



Department of
**Agriculture, Fisheries
and Forestry**

Reference: **CTS 01554/13**

05 APR 2013

Mr Stephen Palethorpe
Committee Secretary
Senate Standing Committee on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
Canberra Act 2600

Dear Mr Palethorpe

Thank you for the invitation to provide a submission (attached) to the Rural and Regional Affairs and Transport Reference Committee Inquiry into Beef Imports into Australia (the Inquiry).

The Department of Agriculture, Fisheries and Forestry Queensland (DAFF) provides the enclosed submission to the Inquiry. The submission addresses all of the matters raised, in the Inquiry's terms of reference, relevant to DAFF's portfolio.

The risk associated with importing beef into Australia is of particular importance to Queensland. The beef industry is the largest agricultural industry in Queensland with over \$3 billion in exports, more than half of Australia's cattle herd and 35,000 people employed in the overall supply chain.

Queensland supports ongoing stringent controls on the importation of meat products from any country. In particular, those countries that cattle herds have, or have had, bovine spongiform encephalopathy (BSE) and/or foot and mouth disease (FMD). The detection of BSE and/or FMD in Australia would have serious impacts on the productivity of Queensland's cattle industry and as such, any importation risk must remain negligible.

DAFF welcomes the opportunity to contribute to this timely inquiry before the import risk assessments currently on hold for the United States of America, Canada and Japan resume.

Yours sincerely

Jack Noye
Director-General
Department of Agriculture, Fisheries and Forestry

Att

Rural and Regional Affairs and Transport References Committee

Inquiry into Beef Imports into Australia

Submission

Queensland Department of Agriculture, Fisheries and Forestry

Bovine spongiform encephalopathy (BSE) and foot-and-mouth disease (FMD) are both significant disease threats to Australia's domestic livestock industries. Whilst both have been detected internationally, Australia has remained free due to its ability to protect its borders and its sophisticated animal biosecurity systems.

The purpose of this submission to the Inquiry into Beef Imports into Australia is to outline the implications that a detection of BSE or FMD, would have for the Queensland beef industry. Comment is also made on the risk-based systems that are in place to protect Australia's food safety and animal disease status and the role of Country of Origin Labelling (CoOL).

Queensland beef industry

Queensland's beef industry is the largest in Australia and is worth over \$3.4 billion a year at the farm gate. The production of cattle occurs on almost 20,000 properties and employs around 34,000 people across the beef supply chain. Additionally the meat processing industry is one of Queensland's largest manufacturing industries accounting for over 21,000 full time jobs.

Beef products are the State's largest agricultural export commodity and significantly contribute to the State's economy. Japan, United States of America (USA) and Korea are the three key export markets for Queensland beef, however product is exported to over 70 markets worldwide. The total value of exports was over \$3.1 billion in 2011-12. Continued market access to key export markets is vital to growing the economy of Queensland. Exports of live cattle were worth \$60.5 million in 2011/12.

Market Access and Production

Queensland has world's best market access for beef because of a long-established status in relation to herd health. The beef industry has taken maximum advantage of this in terms of marketing and value. It is therefore critical that our world-class, disease free status be maintained. The detection of BSE or FMD would be catastrophic for the Queensland beef industry.

The impact of an outbreak of BSE or FMD on Queensland's beef exports in the short term would be the immediate discontinuation of market access. In the longer term, building brand image back to pre-outbreak level would be costly and difficult.

For example, following the detection of BSE in the USA beef herd in 2003, Japan initially banned imports of US beef with exports to Japan dropping from 416,000 tonnes in 2003 to 5,400 tonnes in 2004, post outbreak. In 2006 these restrictions were relaxed to allow beef from cows over 20 months of age to be conditionally imported and US exports subsequently increased to 23,500 tonnes.

Recently the World Organization for Animal Health (OIE) recommended the USA BSE risk be upgraded from “controlled” to “negligible,” the lowest risk level in the OIE’s rating system and the same as Australia. Japan did not immediately remove trade barriers but cautiously increased the age from 20 months to 30 months with the same stringent requirements. Several other countries, including China, continue to ban or restrict imports of US beef due to BSE history. The US experience highlights the sensitivity of export markets to the detection of any BSE cases and the importance of maintaining Queensland’s reputation as the world’s safest exporter of beef. To illustrate the possible economic impact, Queensland exported over \$1 billion worth of beef product to Japan in 2011-12.

In the case of FMD, there would also be market restrictions imposed on other domestic production herds such as sheep, pigs, goats and deer. Considerable cost of eradicating FMD, monitoring and ongoing surveillance should also be considered, along with lost productivity. In the case of FMD, slaughter of whole herds, movement restrictions and proof of freedom surveillance, would cause major industry disruption. The 2001 outbreak of FMD in the United Kingdom was the largest in history, causing losses of more than £8 billion (approximately AU \$12 billion).

Biosecurity of risk assessment

The Queensland Government understands that banning all imports of beef would breach the World Trade Organisation’s (WTO) agreement on technical barriers to tariffs and trade. It is also understood that Australia’s import restrictions need to be in accordance with the WTO agreement on the application of sanitary and phytosanitary measures, hence the system that has been set up to assess the risks of importing countries.

The Australian Government Department of Agriculture, Fisheries and Forestry (ADAFF) controls the importation of fresh or chilled beef product to Australia, from countries with a history of BSE and/or FMD. The Import Risk Analysis (IRA) process is a highly complex scientific process designed to assess the quarantine risk posed by a potential import.

Queensland’s beef industry is of critical importance to the State’s economy and as such Queensland’s objective is to ensure that any risk to the industry remains negligible. Queensland supports a risk-based scientific approach to assessing beef imports into Australia. Should IRAs for beef and beef products be progressed by ADAFF, Queensland would anticipate having technical input and comment into the process.

Role of Food Standards Australia New Zealand (FSANZ)

The Council of Australian Government's Legislative and Governance Forum on Food Regulation develops policy guidelines relevant to food standards, promotes harmonised standards between Australia and New Zealand, and promotes a consistent approach to compliance and enforcement by the jurisdictions. All Australian jurisdictions are involved in food safety, with FSANZ playing a key role in developing the *Australia New Zealand Food Standards Code (ANZFSC)*.

In terms of beef imports into Australia, FSANZ's role includes conducting food safety assessments to determine the BSE risk status of an applicant country. BSE is an issue for food safety, in that the disease can theoretically be transmitted by affected meat products to humans. BSE is spread to cattle through the consumption of feed contaminated with the BSE agent.

FMD contaminated beef is not considered to pose a food safety risk to humans. The FMD virus can, however, survive for long periods in a variety of fresh, partly cooked, cured and smoked meat products, and dairy products that are inadequately heat treated. For this reason it is illegal to feed swill to pigs and to bring these products into Australia from countries with known FMD outbreaks.

The *ANZFSC* specifies that only bovine meat and meat products derived from animals free from BSE can be sold in Australia. The FSANZ food safety system as a whole, seeks to ensure all products imported into Australia for human consumption are fit and safe for purpose. The system has been fine tuned over time and is based on a scientific approach. Exporting countries must demonstrate that they have acceptable risk controls in place and that those controls are monitored.

Provided the processes and measures are rigorously followed in exporting countries to meet Australia's food safety requirements, there is a degree of comfort that the risk to Australia is negligible. Queensland is supportive of the measures undertaken by FSANZ.

Australian food labelling laws

The food safety requirements for imported foods are appropriately addressed in the *ANZFSC*, and from a public health perspective this is the key objective.

CoOL requirements are included in the Code, and certain requirements are also covered under the *Competition and Consumer Act 2010* (the Australian Consumer Law or ACL). CoOL is not a food safety indicator, but gives consumers some indication about the origin of the food that they are purchasing. CoOL for unpackaged food currently includes fish and pork, but from 18 July 2013 will also include unpackaged beef, sheep and chicken meat.

The extended CoOL provisions for unpackaged meats mean that consumers can choose to buy meat such as beef that has been produced in (for example) Australia. Provided consumers understand the differences between “Made in” versus “Product of/Grown in” labelling under the ACL, they can choose to buy food (including beef) that has been grown, and is the product of, a particular country such as Australia.

Conclusion

The Queensland beef industry and its export markets are extremely sensitive to an outbreak of BSE or FMD. The cost of an outbreak would be huge, both immediate and ongoing. The value of Queensland’s position as the world’s safest beef exporter would be irreversibly damaged should one of these diseases be detected. This could in turn damage other markets reliant on Australia’s clean, green image.

The stringent controls and risk assessment processes currently in place for biosecurity and food safety risks, have protected Australia to date from any such catastrophic event. The future of Queensland beef is reliant on these systems being upheld, continually refined and rigorously defended.