and re-locate to a new section of AQIS? These workers are also too young to retire from the workforce.

As one CPSU member commented:

"The pressure of assisting industry with a number of technical changes to overseas requirements will occur, and AQIS senior management has about 2 months to deliver a new model that will be accepted by industry.

AQIS technical team commenced some years ago to research into pathology to attempt to cut the work load on meat inspectors on the production line. These changes would create further gains for industry with fewer fees to be paid. The CPSU could have informed AQIS that they were wasting valuable dollars into these reviews as the savings to industry of meat inspectors' jobs would be very small.

Most plants employ one meat inspector at various positions around the production line and although these people would perform one less task, the position would not be removed. There would be about 3 plants in Australia with more than 1 inspector at a position on the production line. The changes to the post mortem procedures for meat inspectors gained by AQIS successfully gaining acceptance from overseas markets would mean about 3 job gains for industry Australia wide.

Industry has reflected to the meat inspectors at plants that they don't believe AQIS can deliver any new model as they have concerns with a new model that may fail and place their overseas markets at risk."

# Beale Review Recommendations - The Beale review recommended the following:

- long-term and strategic investment in infrastructure, including information
- technology and information systems to support a risk-return approach;
- appropriate staffing levels and resources for training; and
- the cost of audit activities.

"Business groups should continue to be involved in examining the Authority's costs, proposing efficiencies and comparing revenue with expenditure. However, while consultation is important, the ultimate responsibility of the Authority should be to present a cost recovery package to the portfolio Minister that will properly fund the regulatory function as outlined above.

This will inevitably mean some difficult discussions about longer-term needs versus short-term fixes. Complaints from some business sectors can be expected. However, the Authority and the Minister should support the principles enunciated above for the long term good of the overall biosecurity system<sup>4</sup>."

"Programs that currently use cost recovery should continue in this mode but charges for like activities should be aggregated, leading to a significant reduction in the number of individual charges<sup>5</sup>."

"In developing cost recovery arrangements, the National Biosecurity Authority should consult with business groups, but have the ultimate responsibility of recommending to the responsible Minister a cost recovery package that will support the provision of an effective and efficient regulatory function including:

<sup>5</sup> Beale recommendation 76 ibid

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<sup>&</sup>lt;sup>4</sup> Pg 213 The Independent Review of Australia's Quarantine and Biosecurity Arrangements Report to the Australian Government. BEALE | FAIRBROTHER | INGLIS | TREBECK 30 SEPTEMBER 2008

- a. adequate and long-term investment in infrastructure, including information technology and information services;
- b. appropriate funding for staff and training;
- c. the costs of auditing pre-border and border biosecurity certification; and
- d. the cost of diagnosing a proportion of interceptions to inform a risk-return approach to activities.

In addition, the Panel recommends that an external review of costs and revenue should be conducted on a periodic basis (every five years would be appropriate), with the reports to be provided to business groups and the Authority. The external review should examine the efficiency of cost recovery, whether appropriate aggregation of charges is occurring, and whether unnecessary constraints are being placed on the use of revenue from a risk-return perspective<sup>6</sup>.

A separate issue for the export programs is the Government's current 40 per cent subsidy of the cost of delivering the regulatory function. This subsidy, which is due to expire at the end of June 2009, does not align with the *Australian Government Cost Recovery Guidelines*, which state that partial cost recovery is generally not appropriate.

The circumstances in which partial cost recovery may be acceptable include:

- where cost recovery is being 'phased in' for new arrangements; or
- where an agency adjusts charges for particular groups of clients in order to meet Australian Government endorsed community service obligations or for explicit policy purposes.

The policy objectives of the 40 per cent subsidy, which was introduced in 2001, are unclear, and are unlikely to qualify against the community service obligation criteria outlined above.

Beale recommends the removal of the rebate and greater use of co-regulatory arrangements, such as compliance agreements, to reduce the cost of the regulatory service wherever possible.

This would only be feasible where agreed between business groups, the National Biosecurity Authority and international trading partners.

<u>Productivity gains</u> - Meat Inspectors have over time delivered considerable savings to industry through productivity improvements in their collective agreement.

For example, the collective agreement contains conditional clauses such as:

- every weekday shift ends with an additional 30 minutes overtime, but paid at normal flat rates to keep fees down, inspectors work a standard 42.5 hour week to match the production time of plants.
- No access to rostered days off in line with the operational requirements of plants
- Flexibility & effectiveness clauses such as the introduction of new technologies
- Meat inspectors assist with training of new employees without additional remuneration

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<sup>&</sup>lt;sup>6</sup> Beale recommendation 77 ibid

A range of stakeholders have concerns over the future structure of meat inspection and maintain a view that it should not be left in the hands of industry:

Comment National Farmers Federation -

"Australians ageing work force, failure to adequately succession plan and inability to capture senior expertise, remain serious concerns".

Australian Meat Industry Council -

"In the Australian context authorisation are reportedly investigating reports that the pork imported into this country is not always handled according to the AQIS protocol resulting in a disease risk to the country and giving imported product a competitive advantage.

This contrasts most unfavourably with the 100% AQIS presence required by Australian plants to allow export of the very same type to overseas markets. It seems the Australian system is for more onerous for our export plants than it is for imported meat plants".

# Recommendations

- maintain a strong efficient independent public sector meat inspection service
- 40 per cent fee rebate for the Australian Quarantine and Inspection Service (AQIS) export certification functions rebate needs to be continued along with improved funding, training and resources
- commence genuine consultation and engagement with union representatives
- Management structures and culture that are more clearly focused on ensuring rigorous and effective export certification functions

## ATTACHMENT A

# Supplementary Submission on the role of Government Veterinary Officers

Government Veterinary Officers deliver an open and transparent, professional and independent service for Australia's Food Industries in a field where the dangers of market failure through the entry of exotic disease are real and potentially catastrophic. The vital importance of this work should be at the forefront of the Government's mind as it considers this Review in the wake of the recent El outbreak.

GVOs are the key to quick eradication of such diseases as their role is essential in the early recognition and reporting of disease. Of particular importance are the ante-mortem and post-mortem examinations GVOs perform as the basis for export certification (health certificate) necessary for international trade of meat and animal products. It was a meat plant vet in Essex in 2001 which reported the suspicion of vesicular disease in pigs. This was the first report of the disease in the 2001 UK foot and mouth epidemic.

# Risks to exports of the current AQIS regime

The history of meat substitution in the past shows the industry is vulnerable to the lowest common denominator. One unscrupulous operator can jeopardise a country's exports. The move to Quality Assurance without oversight by an effective and independent authority that is recognised and accepted by importing countries places the industry at risk. Indicators that AQIS management have not been, and are presently not aware of the full ramifications of this are:

- Previous unilateral attempts to introduce company inspection via Project 2.
   Attempts to dictate changes to importing countries eg. EU placed exports at risk
- Current program to develop web-based remote auditing.
- Policy decisions being dictated by AMIC- eg. Drive for changes to meat inspection practices without scientific basis. Meat notices being withdrawn or heavily amended after objections by industry.
- Lack of awareness of operational issues and risks. SES staff creating policies
  that result in changes to operations and resources in isolation of service
  requirements and feedback from the field. (Without wishing to pre-empt the
  inquiry findings it would seem that the advice from the Sydney Airport
  quarantine veterinarian was ignored for several years prior to the outbreak of
  Equine Influenza.)
- Policy is dictated by cost minimisation, not service delivery or cost benefit.
  Since the inception of QA, implementation was driven by a desire to remove
  inspectors and vets and pass control to industry before industry was mature
  and able to accept responsibility. QA program approvals were dictated by
  date, not effectiveness. Inspectors were relieved of responsibility for control of
  contamination at the stroke of a pen. QA was sold to the industry as a cost
  reduction opportunity, and industry was keen to take control of AQIS activities.

For years now AQIS has pursued a policy of downsizing with the inevitable loss of expertise. The number of senior vets with an intimate knowledge of the industry can be counted on one hand and they are now approaching retirement age. The potential for policy decisions to be unduly influenced by industry groups that pursue self interest at the expense of national interest is great.

We recommend to the Panel and through it the Australian Government that several measures be taken.

There is an urgent need to re-establish a sound technical base in AQIS so that decision-making is based on sound science and the independence and authority of AQIS is not compromised. A look over the Tasman to the NZ story could be enlightening. NZ is

currently trying to recruit Australian vets. They have a better history of extracting an improved outcome from importing countries for their industry, and have international leaders in the meat field.

- Provision of a Value Added Service that fully utilises the available resource. Diseases
  cost the Australian red meat industry many millions of dollars due to production losses.
  AQIS is in the prime position to capture an enormous amount of disease incidence data
  for use in treatment and prevention programs, and to support a national database for
  certification purposes. Although AQIS is currently indicating action in this area, previous
  attempts eg. CLA recording failed due to lack of commitment. When the State Inspection
  Service was handed over to AQIS in NSW all disease recording was dropped. This
  service has the potential to be provided on a fee for service basis.
- Provide a more robust Certification process for co-products and biologicals. There has been international substitution of high value biologicals in the past via false certification eg. Foetal Calf Serum. AQIS has had minimal input into these products in the past. Active support of Australian biologicals via proactive negotiation of protocols and promotion of the Australian freedom of disease and "clean green" production by AQIS could see Australian products compete with the industry leader NZ.
- Provide auditing services for customer and importing countries on a fee-for-service basis in areas of prime expertise eg. Food safety, specification and animal welfare. AQIS has constantly relinquished responsibility for these activities eg. EU monitoring of feedlots. This would allow better linkage with all sectors of the food production chain.

All of the above are areas of activity that would and should be delivered by AQIS vets.