Teys Australia Submission:

The Intergovernmental Agreement on Biosecurity Review

July 2016

Teys Australia Pty Ltd

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Cover Letter

20 July 2016

The Inter Government
Greement on Biosecurity Review
Department of Agriculture
PO Box 858
CANBERRA ACT 2601

Teys Australia Submission

Teys Australia Pty Ltd is pleased to provide the Review team with our submission in response to the Inter Government Agreement on Bio-security Review Discussion Paper.

As a company, Teys Australia makes a large contribution in regional Australia, employing over 4,500 people and adding some $2.6 billion to national GDP, and $1.1 billion to household income each year.

To ensure that the beef industry maintains that important role and hopeful grows that contribution, the nation's very good bio-security status is an absolute pre-requisite. Teys Australia encourages the government to maintain that status and believes that the government should be congratulated for conducting this review.

Our submission will focus on areas that we have experience and expertise in. We will limit our response to notifiable disease preparedness, business continuity planning in the event of an outbreak, minimising duplication, technical barriers to trade, and disease surveillance activities at meat processing facilities.

Teys Australia looks forward to working with the government to further refine the biosecurity systems.

Yours sincerely

John Langbridge

Manager – Corporate and Industry Affairs

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Executive Summary and Recommendations

Teys Australia is the second largest meat processor and exporter in Australia and is proudly operated by the Teys Family. The company exports to over 40 countries and employs more than 4,500 full time employees across 10 locations, predominately in rural and regional areas of eastern Australia. It provides a significant economic contribution, adding approximately $2.6 billion to the national GDP, and $1.1 billion to household income each year, generating over 17 000 jobs, when flow on effects are taken into consideration.

The Inter-Government Agreement on Bio-security review comes at an important time for Australian agriculture and is an extremely important component that underpins our international market access and competitiveness.

Recommendations

Teys Australia recommends that:

Agreeing to risks, priorities and objectives

- Develop communications that are appropriate for the target audience
- Having a national approach to implementing biosecurity policy would improve market access

Embedding shared responsibility

- Communicate bio-security issues to the meat processing sector though the meat safety regulator

Market Access

- Biosecurity measures must be based in sound science.
- Market access is a whole of Government issue.
- Business continuity planning in the event of an emergency disease outbreak needs to be covered.
- Remove duplication wherever possible

The role of research and innovation

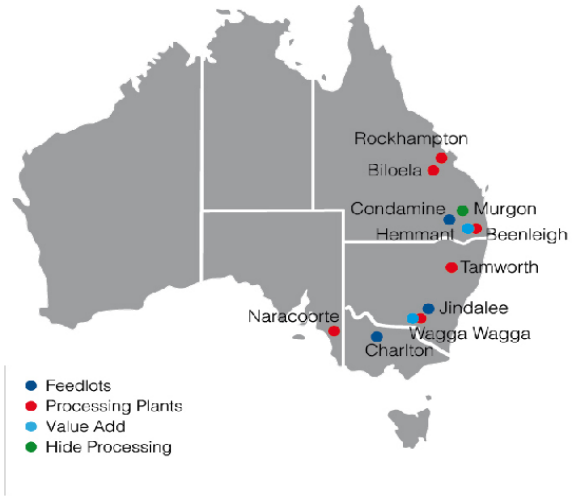
- Research risk reduction processes that will enable market access to be maintained in whole or in part as part of emergency preparedness
- Develop information standards for animal health recording and reporting
- Work with the processing sector to determine the feasibility of accessing relevant parts of their animal health data

Introduction

The Teys family has been involved in the Australian beef industry since 1946 when four Teys brothers formed a partnership to wholesale and retail meat in South East Queensland. The family has since grown its business to become the second largest meat processor and exporter in Australia.

The company's success is founded on family values, trusted relationships with its customers and suppliers, and a commitment to constantly innovate and improve to compete with the world's best. Today, Teys Australia is still proudly operated by the Teys family and jointly owned by the Teys family and Cargill (50 per cent shares).

Teys Australia has a long-standing and significant presence and commitment in rural Australia. The company exports beef to over 40 countries and employs more than 4,500 full time employees across 10 locations that are dominantly in rural and regional areas of eastern Australia:



Teys Australia has a significant asset footprint in regional Australia, operating six modern and efficient beef processing plants strategically located across the Eastern seaboard:

- ***Teys Australia Naracoorte***: in the Coonawarra wine district in South Australia; employs 400 people, making it Naracoorte's largest employer;
- ***Teys Australia Wagga Complex*** employs over 800 people from over 40 nationalities;
- ***Teys Australia Tamworth Complex*** employs over 450 personnel, and is focused on the retail markets in Australia;
- ***Teys Australia Beenleigh Complex***: has approximately 800 employees, and processes grain-fed cattle from Teys' Condamine Feedlot;
- ***Teys Australia Rockhampton***: remains Australia's largest single shift operation. It currently employs over 1100 people and is the city's largest employer.
- ***Teys Australia Biloela Complex***: located in central QLD; employs 400 employees.
- Three cattle feedlots: ***Jindalee*** (NSW), ***Charlton*** (VIC) and ***Condamine*** (Qld).
- ***Teys Australia Food Solutions, (Brisbane) provides value added meat solutions;and***

- ***Teys Australia Murgon processes cattle hides supplied by the Company.***

These assets provide an economic contribution adding approximately $2.6 billion to the national GDP, and $1.1 billion to household income each year, generating over 17 000 jobs, when flow on effects are taken into consideration.

Preliminary Comments

The importance of a strong domestic bio-security systems can never be stressed strongly enough when it comes to agriculture based exports such as red meat. It underpins market access across the board for agriculture. Historically Australia's evolving bio-security systems have served the country well and are the envy of our trading partners.

Our submission will focus on areas that we have experience and expertise in. Therefore we will limit our response to notifiable disease preparedness, business continuity planning in the event of an outbreak, minimising duplication, technical barriers to trade and disease surveillance activities at meat processing facilities.

Agreeing to risks, priorities and objectives

4. Is the goal, and are the objectives, of Australia's national biosecurity system still appropriate to address current and future biosecurity challenges?

The stated goal is appropriate, however the objectives may be too broad or too risk management focussed, and may be a little hard to interpret by the farming sector or general public. The notion of surveillance and more specifically early detection is vital when trying to limit the spread of a disease incursion. Although this is intrinsically recognised on objective 1 it is won't be that evident for lay people and possibly even farmers. If a collaborative approach is required then the wider industry needs to be considered when developing and communicating key messages such as objectives

Develop communications that are appropriate for the target audience

7. What benefits (or impediments) are there in realising a more integrated national approach to biosecurity, agreed to by key partners in Australia's national biosecurity system?

A problem when explaining the bio-security system in Australia to overseas governments and international customers of the agricultural sector, is to get them to understand that Australia is a Federation of States, and Agriculture is the constitutional domain of the states not the Commonwealth. Although we have a national policy it may be implemented differently in the different states and territories, which creates problems during importing country audits of our bio-security system. Having a national approach to implementing biosecurity policy in a uniform manner would improve market access.

Having a national approach to implementing biosecurity policy would improve market access

8. What form would this best take (for example, a national statement of intent or national strategy)? What are the key elements that must be included? What specific roles do you see industry and the broader community playing in such an initiative?

See the response to question 7. A nationally agreed implementation strategy should be developed when any new policy is adopted. The meat processing sector has capability and some capacity to help in the areas of disease surveillance, animal handling including euthanasia techniques, infected site management, trace back and trace forward.

Embedding shared responsibility

9. Are the roles and responsibilities of stakeholders in Australia's national biosecurity system clearly and consistently understood? How might this be improved?

Teys understands that the industry trade association is not a member or associate member of Animal Health Australia. AHA try to keep the industry association in the loop but this is an informal system. Therefore it is very likely that the role of the processing sector in Australia's national biosecurity system will not be fully understood by that sector. This could be improved by developing a communication strategy for all meat processors perhaps using the state or federal meat safety authorities who already have a strong relationship with that sector of the industry to communicate it to them.

Communicate bio-security issues to the meat processing sector through the meat safety regulator.

Market access

16. Are market access considerations given appropriate weight in Australia's national biosecurity system? What other considerations also need to be taken into account?

Yes. The two way nature of trade and Australia's obligations under the various international agreements such as the SPS agreement need to be seen to be part of the considerations by trading partners who export or wish to export to Australia. It is important to strike the right balance whilst maintaining our bio-security status.

There is a lot of uninformed comment on social media and in the general press that push a protectionist line around agriculture. We complain vigorously when an overseas market operates in a protectionist way. We have to protect our bio-security status and those protections must be underpinned by sound science. There must be balance and trading partners must see that there is balance

Biosecurity measures must be based in sound science.

The new free trade agreements are a great start and the government deserves recognition for them, but that is only the start. The market access negotiations very quickly move to technical issues that the various importing countries require with the aim of providing their consumers and farming communities with the Appropriate Level Of Protection. It can be difficult to negotiate these issues on a product by product or even a commodity basis. They need to be discussed in the broader trade and political context to get the best outcomes for Australia and the importing country. The negotiations need to be conducted by appropriately skilled negotiators and technical experts (i.e. whole of government approach). The negotiators also need to keep close to the various industries that are affected by these technical issues to ensure that commercially viable outcomes are achieved.

Market access is a whole of Government issue.

The other more difficult issue is trying to include in negotiations how we might maintain access to markets in full or in part if there are emergency disease outbreaks. This is so that trade can continue in the event of an outbreak (e.g. export from disease free zones within Australia, export after appropriate treatment of product such as cooking or acidification). There are general agreements already developed within the OIE animal health manuals. Business continuity will be critical in the aftermath of an outbreak and we should be prepared.

Business continuity planning in the event of an emergency disease outbreak needs to be covered.

17. Are there ways governments could better partner with industry and/or the broader community to reduce costs (without increasing risk), such as industry certification schemes?

In the past there were only government certification schemes. The commercial world has rapidly developed their own over the past couple of decades and in most industries there are multiple schemes for different customers or markets. Some of these commercial schemes are very robust. The servicing of both government and commercial schemes does add to the costs of production in some cases. Wherever possible duplication should be removed through the recognition by government of commercial standards, and audits.

Within that construct the ability of industry to develop and grow branded products and the ability of customers to require additional specification to satisfy their needs should not be impinged. A good example is the growth of “natural beef” (Pasture-fed Cattle Accreditation Scheme) in the US market.

Remove duplication wherever possible

18. How can the capacity and capability of surveillance systems (including diagnostic systems) underpinning Australia’s national biosecurity system be improved?

From a meat processing perspective there are 8 million cattle ante and post mortem inspections a year, conducted by trained authorised inspectors, there are an equivalent amount of pig inspections and around 24 million sheep and lamb inspections. These inspections historically have been focussed on meat safety and have been very successful. So successful that the issues around meat safety today are overwhelmingly microbiological in

nature. Traditional meat inspection addresses macroscopic defects and now may now present a bigger risk to meat safety than the conditions that it is trying to detect due to the invasive nature of many of the old inspection procedures. The EU have moved their inspection methods to a more hands off approach in recognition of that risk. The Australian industry through their R&D Agencies and in collaboration with the government will be doing research to test that proposition here.

There is an opportunity to recast meat inspection as meat inspection/animal health surveillance. Traditional inspection tends to be quite sensitive in terms of its ability to detect abnormal conditions however it is also not very specific in that the interpretation of the condition being detected may not as accurate as it could be. The inspectorate needs to be reskilled to improve that specificity so that the animal health information becomes more reliable and therefore more useful. The information would then be used to inform farmers about the health of their livestock and be used to improve on farm productivity. This revised role would also add to our surveillance capacity in terms of emergency disease preparedness.

The role of research and innovation

19. Which specific areas of Australia's national biosecurity system could benefit from research and innovation in the next five, 10 and 20 years and why? Please provide examples.

In the event of a bio-security failure and the subsequent response to it, it will be extremely useful if ways to maintain market access could be investigated and then accepted by trading partners. Processes that may reduce or eliminate the bio-security risk from meat should be explored and if practicable discussed with importing countries. This discussion will not be able to be had during a crises so it will need to be done well before there is a pressing need. The OIE animal health manuals provide quite a number of risk elimination or mitigation procedures as examples.

Research risk reduction processes that will enable market access to be maintained in whole or in part, as part of emergency preparedness

Measuring the performance of the national biosecurity system

23. What would be required to ensure data collection and analysis meets the needs of a future national biosecurity system? Who are the key data and expert knowledge holders in the national biosecurity system?

The following comments relate directly to the recording of animal disease. The development of industry standards around how to describe and record animal diseases should be developed. Meat processors have been collecting ante and post mortem data, on and off for years. A problem emerges when you try and consolidate data from more than one processor or try an]d analyse it retrospectively as the methods of recording and the underlying descriptions of the condition being detected are not standardised. The person analysing the data must then interpret what they think the inspector may have meant at the time. This

standard should apply across the entire meat production supply chain, (i.e. breeder farm, backgrounder, feed lot, abattoir), so that the information means the same thing up and down that supply chain.

Develop information standards for animal health recording and reporting

24. How can existing or new data sets be better used? How might data be collected from a wider range of sources than government?

The meat processing sector is starting to implement data capture systems with the idea of supplying that information back to livestock suppliers so that suppliers can improve their on-farm production practices. If collected in a standardised way, some of this information may be able to be utilised as part of a national disease surveillance system.

Work with the processing sector to determine the feasibility of accessing relevant parts of their animal health data