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Australian Pork Limited
ABN: 83 092 783 278

PO Box 4746
KINGSTON ACT 2604

P 02 6285 2200
F 02 6285 2288

www.australianpork.com.au

Mr Paul Lindwall
Presiding Commissioner
Regulation of Australian Agriculture
Productivity Commission
Locked Bag 2
Collins St East PO
Melbourne VIC 8003

via email: agriculture@pc.gov.au

Dear Mr Lindwall

Regulation of Australian Agriculture

Australian Pork Limited (APL) welcomes the opportunity to provide a submission on the Regulation of Australian Agriculture issues paper. As a member of the National Farmers' Federation (NFF), APL has provided input into, and supports the NFF submission.

APL is the national representative body for Australian pig producers. It is a producer-owned not-for-profit company combining marketing, export development, research and innovation and policy development to assist in securing a profitable and sustainable future for the Australian pork industry.

The Australian pork industry employs more than 20,000 people in Australia and contributes approximately \$2.8 billion in gross domestic product to the Australian economy. The pork industry contributes approximately 2.13 per cent of total Australian farm production with roughly 1500 pig producers producing around 4.7 million pigs annually.

The following points are raised as they relate to the Australian pork industry in response to the Inquiry's Terms of Reference.

APL considers that improving the efficiency and effectiveness of the regulatory environment under which Australian agriculture operates, requires a significant improvement in the alignment and synchronization of responsibilities between all levels of government. Any proposed changes in regulation cannot be viewed in isolation and will require a coordinated, cooperative response.

Only through integration and alignment will outcomes be achieved that facilitate and maintain profitable and sustainable growth in the pork industry, and agriculture generally, while providing a foundation to expand business opportunities into new markets and take full advantage of recently signed free trade agreements such as the Trans Pacific Partnership.

Achieving this requires structures that support Australian pork producers to enable productive, profitable and sustainable production that encourages investment in the industry. This necessitates policies that provide an ability to grow consumer appeal through safe, nutritious and ethically produced food that can be differentiated and that is sought after by consumers because of its quality, consistency and presentation. This relies heavily on improving the capability of the pork industry to operate in a regulatory environment that is efficient and cost effective, and unburdened by often pedantic, duplicative regulation.

Environmental regulation

The Australian pork industry is dedicated to producing environmentally sustainable and competitively priced pork while maintaining natural resources. Fundamental to achieving this requires that the pork industry collaborate with regulators and decision makers particularly state and local governments.

APL works in close association with key industry and government stakeholders to ensure that pork production in Australia is environmentally sustainable while meeting regulatory requirements and community expectations.

Accordingly, a large part of APL's charter is to ensure that pork producers are aware of, and meet, industry best practice across a range of areas including health, biosecurity, food safety and the environment. This includes meeting all relevant Federal and state agency policies and regulations by ensuring industry specific risks are addressed at both a planning and operational level.

In the case of environmental management, this work is supported by a robust and proactive research, development and extension program that continually reviews and updates management practices based on the latest science and technologies. It is this science that underpins the pork industry's guidelines including the National Environmental Guidelines for Piggeries (NEGP 2010), the National Environmental Guidelines for Outdoor Production (NEGROP 2013) and the Piggery Manure and Effluent Management and Reuse Guidelines (2015).

APL suggests the Commission recommend that all jurisdictions revise their legislative arrangements to have an overarching outcomes based framework and to formally incorporate national industry guidelines, such as those mentioned above, and industry participation in compliant industry assurance programs such as APIQ[✓]® during the planning and assessment process.

APL considers that environmental regulation and planning in Australia requires a substantially more coordinated planning review process across all levels of government and greater consistency of regulatory requirements between jurisdictions. This includes clear division of the responsibilities of the application of state/territory environmental law aimed at reducing duplication, a common understanding of the definition of intensive and extensive agriculture¹ for planning purposes, and local government referring to state tribunals when regulators or councillors are faced with politically unpopular decisions.

These conflicting requirements are creating significant confusion for project proponents and assessors leading to protracted assessment processes (over years in some cases) at a significant cost burden, tribunal hearings and in some cases ministerial intervention. This adds considerably to application and approval costs and results in the delaying of projects, abandoning the project entirely and/or potentially driving foreign industry investment to other states, or sometimes, countries.

Achieving this requires a greater uniformity of regulation and guidelines between relevant state agencies. Greater consistency will enable the Australian pork industry to more efficiently and effectively propose and implement development proposals while providing a more consistent approach for proponents, assessors and community.

Two further significant issues in the environmental regulation and planning areas is the loss of corporate knowledge (state government) and lack of corporate knowledge and staff resourcing (local government). Consequently councils often advise pork producers that they do not need a planning permit. Producers receive conflicting advice, and in some cases years later, often after complaints, discover they should have obtained a permit. Such situations require a retrospective permit (sometimes refused) in a completely different environment (urban encroachment) and community political situation.

APL suggest the committee recommend significant reform to address the cost, delay and lack of integration between Local and State Government environment and planning policies and legislation by removing duplication by ensuring clear division of responsibilities and adequately resourcing coordination between departments responsible for the assessment and management of project proposals.

¹ This relates to feed requirements not the production systems.

APL acknowledges that the government is working to remove regulation through the creation of a 'one stop shop' for the assessment of approvals of projects assessed under the *Environment Protection and Biodiversity Conservation Act 1999* (Cwlth). However, because relatively few development proposals involving intensive animal industries trigger the need for assessment against this Act, a 'one stop shop' will do little to simplify and expedite the assessment process without greater and more broad sweeping reform.

APL provides significant input into the review of environmental regulation in all states where pigs are kept and is committed to an ongoing dialogue with government to ensure that efforts to improve rural planning policies are appropriately implemented for optimum environmental and community outcomes, whilst also facilitating the growth of the Australian pork industry. In order to overcome these issues, APL has recently submitted that a specialist Intensive Animal Industries Officer be appointed to a range of regulatory authorities.

Labour

Labour shortages in agriculture and their effects on production and the Australian economy are well documented. The pork industry, and agriculture generally is at risk of production contraction if skill shortages are not addressed. Current regulation of Australia's temporary work visa programs are impacting the ability of employers to source skilled migrants that the sector needs to improve productivity and meet the high animal welfare and food safety standards the Australian pork industry achieves.

To maintain this the pork industry requires streamlined, effective processes to enable efficient employment of staff from overseas such as through reforms to the 457 visa program, training and education for employees, and broadening the Skilled Occupations List to facilitate access to a wider skills base relevant to the pork and processing sectors. APL supports any initiatives that promote pathways to permanency for valued workers, their partners and immediate family, which provides an incentive for them to stay in the Australian pork industry.

As a result of the difficulty in attracting and retaining suitably qualified labour there is a high component of temporary labour employed within the pork industry (including backpackers and working holiday makers). This presents significant challenges in training staff, given the inherently itinerant nature, and the lack of pork production technical skills, of such employees.

Under current regulations, an employer is required to meet the training requirements for the Temporary Work (Skilled) visa programme (457 visa) by either:

- Paying the equivalent of at least two per cent of payroll expenditure to an industry training fund; or
- Paying the equivalent of at least one per cent of payroll expenditure on the training Australian workers and permanent residents employed by the business.

These requirements are considered onerous and inflexible by industry and inhibit an employers' ability to effectively train migrant workers who are yet to qualify for permanent residency status. Any initiatives that improve the ability of migrant workers employed under the 457 programme, but are yet to receive permanent residency, would be supported by the pork industry. This would improve the flexibility of employers in managing Australian, temporary labour and both skilled and unskilled migrant workers under the 457 program.

These issues are a major barrier to farm businesses looking to expand and take on additional staff. The ability of farm businesses to fill labour shortages with the use of overseas workers on relevant visas is limited by relevant ANZSCO codes being outdated and not appropriately defined for modern agricultural occupations.

The pork industry and agriculture more broadly will continue to be impacted by medium to long term trends which will affect the demand and/or supply of labour. Increasing demand from Asian markets is expected to drive demand for skilled workers. Any changes to temporary migration programmes, and in particular the 457 visa program, need to be

carefully considered for their potential impact on the ability of industry to source adequate supplies of labour. In particular, APL is concerned that the government's agreement with the Australian Labor Party (ALP) to introduce changes to the 457 visa program to ensure passage of the China Australia Free Trade Agreement will delay access to labour, increasing the risks of biosecurity breaches, animal welfare issues, reduce productivity and increase stress on producers.

APL recently provided a submission to the enquiry, "The impact of Australia's temporary work visa programs on the Australian labour market and on the temporary work visa holders". A copy of this submission is at Attachment A.

Biosecurity

Australia's favourable biosecurity status enables it to produce premium agricultural goods competitively, efficiently and sustainably. Current biosecurity protocols make Australia one of only a few countries that maintains a high disease-free status for pig herds. Protecting this disease free status requires that science-based biosecurity protocols be preserved to manage disease threats, including, but not limited to, porcine epidemic diarrhoea virus and porcine reproductive and respiratory syndrome.

An exotic disease outbreak in Australia will have devastating effects on animal welfare, human wellbeing, and farmer livelihoods. It will also jeopardise the premium market positioning of Australian pork in the international marketplace and undermine consumer confidence of pork in the domestic market. APL strongly supports the robust scientific assessment and maintenance of the current biosecurity protocols.

Biosecurity is critical to the pork industry remaining cost competitive. Australia enjoys excellent pig herd health which underpins productivity, profitability, animal welfare and ongoing management costs. Should current biosecurity protocols be compromised, the welfare of all Australia's pig herds and producers would be placed at significant risk. Biosecurity is about keeping our pigs safe.

APL recommends that the committee, and any subsequent policy development, recognises the absolute importance of Australia's biosecurity protocols to the long term productivity, profitability, sustainability and animal welfare in the Australian pork industry.

A copy of a previous APL submission on this issue is at Attachment B.

Food labelling

Country of origin labelling (CoOL) has been a vexed, difficult, long standing issue for the Australian pork industry. APL is working with the Department of Industry, Innovation and Science and the Department of Agriculture and Water Resources on developing a new CoOL system and provided significant input to this process.

Briefly APL has an established set of food labelling principles which should:

- Be consistent, simple and easy to understand;
- Align with Australia's trade obligations and trade liberalisation credentials;
- Be at minimal cost and practical to implement;
- Ensure "Made in..." claims are qualified;
- Include clearly defined tests;
- Include clear pack labelling;
- Incorporate a "negative list" of processes that should not be considered substantial transformation; and
- Be mandatory.

Previous iterations of food labelling have failed to deliver to consumers a clear understanding of how and where their food is produced and processed, including ham and bacon, and reconstituted products such as fruit juice. At a high principle level, APL believes that the new CoOL arrangements must better inform consumers to provide greater understanding about the provenance of the food they purchase. APL is working constructively with the Australian Government to ensure the CoOL system meets the expectations of consumers, pork producers, processors and all levels of government.

Copies of previous APL submissions on this issue are at Attachment C.

Cost recovery

As an industry that very successfully competes on domestic and international markets without the benefit of producer subsidies or tariff barriers, APL supports any initiatives that reduce the costs to the pork industry and its supply chain and which reflect the actual cost of the export certification process.

Pork export establishments have advised APL that one of the most significant cost impacts they face is that of audit fees. It is therefore of considerable concern that under the Cost Recovery Implementation Statement (CRIS) the fee structure for audits detailed in the Draft CRIS show no change in the cost per quarter hour, however pork establishments are reporting increased time to undertake individual audits.

A substantive part of these audits relate to export market requirements for the red meat industry and this has no applicability to pork export abattoirs. APL supports a more effective and efficient audit system that reduces the time and resource impacts on both pork export abattoirs, and the Department of Agriculture and Water Resources.

APL is also concerned about what it considers to be a lack of analysis on quota fees and activity volumes. In particular APL would like to see further analysis of how fee structures will operate as markets in Asia become more accessible following the recent signing of several free trade agreements and the Trans Pacific Partnership. An efficient and cost effective export certification process will be critical if agricultural exports are to compete effectively in these markets given Australia's generally higher production costs than those faced by many of its competitors.

A copy of a previous APL submission on this issue is at Attachment D.

Agricultural and Veterinary Chemicals

APL supports the removal of any unnecessary regulations that are disproportionate to the risks associated with the prescribed use of agricultural and veterinary chemicals. Australian pork producers should have access to products which are available to their competitors. However, in so doing it is imperative that the Australian pork industry's reputation for safe, clean food is not jeopardised when progressing registration of these products.

The necessary technical analysis of chemicals submitted for registration and appropriate roles for regulators are well defined must be in place to ensure the proper assessment of trade risk and efficacy. The process must ensure that Australian pork remains as competitive as possible in the international market place and minimises risk to market access.

A copy of a previous APL submission on this issue is at Attachment E.

Animal welfare

The Australian pork industry has taken a world leading, progressive attitude towards animal welfare (including herd health). The Australian pork industry's animal welfare regulations are specifically designed to care for and protect the welfare of pigs through the *Model Code of Practice for the Welfare of Animals (Pigs), 2008*. The code is enforceable by law, policed by state authorities and backed by the threat of prosecution and severe penalties, including jail terms.

In recognition of growing community concerns about the welfare of pigs, the Australian Pork industry has committed to a voluntary phase out of gestation stalls from five days after the last mating until one week before farrowing. In November 2010, APL Delegates overwhelmingly endorsed two resolutions:

1. That Australian pork producers commit to pursuing the voluntary phasing out of the use of gestation stalls by 2017.
2. That Australian pork producers recognise the welfare benefits of gestation stalls, the cost of change and the need for research, investment and off-sets to support the voluntary commitment to change.

The single most important factor in addressing the welfare of animals is the husbandry skills of the stock-people. Consequently, the industry invests a lot of time, effort and money in researching ways in which pig welfare can be improved and is actively involved in education and training of stock people through a program called ProHand². APL advocates sound, well researched and proven approaches to pig health and production. It provides farmers with information on animal care issues to ensure the pork they produce meets the highest animal welfare, health and food safety standards.

Through APIQ[✓][®], pork producers have a well-designed quality assurance program, incorporating health and animal welfare components which is based on principles outlined in the Hazard Analysis Critical Control Point (HACCP³). APIQ[✓][®] was established after extensive consultation with veterinarians' and includes routine vaccination programs as well as prescribed antibiotic treatment for sick animals. Farm herd health programs also incorporate recording systems to document any veterinary treatments administered.

Consistent with comments provided on labour and training APL supports any regulatory changes that improve the ability of pork producers to source an adequate workforce and improves their ability to appropriately train this workforce in animal husbandry and welfare outcomes.

APL is committed to an ongoing dialogue with government to ensure that efforts to improve the regulatory framework under which the pork industry operates is appropriately implemented for optimum outcomes whilst also facilitating the sustainability, competitiveness and expansion of the Australian pork industry.

Should you have any questions about this submission, please do not hesitate to contact John McGoverne on 02 62708846 or via email John.McGoverne@australianpork.com.au.

Yours sincerely



Deb Kerr
General Manager, Policy

² ProHand[®] is a proven training program, tested on stock-people on pig farms and at pork and red meat abattoirs in Australia and around the world. It is designed to improve:

- the quality of human-animal interactions (minimises handling stress)
- animal performance and welfare
- stock-person work motivation, performance and job satisfaction.

³ Hazard Analysis Critical Control Point. HACCP is a risk management methodology used by the food and related industries for the control of food safety hazards to acceptable risk levels.

1 May 2015

Committee Secretary
Senate Education and Employment Committee
PO Box 6100
Parliament House
Canberra ACT 2600
via email: eec.sen@aph.gov.au

Dear Sir/Madam

The impact of Australia's temporary work visa programs on the Australian labour market and on the temporary work visa holders

Australian Pork Limited (APL) welcomes the opportunity to make a submission to the Senate Education and Employment Committee Inquiry into The impact of Australia's temporary work visa programs on the Australian labour market and on the temporary work visa holders. APL notes and supports the separate submission made by the National Farmers' Federation (NFF).

APL is the national representative body for Australian pork producers. APL is a producer-owned not-for-profit company combining marketing, export development, research and innovation and policy development to assist in securing a profitable and sustainable future for the Australian pork industry.

The Australian pork industry employs more than 20,000 people in Australia and contributes approximately \$2.8 billion in gross domestic product to the Australian economy. The pork industry contributes approximately 2.13% of total Australian farm production with roughly 1500 pig producers producing around 4.7 million pigs annually.

Skilled labour shortages

The pork industry has had significant long-standing difficulties attracting and retaining skilled piggery workers. This is compounded by the perception of the pork industry being a relatively unattractive career choice, exacerbated by the diminishing labour supply in regional Australia. As a result long term critical shortages exist in recruiting and retaining skilled piggery stock persons, in addition to shortages in slaughtering, boning, slicing and butchery.

The lack of suitably qualified employees affects both productivity and animal welfare outcomes. Therefore the ability to source suitably skilled workers from overseas to work in positions which require technically oriented skills is vital for pork producers to appropriately manage and grow their operations. The pork industry and agriculture more broadly is at risk of production contraction over the next five years if skill shortages are not addressed. It is therefore imperative that changes to Australia's temporary work visa programs do not impact the ability of employers to source skilled migrants that the sector needs in a timely and efficient manner.

Driven by ongoing chronic labour shortages APL and the Department of Immigration and Border Protection (DIBP), developed a template labour agreement for the Australian pork industry. This agreement was approved by the Minister in late 2014. The development of

this template has set a precedent for Australian agriculture. Having a template labour agreement in place means that there is now a pre-existing set of terms and conditions for sponsored employment under a Temporary Work (Skilled) visa (subclass 457). This allows skilled workers to come to Australia and work for an approved business for up to four years.

APL considers that labour agreements do not affect the integrity of the 457 visa programme, rather they provide a standard set of terms of conditions designed around the needs of specific industries and which enables regulators to ensure the rights and obligations of both employees and employers are being adhered to. Further, APL supports any initiatives that promote pathways to permanency for valued workers and their partners and immediate family, which provides an incentive for them to stay in the Australian pork industry.

Entitlements of Australian workers and temporary work visa holders

APL considers that the rights and entitlements of both Australian and migrant workers employed under the 457 visa programme should be protected. Under the Pork Industry Labour Agreement an employer must be able to demonstrate, among other things, that they have genuinely attempted to recruit Australian workers for a position and that there are no suitably qualified Australian workers available. In addition, there is an expectation that migrant workers employed under a labour agreement will be paid the market salary rate or the Temporary Skilled Migration Income Threshold, whichever is the greater. Standard business sponsors are required to pay their overseas workers the market salary rate which means that where the market rate for a position is less than \$53,900, the position cannot be nominated under the subclass 457 program.

The Australian pork industry is making every effort to ensure the conditions workers employed under the 457 visa programme are equal. For that reason it is concerning that under current arrangements, workers from countries where no reciprocal health care arrangements exist between Australia and the migrant workers country of origin, the worker is responsible for their own health cover unless agreement is reached with the employer. Therefore, in regard to health care, the conditions migrant workers who are employed under 457 visas are inconsistent. APL considers that Medicare cover should be extended to all migrant workers employed under the 457 visa programme to ensure fairness and consistency.

Impact of temporary work visa programs on training and skills development in Australia

As a result of the difficulty in attracting and retaining suitably qualified labour there is a high component of temporary labour employed within the pork industry (including backpackers and working holiday makers). This presents significant challenges in training staff, given the inherently itinerant nature, and the lack of pork production technical skills, of such employees.

There is a strong commitment by the pork industry to employing and training Australians in these positions wherever possible. Despite this, a significant number of migrant worker now work in the Australian pork industry. Because of the minimum skill level required to come to work in Australia under a 457 visa, industry expects that the use of overseas skilled workers will result in a skills transfer back to the Australian agricultural workforce that will help to replace skills lost in the industry through attrition.

Under current regulations an employer is required to meet the training requirements for the Temporary Work (Skilled) visa programme (457 visa) by either:

- Paying the equivalent of at least two per cent of payroll expenditure to an industry training fund; or

- Paying the equivalent of at least one per cent of payroll expenditure on the training Australian workers and permanent residents employed by the business.

These requirements are considered onerous and inflexible by industry and inhibit an employers' ability to effectively train migrant workers who are yet to qualify for permanent residency status. Any initiatives that improve the ability of migrant worker employed under the 457 programme, but are yet to receive permanent residency, would be supported by the pork industry. Such suggestions would improve the flexibility of employers in managing Australian, temporary labour and both skilled and unskilled migrant workers under the 457 program.

The pork industry and agriculture more broadly will continue to be impacted by medium to long term trends which will affect the demand and/or supply of labour. Increasing demand from Asian markets is expected to drive demand for skilled workers. Any changes to temporary migration programmes, and in particular the 457 visa program, need to be carefully considered for their potential impact on the ability of industry to source adequate supplies of labour.

Should you have any questions about this submission, please do not hesitate to contact John McGoverne on 02 62708846 or via email John.McGoverne@australianpork.com.au.

Yours sincerely



DEBORAH KERR
General Manager, Policy

18 December 2015

Biosecurity Legislation Implementation Support Office
Biosecurity Legislation Implementation Branch
Department of Agriculture and Water Resources
GPO Box 858
CANBERRA ACT 2601

Via email: newbiosecuritylegislation@agriculture.gov.au

Dear Sir/Madam

Biosecurity Act 2015 - Draft Biosecurity (Biosecurity Import Risk Analyses) Regulation and Guidelines

Australian Pork Limited (APL) is the national representative body for Australian pork producers. APL is a producer-owned not-for-profit company combining marketing, export development, research and innovation and policy development to assist in securing a profitable and sustainable future for the Australian pork industry.

The need for Australia to maintain robust biosecurity protocols is critical for all Australian agricultural industries. Australian Pork Limited (APL) supports a biosecurity regime based on proven scientific principles supported by a proper and transparent regulatory process.

APL welcomes the opportunity to comment on the *Biosecurity Act 2015* (the Act) draft Biosecurity (biosecurity import risk analyses) Regulation and Guidelines (the “BIRA regulations and guidelines”). On the whole APL is supportive of the BIRA regulations and guidelines, however APL has some specific comments regarding the Scientific Advisory Group (SAG), the BIRA Liaison Officer, treatment of Regional Differences in the BIRA Guidelines, and the Risk Estimation Matrix.

Appointment of the Scientific Advisory Group

APL is appreciative of the Departments’ consultation process to date, and considers that industry input and continued consultation is important to ensure effective and efficient implementation of the Act and its supporting legislation, including for the appointment of the SAG.

APL is concerned with the lack of detail in the guidelines on the proposed composition of the SAG and the process for selection. APL understands that the makeup of the SAG will be decided depending on the BIRA to be conducted. However more detail is required on the selection process and whether the affected industry(s) will be consulted. Of particular importance is the management of conflict of interest, and how the potential to appoint experts from proponent nations will be avoided. Ideally, the industry (or industries) likely to be affected by the outcome of the BIRA should be provided an opportunity to vet potential members of the SAG for the relevant BIRA, prior to their appointment.

APL also questions the ability of the Director of Biosecurity to be able to ‘orally’ request the SAG to examine or provide comments on any aspects of a BIRA. APL recognises that this provision is intended to allow for improved flexibility and efficiency in the undertaking of a BIRA, but APL has concerns about the potential for a lack of governance and accountability in particular aspects of a BIRA process, should any part of the process or its findings be questioned. APL therefore recommends that any instruction from the Director of Biosecurity to the SAG be formally stated and recorded.

BIRA Liaison Officer

APL considers the proposal of a BIRA Liaison Officer to be a good idea and suggests this role be expanded to include other matters in the biosecurity portfolio.

Regional Differences

The BIRA Guidelines should explain how regional differences are taken into account both in the proponent nation, and in Australia. The BIRA Guidelines currently cover both of these in the same section, and it would be helpful if these different circumstances were further elaborated.

In particular, APL would like to know how the Department intends to evaluate evidence provided by proponent nations claiming to have a regional difference in a relevant pest or disease.

As indicated in APL's submission to the Examination of the Import Risk Assessment Process, APL is concerned that the existing World Organisation for Animal Health (OIE) guidance on regionalisation does not provide a strong enough basis for Australia to recognise regional differences in trading partners.

The BIRA guidelines currently state that the Department requires "sufficient supporting evidence" from the proponent, and following consideration of this the Department may decide to recognise the claim. The consideration and judgement of this evidence is crucial and this process needs to be better explained including evidence of protocols that will ensure regional differences are maintained. APL seeks further clarification on the process for evaluating evidence provided by proponent nations, including details where the OIE guidance is followed.

Additionally, the SAG should be closely involved in any assessment of regional differences in a proponent nation.

The Risk Estimation Matrix

APL understands that this matrix explains how likelihood and consequence combine to create different levels of risk. This is important because the Appropriate Level of Protection (ALOP) states that only a "very low risk" or lower is acceptable. However, the likelihood and consequences are not defined, and appear to be relative scales and not absolute scales. This means that risk levels are likely to be assessed differently from BIRA to BIRA, rendering the ALOP a moving target.

To resolve this, the likelihoods and consequences need to be grounded to measurable outcomes. For instance, the likelihoods (negligible, extremely low, very low, low, moderate and high) should be expressed in terms of an actual likelihood, e.g. 1 in 100 years, 1 in 1,000 years, etc. Similarly, the consequences should be expressed in terms of economic costs, for instance, millions or billions of dollars. This will allow the results of BIRAs to be comparable to one another, and enable stakeholders a better understanding of the ALOP.

If you have any questions, then please contact James Battams on 02 6270 8809 or by email at james.battams@australianpork.com.au.

Yours sincerely



Deb Kerr
General Manager Policy

21 January 2015

Committee Secretary
Rural and Regional Affairs and Transport Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600
via email: rrat.sen@aph.gov.au

Dear Sir/Madam

Biosecurity Bill 2014 and Related Bills

Australian Pork Limited (APL) is the national representative body for Australian pork producers. APL is a producer-owned not-for-profit company combining marketing, export development, research and innovation and policy development to assist in securing a profitable and sustainable future for the Australian pork industry.

APL welcomes the opportunity to make a submission on the Biosecurity Bill 2014 and related Bills ('the Bill'). APL is supportive of the Bill and is confident that it will improve the function of Australia's world-class biosecurity system.

APL acknowledges the difficulties faced by the Department of Agriculture in administering various components of the Australian biosecurity system under the century old Quarantine Act. In light of recent reviews, including the 2008 Beale Review of Australian Quarantine and Biosecurity, improved legislation in this area is certainly warranted.

Specific aspects of the Bill are addressed below:

Import Risk Assessment

APL attended a consultation on the proposed changes to the Import Risk Assessment (IRA) process. APL understands that as an IRA for pork is already in place, only future amendments may be considered to the existing IRA. Consequently, the pork industry is unlikely to be exposed to a full IRA in the future and therefore, APL has no comment on the proposed changes.

Inspector-General of Biosecurity

The introduction of an Inspector-General of Biosecurity (IGB) is a recommendation of the Beale Review, which APL supported. APL understand that the IGB has an internal audit function for the components of the biosecurity system administered by the Department of Agriculture.

In practice, an interim IGB has been appointed, and the Bill simply formalises this. APL is supportive of the establishment of the IGB.

Appropriate Level of Protection

The Appropriate Level of Protection (ALOP) is a statement of risk-tolerance for Australia's biosecurity system ("providing a high level of sanitary and phytosanitary protection aimed at reducing risk to a very low level, but not to zero"). The ALOP is currently an administrative concept, and the Bill will legislate it. APL understands that a zero-risk ALOP is impracticable and supports the current ALOP, including its elevation into legislation.

Approved Arrangements

A source of particular support from APL are the new provisions concerning approved arrangements. APL is eager to see these how approved arrangements will operate in practice, and to explore potential linkages with the Pork Supply Chain Integrity Program. This program incorporates and integrates a number of established pork industry systems, including PigPass (the pork industry's traceability system), APIQ[®] (the pork industry's quality assurance system), and Physi-trace (the pork industry's rapid trace back system).

Emergencies

The Bill expands the Australian Government's ability to declare various biosecurity emergencies and zones. APL is concerned that, over time, this may see a shift away from state managed responses to national managed responses. For large multi-state responses this may well be a good outcome, but for smaller emergencies it might be a frustration, especially if the state in question wants to handle the response differently to the Australian Government. This could be a source of significant tension and confusion by those participating in or affected by the emergency.

APL has confidence in the existing arrangements (i.e. the Emergency Animal Disease Response Agreement (EADRA) as a funding model for cooperative state based responses) and hopes that these new powers will complement these arrangements rather than hinder them.

Subordinate Legislation

APL recognises that the detail surrounding the application of the legislation will be contained in the relevant regulations and other supporting documentation, which are yet to be released for public comment. Like the National Farmers' Federation and other groups, APL will continue to seek assurances that industry will be closely involved in the drafting of these documents.

If you have questions, please do not hesitate to contact me on 02 6270 8803 or by email at deb.kerr@australianpork.com.au.

Yours sincerely

Deb Kerr
General Manager, Policy

18 December 2015

Biosecurity Legislation Implementation Support Office
Biosecurity Legislation Implementation Branch
Department of Agriculture and Water Resources
GPO Box 858
CANBERRA ACT 2601

Via email: newbiosecuritylegislation@agriculture.gov.au

Dear Sir/Madam

Biosecurity Act 2015 - Draft Biosecurity (Biosecurity Import Risk Analyses) Regulation and Guidelines

Australian Pork Limited (APL) is the national representative body for Australian pork producers. APL is a producer-owned not-for-profit company combining marketing, export development, research and innovation and policy development to assist in securing a profitable and sustainable future for the Australian pork industry.

The need for Australia to maintain robust biosecurity protocols is critical for all Australian agricultural industries. Australian Pork Limited (APL) supports a biosecurity regime based on proven scientific principles supported by a proper and transparent regulatory process.

APL welcomes the opportunity to comment on the *Biosecurity Act 2015* (the Act) draft Biosecurity (biosecurity import risk analyses) Regulation and Guidelines (the “BIRA regulations and guidelines”). On the whole APL is supportive of the BIRA regulations and guidelines, however APL has some specific comments regarding the Scientific Advisory Group (SAG), the BIRA Liaison Officer, treatment of Regional Differences in the BIRA Guidelines, and the Risk Estimation Matrix.

Appointment of the Scientific Advisory Group

APL is appreciative of the Departments’ consultation process to date, and considers that industry input and continued consultation is important to ensure effective and efficient implementation of the Act and its supporting legislation, including for the appointment of the SAG.

APL is concerned with the lack of detail in the guidelines on the proposed composition of the SAG and the process for selection. APL understands that the makeup of the SAG will be decided depending on the BIRA to be conducted. However more detail is required on the selection process and whether the affected industry(s) will be consulted. Of particular importance is the management of conflict of interest, and how the potential to appoint experts from proponent nations will be avoided. Ideally, the industry (or industries) likely to be affected by the outcome of the BIRA should be provided an opportunity to vet potential members of the SAG for the relevant BIRA, prior to their appointment.

APL also questions the ability of the Director of Biosecurity to be able to ‘orally’ request the SAG to examine or provide comments on any aspects of a BIRA. APL recognises that this provision is intended to allow for improved flexibility and efficiency in the undertaking of a BIRA, but APL has concerns about the potential for a lack of governance and accountability in particular aspects of a BIRA process, should any part of the process or its findings be questioned. APL therefore recommends that any instruction from the Director of Biosecurity to the SAG be formally stated and recorded.

BIRA Liaison Officer

APL considers the proposal of a BIRA Liaison Officer to be a good idea and suggests this role be expanded to include other matters in the biosecurity portfolio.

Regional Differences

The BIRA Guidelines should explain how regional differences are taken into account both in the proponent nation, and in Australia. The BIRA Guidelines currently cover both of these in the same section, and it would be helpful if these different circumstances were further elaborated.

In particular, APL would like to know how the Department intends to evaluate evidence provided by proponent nations claiming to have a regional difference in a relevant pest or disease.

As indicated in APL's submission to the Examination of the Import Risk Assessment Process, APL is concerned that the existing World Organisation for Animal Health (OIE) guidance on regionalisation does not provide a strong enough basis for Australia to recognise regional differences in trading partners.

The BIRA guidelines currently state that the Department requires "sufficient supporting evidence" from the proponent, and following consideration of this the Department may decide to recognise the claim. The consideration and judgement of this evidence is crucial and this process needs to be better explained including evidence of protocols that will ensure regional differences are maintained. APL seeks further clarification on the process for evaluating evidence provided by proponent nations, including details where the OIE guidance is followed.

Additionally, the SAG should be closely involved in any assessment of regional differences in a proponent nation.

The Risk Estimation Matrix

APL understands that this matrix explains how likelihood and consequence combine to create different levels of risk. This is important because the Appropriate Level of Protection (ALOP) states that only a "very low risk" or lower is acceptable. However, the likelihood and consequences are not defined, and appear to be relative scales and not absolute scales. This means that risk levels are likely to be assessed differently from BIRA to BIRA, rendering the ALOP a moving target.

To resolve this, the likelihoods and consequences need to be grounded to measurable outcomes. For instance, the likelihoods (negligible, extremely low, very low, low, moderate and high) should be expressed in terms of an actual likelihood, e.g. 1 in 100 years, 1 in 1,000 years, etc. Similarly, the consequences should be expressed in terms of economic costs, for instance, millions or billions of dollars. This will allow the results of BIRAs to be comparable to one another, and enable stakeholders a better understanding of the ALOP.

If you have any questions, then please contact James Battams on 02 6270 8809 or by email at james.battams@australianpork.com.au.

Yours sincerely



Deb Kerr
General Manager Policy

10 July 2015

originlabelling@industry.gov.au

Dear Sir/Madam

Country of Origin Labelling for Food

Australian Pork Limited (APL) is the national representative body for Australian pork producers. APL is a producer-owned not-for-profit company combining marketing, export development, research and innovation and policy development to assist in securing a profitable and sustainable future for the Australian pork industry.

Country of origin labelling (CoOL) has been a vexed, difficult, long standing issue for the Australian pork industry. Approximately 70 per cent of processed pork (e.g. ham and bacon) sold in Australia is made from imported pig meat. There is strong evidence that Australian consumers wish to differentiate Australian pork products from imported pork products. The current CoOL has lacked this transparency.

To overcome this issue, APL developed the Australian PorkMark (the pink square logo at the top left of this letter). PorkMark has enable consumers to more clearly identify Australian pork on retailer shelves. APL tracks consumer recall of the PorkMark. Since January 2010, consumer recall has grown from 24 per cent to 60 per cent. Despite the PorkMark initiative, consumer confusion continues as not all retailers or processors support its use.

APL has consistently called for a coherent labelling system that reduces consumer confusion and improves informed choice including a review of the “Made in Australia” and the “Product of Australia” claims.

While the “Grown in Australia” claim has been clear, Australian produced pork that has been processed (hams, bacon) has been disadvantaged when compared to imported pork. This has arisen from substantial transformation rules and the lack of clarity around the use of very small amounts of imported brine (unavailable from local sources) to make hams and bacon products. For example imported Danish pork is substantially transformed in Australia enabling the use of “Made in Australia” on these products.

Consequently, processors of Australian grown processed pork have sometimes elected to use the “Made in Australia” claim rather than “Product of Australia” meaning that it directly competes with imported product also able to be labelled “Made in Australia” due to the substantial transformation (processing) component. Therefore, “Made in Australia” is an overlapping claim between imported and domestic processed pork products and consumer informed choice has thus not been supported.

CoOL Principles

APL has an established set of food labelling principles, which should:

- Be consistent, simple and easy to understand;
- Align with Australia’s trade obligations and trade liberalisation credentials;
- Be at minimal cost and practical to implement;
- Ensure “Made in...” claims are qualified;
- Include clearly defined tests;
- Include clear pack labelling,
- Incorporate a “negative list” of processes that should not be considered substantial transformation; and
- Be mandatory.

The Australian Government is proposing to amend the “Made in Australia” claim to separate the ingredient source from the location of value add. This proposed approach will resolve the pork industry’s long standing concerns about CoOL in Australia.

APL would urge the Government to also ensure alignment of labelling regulations for delicatessen processed meats, including how the government will enforce the proposed arrangements and ensuring Australia’s WTO obligations are respected.

While this is a significant positive step in the right direction, there will be some implementation issues to be resolved such as how the government will enforce compliance and ensuring that Australia complies with its WTO obligations regarding CoOL.

Australian Pork Limited will continue to work constructively with the Government through this next phase.

Safe Harbour Defences

In addition to the CoOL changes, APL suggests that both the “Made in Australia” and the “Product of Australia” safe harbour defences, contained in the *Competition and Consumer Act 2010*, require review so that products, where the primary ingredient is produced in Australia (e.g. Australian ham and bacon), can be differentiated from imports in the market.

APL makes the following comments regarding Table 1: Country of origin representation requirements in the consultation document.

Item 1 - Representation as to country of origin of goods

Under current labelling laws the “Made in Australia” claim is valid for goods that have been substantially transformed in Australia, or where 50 per cent or more of the cost of production was incurred in Australia. Consequently the majority of consumers are unaware that most of the ham and bacon labelled “Made in Australia” in Australian supermarkets is actually made from imported pig meat, or a mixture of local and imported pig meat.

Australian Consumer Law requires amendment to prevent consumers being misled by the “Made in Australia” claim being used on ham and bacon products made from imported pork. APL recommends that the definition of “substantial transformation” be amended to preclude curing of ham and bacon and reflect the definition under the Australian Made/Grown Logo Code of Practice.

Item 2 - Representation that goods are a product of a particular country

The “Product of Australia” claim is reserved for products where all of the significant ingredients originate from Australia, and all or virtually all of the manufacturing or processing is also carried out in Australia.

Processors of ham, bacon and smallgoods processed in Australia from 100 per cent Australian pig meat are currently reluctant to use this label because brine, an essential ingredient in curing pork, is imported as the ingredients are unavailable locally. This makes it difficult to distinguish imported ham and bacon from that which is produced in Australia.

Instead processors use the “Made in Australia” claim, alongside products made from imported pig meat which are also permitted to use the “Made in Australia” claim if the product has been substantially transformed (made into ham or bacon) in Australia. It is therefore difficult for consumers to differentiate Australian from imported processed pork products.

As proposed by the Australian Government, the system should separate where key ingredients originate and if the major value-add for the product was undertaken in another country to enable consumers to identify and separate the value-add from the origin of the major ingredients.

Item 3 - Representation as to country of origin of goods by means of a logo

APL previously successfully campaigned for changes to the Australian Made/Australian Grown Logo Code of Practice which now includes a more restrictive definition for “substantial transformation” than the ACCC guidelines applying to ham and bacon. This change prevents the Australian Made Logo from being used on products where the only transformation undertaken in Australia is curing (making into ham or bacon). Government now needs to take this into Australian Consumer Law to prevent all ham and bacon products from using the “Made in Australia” claim on products made from imported pork.

Item 4 - Representation that goods were grown in a particular country

“Significant Ingredient” is not clearly defined and does not necessarily relate to a percentage of the product. According to the ACCC there are virtually no products that contain imported material that can be legitimately labelled “Product of Australia”.

“Significant Ingredient/component” is not necessarily related to the percentage that the ingredient/component makes up of the product. “Product of Australia” claims are difficult to sustain for any product that has a significant imported ingredient/component that affects the nature of the product; or if any of the processing locations were not Australia. An accepted positive list of situations where small amounts of imported ingredients were acceptable under this claim could be a solution.

Item 5 - Representation that ingredients or components of goods were grown in a particular country

APL supports a framework based on the percentage, by weight of all ingredients in a product. Consistent with the requirements under Item 2, the system should separate where key ingredients originate and if the major value-add for the product was undertaken in another country to enable consumers to identify and separate the value-add from the origin of the major ingredients.

APL understands that any changes to food labelling requirements impose costs on food processors, and to reduce these costs we believe the processing sector should be consulted to determine the most cost effective way to implement changes to the food labelling regime.

APL is seeking changes to Australian Consumer Law to the effect that:

1. Tests for claims of Australian origin are based on the percentage of total ingredients by weight in the product that are of Australian origin and the percentage of direct cost of manufacturing that are incurred in Australia.
2. The “Made in Australia” claim is only permitted on food products if a qualifying statement is made indicating whether the origin of key ingredients (being pork in ham and bacon) is local/Australian or imported or a mixture of local/Australian and imported.

APL appreciates the difficulties in implementing a CoOL system that is informative to consumers and meets the needs of all food commodities and industry sectors. APL is encouraged by the government’s resolve to implement a meaningful system in what is an important policy issue for the Australian pork industry. Should you have any questions about this submission, please do not hesitate to contact John McGoverne on 02 62708846 or via email John.McGoverne@australianpork.com.au.

Yours sincerely



Deb Kerr
General Manager, Policy

29 January 2016

originlabelling@industry.gov.au

Dear Sir/Madam

Country of Origin Food Labelling Information Standard 2015

Australian Pork Limited (APL) is the national representative body for Australian pork producers. APL is a producer-owned not-for-profit company combining marketing, export development, research and innovation and policy development to assist in securing a profitable and sustainable future for the Australian pork industry.

APL welcomes the opportunity to comment on the Country of Origin Labelling (CoOL) Regulatory Impact Statement (RIS) and supporting documents and acknowledges the ongoing consultation the Department of Industry and the Department of Agriculture and Water Resources have undertaken throughout this process for what is an issue of considerable importance to the Australian pork industry.

Previous iterations of food labelling have failed to deliver consumers a clear understanding of how and where their food is produced and processed, including ham and bacon, and reconstituted products such as fruit juice. At a high principle level, APL believes that the new CoOL arrangements must better inform consumers to provide greater understanding about the provenance of the food they purchase.

APL considers that the Draft Information Standard fails to provide clarity around ham and bacon, as the proposed Made in Australia claim which will enable the use of the Australia Made Australia Grown kangaroo logo. For the Australian pork industry, this will be a retrograde step rather than an improvement on the current CoOL arrangements as under the current arrangements, this logo is unable to be applied to ham and bacon made from imported pig meat.

In proposing to allow the Australia Made Australia Grown logo for Made in Australia claims, APL understands the Government's objective is to recognise the economic benefits to the Australian economy from manufacturing. APL contends, and this is reaffirmed in the Country of Origin Food Labelling Research, that consumers are much more concerned about the actual origin of their food than recognition of where manufacturing occurred. This being demonstrated by concerns from consumers about food safety issues with the imported Chinese frozen berries incident of recent times.

APL remains concerned about some aspects of the Information Standard for food, in particular the use of the "made in" claim and how brine, essential for the curing of pork into ham and bacon in order to impart the unique properties of these products, will be treated under the new laws. APL makes the following comments to ensure consumers can easily differentiate Australian product from that which is imported.

Made in Australia claim - Substantial transformation

Approximately 70 per cent of the processed pork (e.g. ham and bacon) sold in Australia is made from imported pig meat. To date the laws around the use of the "made in" claim have provided little opportunity or incentive for Australian pork processors to differentiate Australian produced product from that which is imported due to imprecise wording safe harbour defences, contained in the *Competition and Consumer Act 2010*. This places processed pork made from *Australian produced pig meat at a significant disadvantage* when compared to that made from imported pig meat because of the rules governing substantial transformation.

APL considers that the definition of “substantial transformation” proposed in the consultation draft is ambiguous and will do little to change the status quo. For example, under the proposed Information Standard, imported Danish pork that is substantially transformed in Australia will be allowed to use the “Made in Australia” claim.

APL considers that this will cause confusion to consumers and be easily misinterpreted to mean pork processed into ham and bacon was grown in Australia rather than from imported pig meat. Consumers need to be able to identify and separate the Made in Australia claim from the origin of the major ingredients.

A more restrictive definition is required (similar to the Australian Made Campaign Ltd (AMCL) logo rules) to allow greater differentiation of processed pork products made from Australian produced pork. The AMCL has a more restrictive definition of substantial transformation than that suggested by the ACCC guidelines. This should be augmented with a negative list of processes which are considered not to be substantial transformation including “curing – the treatment of meat with curing salts”, as in ham or bacon.

APL previously successfully campaigned for changes to the Australian Made/Australian Grown Logo Code of Practice which now includes a more restrictive definition for “substantial transformation” than the ACCC guidelines applying to ham and bacon. This change prevents the Australian Made Logo from being used on products where the only transformation undertaken in Australia is curing. Government now needs to take this into Australian Consumer Law to prevent all ham and bacon products from using the “Made in Australia” claim on products made from imported pork. APL considers that a failure to provide a more definitive definition will be a retrograde step in developing a CoOL system.

Treatment of brine

One of the major impediments for the pork industry in using the Product of Australia claim is that some minor ingredients used in brine have been imported. Use of the higher Made in Australia claim has therefore been difficult and infrequent as processors have sought to avoid any ACCC compliance action due to these imported ingredients.

Brine is essential for curing pork however no mention of brine is made in the RIS or Information Standard other than for its use as a packing medium. Neither APL nor the pork processing industry consider this term adequately describes the use of brine when processing pork products and that it is unlikely to meet consumer expectations as accurately describing its use.

In providing comment on this issue APL has consulted with a number of Australian processors to assess the type and quantity of ingredients used to make brine, and of these ingredients, what are imported compared to those produced locally. Processors advised that the ingredients used in a brine solution can be a mixture of imported and local product albeit in very small quantities.

APL suggests that the use of positive and negative lists may assist in removing some inputs⁴ used in very small quantities in the determination of local and imported product under the revised CoOL. This could also be further applied to the use of products such as imported rennet used in the production of yoghurt.

Processors also unanimously consider brine to be an input as opposed to being a reconstitution agent because at no stage of the process are brine ingredients dehydrated and then reconstituted.

Labelling requirements

APL supports a framework based on the percentage, by weight of all ingredients in a product. The labelling requirements should separate where key ingredients originate and if the major

⁴ Brine inputs can include phosphates, salts, flavour extracts, nitrates, juniper, dextrose monohydrate, mineral salts, antioxidant, preservative, yeast extract and soy protein.

value-add for the product was undertaken in another country to enable consumers to identify and separate the value-add from the origin of the major ingredients.

Consistent with the comments on substantial transformation and treatment of brine APL considers that the use of the Australian Made logo is misleading where up to 100 percent of the ingredients in a product can be imported. Combined with a poorly defined definition of substantial transformation APL considers the proposed labelling requirements will cause significant confusion for consumers.

APL also considers that the bar chart should go to a level of accuracy greater than that of the proposed 10 percent scale. Should APLs proposal that brine ingredients be treated as an input the total imported ingredients used in products such as ham and bacon is likely to range from about four per cent to less than one per cent of inputs into the finished product. APL considers that in the interests of accuracy and consumer information that there should be scope in the labelling requirements to indicate this fact.

APL would urge the Government to also ensure alignment of labelling regulations for delicatessen processed meats. While this is a significant positive step in the right direction, there will be some implementation issues to be resolved such as how the government will enforce compliance and ensuring that Australia complies with its WTO obligations regarding CoOL.

In summary, we believe that a new CoOL system would be improved where:

- Curing or smoking processes were not considered as “substantial transformation”;
- Small quantities of imported brine ingredients were not threatening to a “Product of Australia” claim;
- The AMCL kangaroo logo was not available to processed pork products made from imported pork (as is the case today).

APL appreciates the difficulties in implementing a CoOL system that is informative to consumers and meets the needs of all food commodities and industry sectors. APL will continue to work constructively with the Government through this next phase to ensure the CoOL system meets the expectations of consumers, pork producers, processors and all levels of government. Should you have any questions about this submission, please do not hesitate to contact John McGoverne on 02 62708846 or via email John.McGoverne@australianpork.com.au.

Yours sincerely



Deb Kerr
General Manager, Policy

14 August 2015

Cost Recovery Taskforce
Department of Agriculture
GPO Box 858
Canberra ACT 2601

via email: costrecovery@agriculture.gov.au

Dear Sir/Madam

**Food Export Certification
Cost Recovery Implementation Statement Consultation Draft**

Australian Pork Limited (APL) welcomes the opportunity to provide a submission on the Food Export Certification Cost Recovery Implementation Statement Consultation Draft (Draft CRIS). As an industry that very successfully competes on domestic and international markets without the benefit of producer subsidies or tariff barriers, APL supports any initiatives that reduce the costs to the pork industry and its supply chain and which reflect the actual cost of the export certification process.

APL is the national representative body for Australian pork producers. APL is a producer-owned not-for-profit company combining marketing, export development, research and innovation and policy development to assist in securing a profitable and sustainable future for the Australian pork industry. APL makes the following comments on the consultation Draft CRIS, particularly those costs incurred through meat export fees and charges.

APL notes that the Department of Agriculture has undertaken some revisions to export fees and charges. While this provides short term alleviation of the much bigger issue of over-recovery, the total quantum program budget remains unchanged. This is challenging given that the Draft CRIS proposes to prima facie reduce charges by offsetting a number of costs.

APL acknowledges that the Department, in the short term, has attempted to reduce the impact of these costs to export establishments. However, unless the issue of total costs is addressed, the Department will face ongoing pressure and angst from exporters at the conclusion of the four-year period.

APL would encourage the Department to further evaluate the program's cost structure and business efficiency. As a monopoly service provider, clearly the Department's costs are unable to compete with a business operating efficiently in a true market environment. Therefore, the continued application of efficiency and improved services to export establishments is required to ensure the program does not impose any unnecessary costs or regulatory burden.

APL welcomes the Department's proposal to reduce the costs for export certificates and quotas and addresses an historic area of over-recovery. That said, the proposal in the Draft CRIS to offset registrations fees from the Cost Recovery Reserve (previously the Income Equalisation Reserve) is not supported. As a high level principle, cost recovery should not result in cross subsidisation between the different meat industry export commodities.

APL considers that the Department needs to develop a transparent and accountable system to identify which sectors/commodities contributed to the current Cost Recovery Reserve.

This is critical to enable individual sectors/commodities (establishment groups) to make an informed decision about the use of their reserve account.

Once developed the Department needs to further consult with affected sectors to determine whether these sectors support offsetting the registration costs from their share of the reserve. This is consistent with other sectors of the red meat industry.

It should be noted that the Department was tasked with this request prior to the release of the draft CRIS. This has not been undertaken. Until such time as this information becomes available, APL is unable to make an informed decision on whether or not to support the proposal to offset registration fees from the reserve.

The proposed remittance methodology also appears inconsistent with the Australian Government Cost Recovery Guidelines in that the income (IER surplus from certification and slaughter through-put levies) does not align with the expenditure activity (registration).

APL consultations with pork export establishments advises that one of their most significant cost impacts is that of audit fees. The fee structure for audits detailed in the Draft CRIS show no change in the cost per quarter hour, however pork establishments are reporting increased time to undertake individual audits. Acknowledging that AEMIS plants compliant with export certification requirements will be subjected to “fewer regulatory audits” the Draft CRIS gives no detail on what this actually means for establishments. Substantial changes in the audit process need to occur to reduce what is becoming an increasing, unsustainable cost and regulatory burden.

APL also questions some of the underlying assumptions in the draft consultation paper. Table 10: Meat export fees, levies and volumes (2015-16 to 2018-19) estimates that the Through Put-Pig at 3.78 million head. APL data shows that the number of pigs slaughtered in 2014-15 was 4.924 million with slaughter numbers projected to increase to 5.33 million in 2018-19. This is a substantial variation on the through put volume (3.78 m) outlined in the Draft CRIS. Around 80-85 per cent of pigs are slaughtered through the pork export abattoirs. Based on 2014-15 slaughtering's, the Draft CRIS should be revised to reflect a throughput of pigs of 4.0 million.

APL is also concerned about what it considers to be a lack of analysis on quota fees and activity volumes. In particular APL would like to see further analysis of how this fee structure will operate as markets in Asia become more accessible following the recent signing of several free trade agreements. This needs to be undertaken before any informed comment can be made.

Should you have any questions about this submission, please do not hesitate to contact John McGoverne on 02 62708846 or via email John.McGoverne@australianpork.com.au.

Yours sincerely



Deb Kerr
General Manager, Policy

Agvet Chemicals Regulation Reform, M.6.137
Department of Agriculture
GPO Box 858
Canberra City ACT 2601

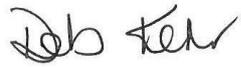
By email: agvetreform@daff.gov.au

Proposed Agricultural and Veterinary Chemicals Legislation Amendments

1. Australian Pork Limited (APL) welcomes the opportunity to comment on the exposure draft Agricultural and Veterinary Chemicals Legislation Amendment (Removing Re-approval and Re-registration) Bill 2013 (the 'Amendment Bill').
2. APL is the peak national representative body for Australian pig producers. It is a producer-owned, not-for-profit company combining marketing, export development, research & innovation and policy development to assist in securing a profitable and sustainable future for the Australian pork industry. APL works in close association with key industry and government stakeholders.
3. APL welcomes the proposed changes to legislation made in the Amendment Bill. The Australian pork industry depends on timely access to safe and effective agricultural and veterinary chemicals (AgVet chemicals), in order to produce safe, high quality pork. APL supports the removal of unnecessary red tape, and the Amendment Bill will deliver this policy outcome.
4. APL supports a reduced frequency for renewals of AgVet chemicals, in particular, allowing registrants a choice between annual and multiple-year renewal intervals.
5. With respect to the amendments addressing concerns with chemical product quality, APL supports allowing APVMA to gather information about products in the market, and that the matters and safeguards proposed are appropriate.
6. APL agrees that simpler variations to approvals and registrations should be accommodated where simple changes such as the following are made:
 - simple variations to the name or packaging of a product;
 - simple variations to sources of ingredients; and
 - limited changes to product formulation
7. APL also agrees that the obligation to report import, export and manufacture of technical grade active constituents should be removed.
8. APL particularly supports the implementation of an electronic lodgement system for information and fees and urges the APVMA to complete this as soon as possible in all feasible business areas.
9. APL acknowledges that the APVMA should, within reason, be able to charge companies a fee for provision of information about products and applications that company is responsible for. However it is our preferred position that the APVMA simply require registrants to keep their own records of submissions for the duration of the registration renewal interval. To the extent that this requires legislative amendment to implement, APL would support that. Otherwise, APL recommends that the APVMA extends the electronic lodgement system described above to provide this information back to the registrant as required.

10 Lastly, APL has no concerns about the consequential amendments that have been proposed.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Deb Kerr". The signature is written in a cursive, slightly slanted style.

Deb Kerr
General Manager, Policy
Australian Pork Limited