

**Submission to the
Agricultural Competitiveness Issues
Paper**

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TABLE OF CONTENTS

GLOSSARY	4
EXECUTIVE SUMMARY.....	5
INTRODUCTION	6
Biosecurity and the National Animal Health System – AHA’s role	6
BIOSECURITY - ENHANCING AGRICULTURAL COMPETITIVENESS AND MARKET ACCESS	7
Our successes and strengths	7
The Challenges	9
The Opportunities	11
APPENDIX 1	13

GLOSSARY

The following acronyms appear at points in this submission.

AHA – Animal Health Australia

AUSVETPLAN - Australian Veterinary Emergency Plan

EAD – Emergency Animal Disease

EADRA – Emergency Animal Disease Response Agreement

NLIS – National Livestock Identification System

EXECUTIVE SUMMARY

Australian Animal Health Council Ltd (trading as Animal Health Australia) response to the Agricultural Competitiveness Issues Paper focuses principally on biosecurity, which disappointingly is raised only once in the Issues paper under Issue 8 – opportunities for enhancing agricultural exports and new market access.

Yet biosecurity is integral to food security, agricultural competitiveness and market access. It goes to the heart of securing the future of our agricultural industries, their profitability, and competitiveness and in turn the prosperity of rural and regional Australia and the nation itself.

Australia's national animal health system currently delivers competitive advantage and facilitates market access. Government and industry partnerships have been successful in delivering a world-class system for dealing with livestock biosecurity risks, which helps Australia maintain our enviable disease free status, our reputation and international perception of Australian livestock products. Whilst the current biosecurity system was founded and built on good levels of investment, on joint partnerships and on consensus, it is coming under enormous pressure due to an inability to maintain resourcing levels and the increasing threats from disease.

To maintain and continue its success requires an evolving biosecurity system that needs ongoing investment and development. We need to build and maintain better, more robust and adequately resourced and funded biosecurity systems and we need to seek smart solutions that deliver tangible and appropriate outcomes for agriculture. A cooperative effort is required across livestock industries, governments and other stakeholders to help keep Australia disease free; build the sustainability of our livestock industries; build capacity to enhance emergency animal disease preparedness and response; and ensure Australia's livestock health systems support productivity.

To truly provide a platform for enhancing the contribution of agriculture to national prosperity, national policy, and direction, the Government's White Paper on Agricultural Competitiveness must include and continue to strengthen, enhance and evolve the national animal health system, of which biosecurity is integral.

This submission addresses how biosecurity enhances Australia's agricultural competitiveness and market access; the strengths and successes of biosecurity and the national animal health system; the current challenges; and the opportunities ahead.

INTRODUCTION

Australian Animal Health Council Ltd (trading as Animal Health Australia) welcomes the opportunity to make a submission in response to the Agricultural Competitiveness Issues Paper. The scope of issues to be considered by the White Paper covers nine key areas. Animal Health Australia's response focuses principally on biosecurity, which disappointingly is raised only once in the Issues paper under Issue 8 – opportunities for enhancing agricultural exports and new market access. Animal Health Australia (AHA) contends that biosecurity is a central theme that influences all nine key areas, either directly or indirectly.

Biosecurity is integral to food security, agricultural competitiveness and market access. It goes to the heart of securing the future of our agricultural industries, their profitability, and competitiveness and in turn the prosperity of rural and regional Australia and the nation itself. Healthy livestock and the effective management of the risks posed by endemic, new, and emerging diseases are necessary for and directly affect:

- food security (Issue 1)
- market returns at the farm gate (Issue 2)
- agricultural competitiveness (Issue 4)
- the growth and development of regional centres and communities including employment and investment (Issue 5)
- efficiency and competitiveness of inputs to the agricultural value chain (Issue 6)
- opportunities for enhancing agricultural exports and new market access (Issue 8)

Australia's national animal health system currently delivers competitive advantage and facilitates market access, but to maintain and continue this success requires an evolving biosecurity system that requires ongoing investment and development. A cooperative effort is required across livestock industries, governments and other stakeholders to help keep Australia disease free; build the sustainability of our livestock industries; build capacity to enhance emergency animal disease preparedness; and ensure Australia's livestock health systems support productivity.

Biosecurity and the National Animal Health System – AHA's role

Animal Health Australia (AHA) is a not for profit company that fosters innovative collaborative partnerships involving its members i.e. the Australian, state and territory governments, major terrestrial livestock industries, and other stakeholders (See Appendix 1). Together we strengthen and improve the national animal health system to ensure competitive advantage and market access; and significantly, we achieve this through a more effective sharing of available and finite resources.

Central to AHA activities is the management of the Emergency Animal Disease Response Agreement ('the Agreement', in short: 'EADRA')¹ that underpins Australia's capacity to prepare for and respond to a major livestock disease event such as foot-and-mouth disease. This partnership was established some 16 years ago for cost sharing the response to a major livestock disease emergency. Both EADRA and the model of AHA are world first-initiatives and are highly regarded internationally. AHA is the custodian of EADRA.

AHA also facilitates a wide range of partnerships and manages collaborative programs that improve animal and human health, food safety and quality, market access, animal welfare, livestock productivity and national biosecurity, thereby safeguarding confidence in the safety and quality of

¹ The EADRA is a formal, legally binding agreement between AHA, the Australian government, all state and territory governments, and currently fourteen livestock industry signatories ('parties'). The EADRA covers the management and funding of responses to emergency animal disease incidents.

Australia's livestock products in domestic and overseas markets. These partnerships extend across three key AHA platforms that are intrinsically linked and together contribute to and support market access and agricultural competitiveness:

- Emergency animal disease preparedness and response – response framework, response plans, training, vaccine management, research
- Market access – surveillance, livestock welfare, diagnostics and laboratories, livestock production diseases
- Biosecurity services - biosecurity tools, plans and systems (including disease response and on-farm husbandry and productivity practices), livestock traceability.

BIOSECURITY - Enhancing Agricultural Competitiveness and Market Access

Our successes and strengths

Australia's excellent animal health status and reputation

Australia's international and domestic markets depend on our excellent animal health status, "our clean green reputation" – which in turn depends on government, industry and stakeholder commitment to biosecurity, surveillance, and emergence preparedness. Government and industry partnerships have been successful in delivering a world-class system for dealing with livestock biosecurity risks, which helps Australia maintain our enviable disease free status, our reputation and international perception of Australian livestock products.

Emergency preparedness and response

Our systems for early detection of disease incursions and a tried and tested system for response are built around the EAD Response Agreement. EADRA is a contractual arrangement bringing together the Commonwealth, state and territory governments, and livestock industry groups to significantly increase Australia's collective capacity to prepare for, and respond to, emergency animal disease incursions through a shared response.

AHA has maintained and managed the use of the response deed for all major livestock disease incursions during the past 16 years. EADRA has been used successfully on many occasions, such as the successful response to, and eradication of, equine influenza from Australia following the outbreak in 2007. It was also used in the successful eradication of several low pathogenic Avian Influenza outbreaks, the most recent in Young NSW, which occurred in late 2013.

Critical to, and intrinsically linked to EADRA, are the Australian Veterinary Emergency Plan (AUSVETPLAN) disease strategies and response policy briefs for each major disease threat listed in the EADRA, describing the preferred approach to an outbreak. AUSVETPLAN details how to identify and confirm a disease outbreak and who should respond and how. Governments and relevant industries develop and agree these preferred approaches in 'peacetime' – i.e. before any EAD outbreak. The whole system, including these detailed plans, is continually being refined, improved and tested through exercises such as Exercise Minotaur and the current national livestock standstill Exercise Odysseus. These activities ensure that relevant structures and processes are in place, with appropriately qualified and trained personnel drawn from industry and governments well in advance of an EAD outbreak.

The availability of agreed AUSVETPLAN disease strategies ensures that informed decisions about the policies and procedures needed to manage an EAD incident in Australia are immediately at hand and no time is lost in mounting the response.

Livestock identification, traceability and market access

Innovation to technology and process, such as the National Livestock Identification System (NLIS), is also important to the effectiveness of disease response and control, product integrity and market access. The speedy tracing of animals plays a significant part in any emergency disease response. The ability to trace animal movements quickly and accurately greatly improves the ability to control the disease outbreak and minimize costly impacts on the affected industry and its supporting sectors. Having an effective tracing system in place also minimises the number of properties that may be affected by stock movements.

Chemical contamination is a more frequent problem than disease outbreaks in the livestock industry. Australia's export markets do not accept livestock products that have violative levels of chemical residues. The tracing of cohort animals is an important part of minimising the effects of such violations and ensuring these violations are not repeated.

Australia's export markets for livestock and livestock products are particularly sensitive to disease control measures and the effects of livestock disease outbreaks and chemical contamination incidents. The livestock producer and related industries all benefit greatly from Australia's favourable animal-health status in comparison to the status of other export countries. The good international reputation of Australian exports is driven by both the absence of diseases and contaminants in Australian export animals and animal products and the disease control measures we have in place to prevent or contain any outbreak. Loss of market access is an inevitable impact of poor disease and chemical contamination control.

It is important to note that a number of Australia's export markets require or are moving towards requiring mandatory identification and traceability of Australian products from property of birth through to the consumer. Identification and traceability is becoming a market access issue. Some individual importers of Australian livestock products are now demanding lifetime traceability, which is not possible to deliver without NLIS.

Less tangible benefits of disease and chemical contamination control measures on the international perception of Australia's livestock products, such as marketability and price, are also essential to the existence and success of these markets. An effective and recognised traceability system is more than an insurance policy in the event of a disease outbreak. It provides a competitive advantage over other export producing nations with less comprehensive systems and enhances quality assurance, therefore contributing to the reputation of Australian livestock industries. Although difficult to specifically quantify, the cost to the export market of a loss of reputation and confidence caused by a livestock disease outbreak or chemical contamination incident, or by a lack of an effective tracing system, would be extensive and far reaching into the future.

Biosecurity and disease management – competitiveness and market access

Australia has systematically reduced its endemic disease burden through robust eradication programs, for example tuberculosis and brucellosis, and through control programs such as bovine and ovine Johne's disease and Newcastle disease, to name a few. Biosecurity practices – the tools and measures employed on-farm and by the industry - are critical to the success of these and other such programs. They reduce productivity losses on-farm associated with ill health and minimise the spread of disease on and off production facilities. This, in turn, reduces the disease risks facing Australian livestock production industries and ensures the individual producer and the livestock industry can remain competitive.

Significantly effective disease management, information and surveillance supports access to domestic and international markets for Australian livestock industries and underpins early detection of emergency and emerging animal diseases.

Effective partnerships between industry and government

Importantly, the key to managing these threats and risks is the partnership approach that sees governments and industries working together to: tackle livestock health issues; to fund research; to support emergency disease responses; and to collaborate on new and emerging issues such as animal welfare. AHA plays a vitally active role in ensuring these partnerships work effectively by working with our partners to identify priorities and appropriate response actions, whilst maximizing what can be achieved with available resources. This partnership is almost unique in the developed world and therefore, should be considered a key contributor to our global competitiveness.

The Challenges

Low level of government support

Agriculture in Australia receives the least government support of any country in the developed world². This is despite the significant contribution that agriculture makes to GDP, with farm production valued at over \$50 billion, food retailing at around \$140 billion, and with over 500,000 people employed in this sector. It is estimated that a foot and mouth disease outbreak in Australia could cost upwards of \$40 billion. All state and federal governments (and industry) are experiencing significant resource constraints and that places on-going pressure on our biosecurity, surveillance, and emergence preparedness systems. Access to international and domestic markets depends on maintaining and proving our (excellent) animal health status.

To ensure that this risk remains low and reduce any potential impact on market access and agriculture's competitiveness from a disease incursion, we need to maintain and enhance investment in our national animal health system. The Issues Paper proposes an increased investment of some \$20 million for biosecurity. What this is to cover and how this has been determined is unclear, but given the range of biosecurity issues and its importance to agricultural competitiveness and market access, on first glance this would seem woefully inadequate.

The threats to our livestock industry are not just about the direct devastating effect of these diseases on livestock productivity, but the obvious losses in trade that occur when a new disease occurs in Australia – something that is more likely in the future, as the global risk from infectious disease increases. Our government investment in biosecurity has at best stagnated both at the Commonwealth and State level, and indeed in many areas reduced significantly in terms of financial support, but equally alarming, in terms of man-power. Whilst the current biosecurity situation in Australia was founded and built on good levels of investment, on joint partnerships and on consensus, the current system is under enormous pressure due to an inability to maintain resourcing levels and the increasing threats from disease.

Sustaining and strengthening these elements requires an objective assessment of the benefits of planned and adequate investment in animal health and the significant risks resulting from under-investment.

Consistency in regulatory and policy outcomes across jurisdictions

While reducing ineffective and inefficient regulation provides benefits, regulatory arrangements also safeguard Australia's livestock product, secure market access and enhance the reputation and

² Agricultural Competitiveness Issues Paper (2014) Canberra ISBN 987-1-922098-20-7

international perception of Australian livestock products. Animal health and biosecurity regulations can often differ between jurisdictions and this can add complexity and cost to farm businesses (and industry), particularly those whose operations span across jurisdictional borders. A consistent approach and outcome to regulations across jurisdictions is will enhance agricultural competitiveness and strengthen the national animal health system.

Increasing risks from new and emerging infectious diseases

There is a clearly increasing global risk from new and emerging infectious diseases. Drivers of disease emergence include changing land use and agricultural practices, changing demographics, poor global health, international trade, reduced biodiversity, poor urban planning and the effects of climate change. Within this complex environment, the infectious agents that cause epidemics are constantly evolving, thus complicating the prediction of future threats

The United Nations' Food and Agricultural Organization (FAO) states: *"urbanization and the growing demand for animal products in developing countries are causing the potential costs of animal disease outbreaks to rise steeply. The threats are very real. Deadly and economically devastating livestock epidemics are growing and there is no doubt that more pathogens are emerging. Government could potentially save billions in disease outbreak costs by stepping up the prevention and control of high impact animal disease, a number of which pose a direct threat to human health."*³ Market and community expectations for accurate intelligence about animal health status are likely to increase.

By any measure we are in a situation of an ever-increasing risk of a major disease incursion that we will simply not be able to detect in time or respond to effectively.

Difficult challenges remain in endemic health

Over many years we have tackled and resolved a number of animal health issues that were relatively easy to manage. What we are left with is a series of complex animal health issues that significantly contribute to the ongoing erosion of farm productivity and profitability.⁴ As an example, internal parasites (worms) cost the livestock sector well over \$50 million per year through productivity losses and treatment costs. Experience is showing that treatments which were once highly effective no longer work, yet our investment in research to develop alternatives such as new generation vaccines is disproportionately small when compared to such investments in Europe. And these research investments do bear fruit as shown by the recent development of vaccine against the barber pole worm (a significant internal parasite of cattle and sheep in Australia) by the Moredun Institute in the UK. If we are to remain internationally competitive and increase livestock productivity through reducing further health burdens, then such research investments should be made here.

Inadequate coordination between human and animal health

Human health is increasingly dependent on effective management of animal health issues. Recognising that 75% of new infections in humans arise from animals (both livestock and wildlife),

³ FAO report –(2010) Agence France-Presse, July 26th. 2010

⁴ What price disease (2012) Vet. Record 171 (15) 360

demands new partnerships between human and animal health professionals⁵ - but this is not happening as swiftly as it should. The growth in antibiotic resistance in humans is due in part to misuse in animals, whilst the threat from zoonotic infections such as those caused by salmonella sp. and E. coli need to be addressed to maintain consumer confidence in livestock products.

The Opportunities

To truly provide a platform for enhancing the contribution of agriculture to national prosperity, national policy, and direction, the Government's White Paper on Agricultural Competitiveness must include and continue to strengthen, enhance and evolve the national animal health system, of which biosecurity is integral.

Whilst we recognise the current fiscally constrained environment in which all governments and industries operate, it is imperative that government seeks partnerships wherever possible both nationally and overseas. We need to build and maintain better, more robust and adequately resourced and funded biosecurity systems and we need to seek smart solutions that deliver tangible and appropriate outcomes for agriculture.

Partnerships

Whilst there are a number of animal health areas that need to be specifically addressed (as outlined below), an underlying imperative is for government to partner with industry to ensure the maximum outcome from available resources and where necessary, to leverage additional resources. Additionally, a robust, transparent, and agreed system of prioritisation is urgently needed to assist the process of resource allocation. The National Biosecurity Committee (NBC) and its various sub-committees have done much in this area; however, it is still to effectively and fully engage with the various industry and related partners that could assist in deciding what requires priority and resourcing these areas.

Biosecurity partnerships require good incentive investment models. While there have been successful partnerships between government and industry to date, these can and must be improved. To deliver effectively into the future, new levels of transparency, a willingness to share and contribute and recognition that partnership means joint decision making with industry around the allocation and use of such resources are required. Given its long and reputable role as a partnership broker between Australian governments and the various livestock industries, AHA has a key role to play in maximising the effectiveness of partnerships and consultative mechanisms to achieve these goals.

Disease surveillance system

Australia has sought to define what an effective disease surveillance system might look like for more than four years. Taking into account the need for early detection to allow for a timely and effective response to a major disease incursion (e.g. FMD), numerous approaches have been debated. A lack of result from this process means that we do not currently have an agreed process nor agreed resourcing for what should be a fundamental process for biosecurity.

There is a need for continuing disease surveillance and vigilance. A shared responsibility for governments and all participants along the production chain should ensure timely disease

⁵ The economic value of one health in relation to the mitigation of zoonotic disease risks (2013_ B. Hasler, W. Gilber, B. Jones, D. Pfeiffer, J Rushton and M Otte. In One Health: The Human Animal Environment interfaces in Emerging Infectious Diseases. Current Topics in Microbiology and Immunology Vol. 365: 127 - 154

detection as well as provide protection for international trade facilitation in livestock and livestock products.

A national Biosecurity Information System

From 2006 to 2011, the Commonwealth Government sought to establish a biosecurity network (ABIN) that would collate biosecurity information nationally, provide a range of data and security systems to enable use of this data. It would also provide a framework for partnership and collaboration around this data. Although this initiative failed to deliver the required outcomes, the need is now critical, and with the right partnerships, it could be addressed with minimal investment.

One Health approach

For those diseases that affect animals and humans and impact our environment, it is proposed that Australia set up a small One Health directorate to ensure that priority issues are addressed, and that this is done through a genuine partnership between animal and human health professionals, including the sharing of available resources. Such an approach has already in its infancy in Australia through such arrangements as the Geelong Centre for Emerging Infectious Diseases.

APPENDIX 1

Animal Health Australia Member List

Australian Government

Department of Agriculture, Fisheries and Forestry

States and Territories

The State of New South Wales

The State of Queensland

The State of South Australia

The State of Tasmania

The State of Victoria

The State of Western Australia

The Australian Capital Territory

The Northern Territory

Industry

Australian Alpaca Association

Australian Chicken Meat Federation

Australian Dairy Farmers

Australian Duck Meat Association

Australian Egg Corporation

Australian Honey Bee Industry Council

Australian Horse Industry Council

Australian Lot Feeders' Association

Australian Pork

Cattle Council of Australia

Equestrian Australia

Goat Industry Council of Australia

Harness Racing Australia

Sheepmeat Council of Australia

WoolProducers Australia

Service Providers

Australian Veterinary Association

Commonwealth Scientific and Industrial Research Organisation

Associate members

Australian Racing Board

Australian Livestock export Corporation Ltd.
Council of Veterinary Deans of Australian and New Zealand
Dairy Australia
National Aquaculture Council Inc.
Zoo and Aquarium Association