Australian Dairy Industry

Represented by

Australian Dairy Farmers Limited and

Dairy Australia

Response to

Intergovernmental Agreement on Biosecurity Review

July 2016

Contacts

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Australian Dairy Industry Submission

IGAB Review

1. The Australian Dairy Industry

Australian Dairy Farmers (ADF) is the national advocacy body representing dairy farmers across the six dairying states, on issues of national and international importance. Our mission is to improve the profitability and sustainability of dairy farmers in Australia.

Dairy Australia is the national services body for dairy farmers and the industry. Our role is to help farmers adapt to a changing operating environment, and achieve a profitable, sustainable dairy industry. We act as the 'investment arm' of the industry, investing in projects that can't be done efficiently by individual farmers or companies.

2. Industry significance

Australian dairy is a $13 billion farm, manufacturing and export industry. With a farmgate value alone of $4 billion, the Australian dairy industry enriches regional Australian communities.

Over 6,000 Australian dairy farmers produce around 9.7 billion litres of milk a year. The Australian dairy industry directly employs nearly 40,000 Australians on farms and in factories, while more than 100,000 Australians are indirectly employed in related service industries.

Dairy is also one of Australia's leading rural industries in terms of adding value through downstream processing. Much of this processing occurs close to farming areas, thereby generating economic activity in country regions.

Approximately 40% of dairy production is exported contributing significantly to regional and the national economy.

3. Scope of this submission

Australia's national biosecurity system aims to minimise the impact of pest and disease incursions on the nation's economy, environment and community, while protecting our international reputation for high quality and safe produce. (IGAB Review Discussion Paper - 2016)

The scope of the national biosecurity system is very broad encompassing a large number of stakeholders. The principle focus of this submission is to bring forward the needs and views of the dairy industry. However, there are many complex challenges in achieving a coordinated agreed approach, and comments will be directed to this broader need when appropriate.

4. Biosecurity and the dairy industry – Importance and Investment

For the dairy industry, biosecurity activity extends from the farm across the supply chain and underpins trade access for dairy products on domestic and export markets. An effective biosecurity system is fundamental to all facets of Australia's dairy industry covering:

- On-farm – animal and product biosecurity measures, including veterinary services
- Transportation – livestock and milk
- Milk processing
- Food safety and on-farm QA – milk and meat products
- Trade and market access – product quality, disease freedom, animal health and welfare
- Dairy Biosecurity programs and activities
    - Dairy Australia
    - Animal Health Australia

5. Addressing the questions in the Review Panel Discussion Paper

The IGAB

1) Is the IGAB a suitable mechanism to underpin Australia's national biosecurity system in the future (10 or 20 years from now)? Are the consolidated priority areas still appropriate?

Whilst governments have a vital role in Australia's national biosecurity system, the overall biosecurity system is much broader than governments and this needs to be more adequately accommodated as part of the underpinning mechanisms. It is important to have an agreement between governments that enables a national coordinated government approach, but if there is to be broader "shared responsibility," then arrangements and mechanisms need to reflect this partnership.

The priority areas within IGAB in many cases remain work in progress, however they have provided a focus for dedicated actions in areas that has been beneficial (e.g. in gaining agreement on a Surveillance Business Plan for the Animal industries and continued improvement for preparedness for emergency animal disease response). The priority areas remain appropriate, and being Schedules to the agreement, there should be scope for flexibility if new priorities are identified.

2) **What are your views on the construct, effectiveness, and transparency of the IGAB? Please provide examples.**

The existing structure provides a high level framework on which to build. It has operated almost exclusively for and between governments with limited engagement of other stakeholders. See comment 3 below.

3) **What practical improvements to the IGAB and/or its structure would provide for an increased, but accountable, role for industry and the broader community?**

The expression "shared responsibility" implies that there is shared ownership, and involvement, yet that is currently not the case, except for limited involvement of AHA (and PHA).

Agreement and cooperation would be enhanced by enabling industry and other biosecurity stakeholder's that have a significant investment in biosecurity, to become engaged and signatories to a broader agreement. This would assist in gaining a broader commitment and contribution to the shared responsibility. For example, the existing commitment by industry to participating in (and funding) AHA, would be an appropriate starting point for the animal industries, as there is a familiarity with the commitments arising from EADRA, and accountability and governance mechanisms are already in place.

Practical improvements that would be required to the IGAB would include:

- *Recognising the involvement of industry as an integral partner of the biosecurity framework throughout the document*
- *Redrafting schedules to broaden outcomes and priority reform areas. As an example there has been agreement by Animal Health Committee and AHA Industry Forum on a Surveillance Business Plan. Similar commitments could be included in the schedules on:*
    - *addressing industry needs for input and access to disease information,*

- *developing a broader management framework and strategy for established pests and diseases,*
- *better utilising industry networks within the engagement and communication framework*
- *involvement of industry RDC's as a component of implementing the Biosecurity agreement*

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 goal and objectives are appropriate, however, in keeping with the suggestions put forward in comment 3, the following is suggested:

Clause 3.2 be amended by adding the underlined words to read - The objectives of the national biosecurity system are to provide arrangements, structures and frameworks i<u>nvolving both governments and industry (and additional stakeholder investors</u> in biosecurity if appropriate) that: etc.,

5) In order of importance, what do you see as the most significant current and future biosecurity risks and priorities for Australia and why? Are Australia's biosecurity objectives appropriately tailored to meet these risk and priorities?

People movement – both visitors and immigration, and consequential risks posed from people returning from overseas visits with high risk products from low disease status countries. There is also the risk of zoonotic pathogens being brought into Australia by humans that may subsequently be transmitted to animals, e.g. Swine Flu.

Complacency – is a risk at all levels, in government, industry and the general community as Australia has a natural advantage from its isolation, relative disease freedom, sound import and quarantine arrangements that have served us well. As a shared responsibility, our biosecurity remains vital and adoption of co-regulatory

arrangements whilst supported, must be subject to audit and government verification of processes

Trade – brings risks and it is important to get the right balance between biosecurity and the ability to trade through objective and scientific risk assessment. Increased food imports that are processed or sourced from countries with poorer disease status requires more stringent attention.

Feral animals and non-commercial enterprises – are subject to limited scrutiny and controls. They present a potential risk for amplification and spread of introduced pests and diseases before they are recognised and managed.

Terrorism – whilst this is often associated with high profile incidents to generate maximum publicity, bioterrorism exists as a potential longer term and economically damaging risk.

6) Are the components and functions of Australia's national biosecurity system consistently understood by all stakeholders? If not, what could be done to improve this?

No. Improving stakeholder and community awareness of the importance of biosecurity must remain an ongoing priority to protect the viability of agricultural industries and their contribution to the Australian economy. Significant dairy industry resources are directed to promoting the importance of biosecurity within the dairy industry and more broadly through AHA Programs and Projects. Having an agreed broad biosecurity agreement and strategy (see 8 below) would assist in ensuring an agreed consistent framework.

Targeting of awareness of biosecurity must be risk based, with a focus on those most likely to create risk.

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?

There would be major benefits in:

- *Incorporating greater involvement of industry in strategy development*
- *Gaining an agreed strategy and a more integrated and coordinated delivery program and activities*
- *Avoiding duplication*
- *Assisting in communication and awareness activities*
- *Utilising industry assurance mechanisms to support biosecurity assessment measures*

Impediments

- *The number of stakeholders across various industries and other areas of responsibility*
- *The range of biosecurity measures and components that need to be included*
- *The trend in governments to reduce service delivery and cut costs. There is an ongoing responsibility for governments to provide regulatory backing and support for the "rules" and to have the balance right on implementation and enforcement. Stakeholders who are not engaged, constitute a potential risk.*

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?

High level

- *A national biosecurity stakeholder's agreement adopting a partnership approach with industry*
- *A National Biosecurity Strategy*

Key elements (based on the IGAB)

  - *Governance and Administration arrangements*
  - *National Biosecurity Information Framework*
  - *National Surveillance and Diagnostic Framework*
  - *National Framework for Established Pests and Diseases*
  - *National Communication Strategy and Engagement Framework*

- *National Emergency Preparedness and Response Arrangements*
- *National Biosecurity Research, Development and Extension Framework*

Industry bodies have a major role in providing policy input on behalf of their constituencies, and providing input, comment and feedback on the strategy, and biosecurity frameworks. Industry also have a role in implementation of the agreed strategies through involvement in communication, training and awareness activities. Linkages with RDC's will also facilitate a more coordinated national approach across industry sectors and governments.

An important requirement is to know and understand who the biosecurity stakeholders are and the level of risk associated with their activities.

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?

No, and having broader involvement of investors in biosecurity and being party to the components agreed is essential in clarifying this, as it has done within AHA.

Effective biosecurity arrangements protect the national and regional economies from catastrophic impairment and support the viability of sustainable and productive agricultural industries.

10) What practical actions do you think governments and industry organisations can undertake to strengthen the involvement of industry and community stakeholders in Australia's national biosecurity system? Would increased involvement in decision making on and implementation of biosecurity activities help the adoption of shared responsibility?

Increased involvement of industry organisations in decision making for the biosecurity framework would greatly improve the outcomes of the IGAB.

There are already existing partnership between industry and government through AHA (and PHA) and this demonstrates the benefits of a more integrated industry/government approach in a number of biosecurity activities. The dairy industry value this partnership and have gained a real sense of ownership in the agreed activities. The interaction between industry and governments at the AHA Members Forum, has led to the emergence of other interactions that improve understanding and communication on biosecurity activities. These include the regular dialogue between AHA Industry Forum and the Animal Health Committee and the engagement between AHA Industry Forum, CSIRO AAHL and DAWR.

AHA and PHA Industry Members initiated a Joint Industry Biosecurity Forum in 2014, which included a combined session with members of the National Biosecurity Committee (NBC) that received encouraging feedback. Senior level staff changes in the Department prevented a similar forum with NBC being conducted in 2015. There was however a valuable interaction at the 2015 Joint AHA/PHA Industry Forum with senior DAWR staff on improving communications, improving workability of industry levy arrangements and emergency response arrangements on weed incursions.

The 2015 Joint AHA/PHA Industry Forum supported the suggestion of holding an on-going biosecurity forum with NBC, and the possibility of additional engagement with a smaller industry group at the time of NBC meetings if the need for dialogue arises.

The EADRA is another important example of the effectiveness of partnerships between industry and government. The CCEAD and NMG, enable joint input to EAD response plans and overall decision making.

Funding biosecurity

11) Are the IGAB investment principles still workable? Do they still meet the needs of Australia's national biosecurity system now and in the future?

The over-arching principle that biosecurity investment is allocated according to a cost-effective, science-based and risk-management approach, prioritising the allocation of resources to the areas of greatest return is supported. Specific areas that require greater recognition of the partnership include:

- *The contribution and benefits of effective biosecurity arrangements to the national and regional economies through the sustainability of Australian agricultural industries.*
- *Consistent and complementary regulatory and operational systems to avoid unnecessary duplication and maximise effectiveness and efficiency. Industry based mechanisms such as Quality Assurance arrangements that provide biosecurity assurances, provide greater capacity for avoiding duplication and increasing data for biosecurity information systems, particularly where there are commercial undertakings. Better integration of government and approved industry measures based on sound risk management principles provide an opportunity for greater co-regulation*
- *The National biosecurity information and intelligence system – this network needs to more effectively capture information from industry to increase the credibility of claims of disease freedom. Wider industry needs for data need to also be assessed and accommodated within data sharing mechanisms*
- *Training that targets industry needs, and integration with existing capabilities and delivery*
- *Ongoing awareness and management of biosecurity risks in trading partners and near neighbours*
- *Integration of industry communication networks as part of the biosecurity engagement and communication framework*

12) Are governments and industry investing appropriately in the right areas? Are there areas where key funders should be redirecting investment? Can investment in biosecurity activities be better targeted? If so, how? Please provide examples.

This is covered by comments made on question 11.

13) How do we ensure investments and investment frameworks align with priorities, while being flexible enough to address changing risks and priorities?

Investment priorities will be identified in the National Biosecurity Stakeholder's agreement, and delivery networks within the National Biosecurity Strategy, and in the elements of the framework set out in response to question 8.

Mechanisms to ensure planning and risk management needs are identified were outlined in response to question 10, such as an annual biosecurity industry forum and engagement with representatives from AHA and PHA Industry Forum. Greater involvement of representatives of industry organisations in decision making is recommended.

It is recognised that this framework does not cover all biosecurity stakeholders, but any over-arching governance structure would be best focused on those bodies that have an investment in biosecurity delivery. Other stakeholders however do constitute a potential risk and need to be engaged.

14) Are current biosecurity funding arrangements still appropriate to meet the needs of Australia's national biosecurity system, now and in the future? What might an alternative or novel funding model encompass?

Effective funding mechanisms are currently heavily dependent on having access to:

- *Contribution of producers to biosecurity arrangements within their enterprise*
- *National government revenues*
- *State and territory revenues – that vary between jurisdictions*
- *National Industry levies*
- *State industry levies – that vary between jurisdictions*
- *Cost recovery mechanisms (governments and industry e.g. QA)*

Industry levies rely on government taxation measures or a supply-chain bottle-neck, where a levy can be applied, and many biosecurity stakeholders fall outside the reach of levy mechanisms.

The IGAB Principles propose that:

> *"Relevant parties contribute to the cost of biosecurity activities:*
>
> - *Risk creators and beneficiaries contribute to the cost of risk management measures in proportion to the risks created and/or benefits gained (subject to the efficiency of doing so); and*

- *Governments contribute to the cost of risk management measures in proportion to the public good accruing from them."*

The dairy industry support the principle that risk creators and beneficiaries contribute, but does not agree with this being a cost socialised across all industry through levy arrangements. Individual risk creators and beneficiaries already benefit from broader biosecurity activities funded from industry levies and contributions at this level need to be based on the principle of cost recovery.

The dairy industry also stress the need to recognise that effective biosecurity arrangements provide public good and support the national and regional economies by maintaining viable agricultural industries and favourable market access

15) What can be done to ensure an equitable level of investment from all stakeholders across Australia's national biosecurity system, including from risk creators and risk beneficiaries?

This is covered by comments made on question 14.

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?

Market access remains a critical outcome focus for Australia's biosecurity arrangements, particularly given the significance of addressing non-tariff trade barriers, and ensuring Australia is able to demonstrate that biosecurity arrangements and outcomes have integrity.

Other considerations that need to be taken into account include:

- *The environment*
- *Native flora and fauna*
- *Good animal management and welfare whether on-farm or elsewhere*
- *Effective disease preparedness and response arrangements*

- *The increasing level of people movements*
- *Increasing international trade, including the growing level of international on-line shopping*

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?

This is covered by comments made on question 11.

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

This has largely been covered in earlier responses, including better capturing data from veterinary services and industry assurance programs. The agreement of AHA Industry Forum and Animal Health Committee to a National Surveillance is positive step towards improved cooperation.

The conduct of regular reviews, monitoring of technological advances and an assessment of systems to ensure they meet current needs and address risk priorities, is an ongoing requirement.

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.

Surveillance mechanism – existing mechanisms that rely on regional monitoring programs are labour intensive and very costly, e.g. the National Arbovirus Program (NAMP). Are there alternative approaches with sufficient integrity to satisfying importing country requirements?

Utilising web based systems for surveillance, diagnosis, awareness and training.

Consistency in approaches and technology between jurisdictions.

Review of the effectiveness of risk-based import biosecurity management.

20) How can coordination of biosecurity-related research and innovation activities be improved?

The development of the National Animal Biosecurity Research, Development and Extension Strategy, has provided a forum for sharing information, initiatives and expertise and has facilitated coordination among animal biosecurity RD&E funders, provider, and end-users, including governments, RDC's, industry and Universities. This initiative would be enhanced by a more broadly based National Biosecurity Agreement and Strategy.

21) How can innovation (including technology) help build a more cost-effective and sustainable national biosecurity system?

Refer response to question19.

Also, improved traceability of imported produce and clarification of responsibilities where transfer of authority occurs between National border quarantine and State and Territory regulatory control.

Measuring the performance of the national biosecurity system

22) What does success of Australia's national biosecurity system look like? How could success be defined, and appropriately measured (that is, qualitatively or quantitatively)? What, if any, measures of success are in use?

For the animal industries success looks like efficient and effective arrangements for the avoidance of incursions and the response to (suspect or real) incursions with the maintenance and expansion of market access, however there are many subordinate

measures that could assist in determining how the system is working. These include:

- The monitoring of high risk imports
- The number and frequency of breaches of import requirements or of disease incursions
- Costs incurred by producers and processors in disease control and prevention
- Incident reporting by industry, government and private veterinarians
- Numbers of diagnostic assessments carried out by regional veterinary laboratories and AAHL

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?

Efficient data collection processes from as many data holders as possible

Key data holders include:

- *Quarantine authorities*
- *ABS*
- *CSIRO – AAHL*
- *Regional government laboratories*
- *State and Territory Primary Industry Departments*
- *DAWR*
- Private veterinarian and private laboratories
- Universities
- Company or industry QA systems
- Food safety authorities

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

Enabling wider access to biosecurity data, including import risk management, on a controlled basis would facilitate industry biosecurity decision making.

Negative test results need to be included in as many areas as possible, including from the routine testing for product assurance or for disease freedom for export certification.