



Level 5, 131 Clarence Street
Sydney NSW 2000
GPO Box 149
Sydney NSW 2001
Telephone: (02) 9290 3700
Facsimile: (02)9290 2808
Website: www.feedlots.com.au
A.B.N. 16 009 928 018

24 February 2017

Dr Wendy Craik
Chair
IGAB Review Panel

Via email: igabreview@agriculture.gov.au

RE: INTERGOVERNMENTAL AGREEMENT ON BIOSECURITY REVIEW- DRAFT REPORT

Dear Dr Craik,

I refer to the Intergovernmental Agreement of Biosecurity (IGAB) Review Draft Report dated December 2016.

The Australian Lot Feeders' Association (ALFA), the peak representative body for the cattle feedlot industry, would like to thank the IGAB Review Panel for the opportunity to comment on the Draft Report.

Please find attached for consideration ALFA's submission which outlines our views on the Panel's Draft Report recommendations. We trust that the IGAB Review Panel finds these comments useful as it prepares the final report.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Christian Mulders', with a long horizontal flourish extending to the right.

Christian Mulders
Chief Executive Officer
Australian Lot Feeders' Association



**Submission in response to the
Intergovernmental Agreement on Biosecurity
Review– Draft Report December 2016**

February 2017

**AUSTRALIAN LOT FEEDERS' ASSOCIATION (ALFA)
Level 5, 131 Clarence St Sydney NSW 2000**

INTRODUCTION

The Australian Lot Feeders' Association (ALFA) is the peak representative body for the cattle feedlot industry. Its charter is to provide advocacy on issues that impact upon the sector, determine the allocation and prioritisation of grain fed beef levies and to deliver industry development activities to improve the standards and practices of the industry over time.

The cattle feedlot industry has a value of production of approximately \$2.6 billion and employs some 28,600 people directly and indirectly. Approximately 40% of Australia's total beef supply, 80% of beef sold in domestic supermarkets and a large part of Australia's beef industry growth over the last 15 years has been due to the expanding feedlot sector. The expansion of the industry is due to the demand for Australian grain fed beef both domestically and internationally, its ability to consistently meet marketable specifications regardless of weather, and the efficiencies gained from being able to finish cattle more quickly.

There are approximately 400 accredited feedlots in Australia located in areas that are in close proximity to cattle, grain, water and beef processing facilities. The majority of feedlots are located in Queensland followed by New South Wales, Western Australia and then Victoria and South Australia.

The purpose of the Review Panel's draft report is to consider the implementation and effectiveness of the Intergovernmental Agreement on Biosecurity (IGAB), and to assess the capacity of the national biosecurity system. The recommendations within the draft report identify and work to address a number of ALFA's key concerns with the operation of the IGAB. Firstly, the report recognises the need for greater industry engagement and collaboration on biosecurity activities, and also the necessity for the national system to be focused on clear priorities. The report also recognises the importance of the national biosecurity system being sufficiently resourced and the need for stakeholders to be held accountable in meeting their biosecurity commitments.

ALFA would like to thank the Review Panel for the opportunity to make comment on the "Intergovernmental Agreement on Biosecurity Review- draft report".

ALFA RESPONSE TO DRAFT REPORT RECOMMENDATIONS

1. Knowing and owning our roles and responsibilities

Recommendation 1: *The NBC and the proposed Industry and Community Advisory Committee, through an open, transparent and collaborative process, should lead the development of a draft National Statement of Intent for public consultation that outlines:*

- *a vision, goal and objectives for the national biosecurity system*
- *principles for managing biosecurity*
- *the meaning and application of 'shared responsibility'*
- *the roles, responsibilities and commitments of participants, including accountability measures governance arrangements for the national biosecurity system.*

The process should involve government (including local government), industry and the community.

ALFA is supportive of a more integrated approach to biosecurity and that the level of industry involvement within the national biosecurity system is increased.

The lack of industry engagement and involvement within the current IGAB has been a key concern of ALFA's. Industry plays a vital role in the national biosecurity system and it is essential that there are increased opportunities for industry to participate so that a 'shared responsibility' model can develop. An important step in achieving this is to develop a 'National Statement of Intent' to provide a clear and consistent understanding of biosecurity between stakeholders and the roles within the system through an open, transparent and collaborative process.

ALFA also supports the concept of 'shared responsibility' being clarified, so that all bodies have a clear understanding of their roles and responsibilities. It is concerning that the Review Panel found that stakeholders have a mixed understanding of roles within the national system, as the system relies on all fulfilling their obligations. The feedlot industry has a high level of understanding about its roles and responsibility within the system. This clarity is facilitated by the National Feedlot Accreditation Scheme (NFAS), a national quality assurance program, which requires accredited feedlots to demonstrate their compliance with biosecurity obligations. ALFA would support the process of clarifying 'shared responsibility' so that all stakeholders understand their roles to guarantee the system's effectiveness.

ALFA believes that there is a greater role for industry in the national system through the use of industry assurance schemes. As highlighted in the draft report findings, there is currently a reluctance from government to allow other participants more responsibility within the national system. ALFA considers that assurance schemes provide an essential mechanism for industry to have a greater role, and to develop a partnership between government and industry. ALFA strongly supports government formally recognising compliant industry assurance programs and adopting them as the basis for demonstrating compliance with on-farm biosecurity requirements.

The feedlot industry's program NFAS should be used as the basis to demonstrate on-farm biosecurity compliance for the feedlot industry. NFAS has already been used by jurisdictional governments to demonstrate compliance, with certain environmental and animal welfare requirements. The use of the program for biosecurity compliance would have shared benefits, for both industry and government. The use of NFAS would encourage producers to implement the program, thereby minimising the industry's biosecurity risk through increasing feedlotter's understanding of biosecurity requirements and having their compliance checked annually through

audits. The government cost would also be reduced as compliance would be monitored through audits. Additionally, NFAS has a mechanism for jurisdictions to monitor the program and ensure that it is meeting their requirements. The body that manages the program, the Feedlot Accreditation Committee (FLIAC), has state government representatives as members and enables jurisdictions to have oversight of the program.

The development of industry and government partnerships, through use of industry programs offers large opportunities to improve the national biosecurity system, by minimising biosecurity risks and also strengthening the 'shared responsibility' model.

2. Market access is key

Recommendation 2: *The Primary Industries Technical Market Access and Trade Development Task Group, should seek to enhance engagement with industry to ensure that Australia's market access strategies are aligned appropriately through an agreed priority setting process, and that the degree of transparency and communication is carefully weighed against its level of risk to trade activities.*

Recommendation 3: *IGAB2 should strengthen consideration of market access requirements within the next NBC work program.*

Recommendation 4: *Jurisdictions' biosecurity surveillance activities should include pests and diseases that pose the greatest threat to our export markets.*

Recommendation 5: *States and territories should utilise (or adapt) the dispute resolution process agreed by ministers in 2012 and include the key elements of that in IGAB2.*

Recommendation 6: *IGAB2 should clarify the roles and responsibilities of the parties with regard to international and domestic market access, including proof of area freedom.*

ALFA supports the recommendations to highlight market access within the national biosecurity system. The Australian feedlot industry exports around 66% of its production to over 100 countries. This level of market access relies extensively on the biosecurity systems that underpin Australia's international reputation as a supplier of 'clean, green and disease free' beef. Owing to the importance of this market access to the feedlot industry, it is vital that this is reflected in the national biosecurity system. The resources required to maintain and improve access to existing markets is significant and hence jurisdictions and industry must target biosecurity investment on priorities, with a market access focus.

3. Stronger environmental biosecurity

Recommendation 7: *IGAB2 should include an explicit commitment by jurisdictions to support financially, decisions agreed to under NEBRA, but look to put in place systems that ensure decisions are evidence-based and transparent, in keeping with best risk management principles, and that give confidence to governments and the community that funds are being committed wisely and appropriately.*

Recommendation 8: *Jurisdictions should institute formal arrangements between agriculture and environment agencies to define the objectives of cooperation, leading and support roles, information flows, resources and deliverables. The Australian Government agriculture and environment departments should enter into a Memorandum of Understanding, modelled on those with health and immigration agencies.*

Recommendation 9: *The IGAB should make clearer commitments to environmental biosecurity.*

Recommendation 10: *The Australian Government should establish the senior, expert position of Chief Environmental Biosecurity Officer within the environment department. A less preferred option is to house the position in the agriculture department. The position should report on the effectiveness of Australia's environmental biosecurity arrangements and achievements. Reports should be made publicly available.*

Recommendation 11: *The NBC should establish and resource a new Environmental Biosecurity Committee (EBC), comprising government and external environment biosecurity experts and representatives from both the animal and plant sectoral committees of the NBC, to support the role of the Chief Environmental Biosecurity Officer. The role of the EBC should be reviewed following its work to prioritise national biosecurity risks impacting the environment.*

ALFA is supportive of the recommendations in relation to environmental biosecurity. As agricultural biosecurity has been the focus of the national system this has resulted in these agencies taking responsibility for environmental biosecurity. The use of agricultural agencies, and correspondingly their budgets, to address environmental biosecurity is not appropriate and the responsibility for it needs to be clarified, both for policy and funding. An important step in this is that the proposed Chief Environmental Biosecurity Office is based within the environmental department and not in agriculture.

Recommendation 12: *Greater and explicit roles should be developed for AHA and PHA in environmental biosecurity, instituted through amended constitutions and expanded board expertise.*

ALFA cautions support for this recommendation on the basis that such a change to AHA, can only be implemented provided that it does not hinder the organisations core function on livestock biosecurity and that it occurs in unison with the other proposed environmental biosecurity changes.

ALFA recognises the Review Panel's desire to give AHA some responsibility for environmental biosecurity due to its interconnectedness with livestock biosecurity. However it is essential that AHA is focused on livestock biosecurity and that the overall management of environmental biosecurity risk is not placed upon the organisation. AHA can have a complementary role in environmental biosecurity, due to the interconnectedness of some biosecurity issues, but this recommendation must not hinder the organisations core livestock biosecurity functions.

4. Building the national system

Recommendation 13: *Jurisdictions should adopt a systematic approach to determine and plan for national priority animal, plant and environmental pests and diseases.*

Recommendation 14: *The NBC should lead five-yearly national-level risk prioritisation for emerging animal, plant and environmental risks and pathways, in partnership with system participants, reporting to AGSOC and AGMIN.*

ALFA supports the national biosecurity system being focused on clear priorities, which are regularly reviewed.

The current biosecurity system is complex with a large number of activities and organisations involved. This complexity has resulted in the system not currently having a systematic approach, with the exception of three emergency response deeds. ALFA recognises the pressing need for a more

systematic approach to the national system, to optimise the use of increasingly limited resources through leveraging greater investment opportunities and reducing duplication.

As part of this systematic approach, there is a need for a commitment from the jurisdictions to harmonise biosecurity legislation and regulations. The harmonisation would reduce the potential for confusion by feedlot operators about their responsibilities between jurisdictions. This is particularly relevant for certain ALFA members, who manage feedlots in a number of different states.

5. Research and Innovation

Recommendation 15: *The sectoral committees of the NBC, with the endorsement of the NBC, should develop an agreed set of National Biosecurity R&I Priorities, in consultation with system participants and in line with the agreed national priority pests and diseases. Priorities at a sectoral and cross-sectoral level need to be considered. The priorities should be developed within two years of the final IGAB review report, and should be reviewed every five years.*

ALFA supports a science based approach to biosecurity. As science is the basis of the national biosecurity system there is a need to ensure that there is a coordination of biosecurity research and innovation. The development of an agreed set of National Biosecurity R&D Priorities is important to focus research and also to facilitate the development of a collaborative research culture, which will minimise duplication and maximise the utilisation of resources.

The success of the priorities list will require that the development and review process is collaborative and involves meaningful engagement with industry. Industry is a substantial contributor to biosecurity research projects and as such must be allowed to actively engage in the process.

ALFA would prefer for an existing RDC (for instance the Rural Industries RDC) as the entity to conduct cross-sectoral biosecurity R&I in the first instance. The desire to investigate this as a first option, is to minimise the complexity of the RDC system and also administrative costs.

6. Strengthening governance

Recommendation 16: *A future IGAB should remain an agreement between the First Ministers of the Australian, state and territory governments.*

Recommendation 17: *First Ministers should, within IGAB2, identify lead ministers and agencies for biosecurity (assumed to be agriculture or primary industries) and require supporting whole-of-government arrangements to be in place, including through memoranda of understanding.*

ALFA supports the recommendations in relation to IGAB. The involvement of First Ministers is beneficial in providing a strong mandate for advancing national biosecurity issues.

Recommendation 18: *First Ministers should formally establish the NBC and articulate its Terms of Reference in the IGAB.*

Recommendation 19: *The NBC should include the CEO of the Australian Local Government Association, and the New Zealand Government be invited to include a representative*

Recommendation 20: *The NBC should adopt a sub-committee structure that aligns with the revised national biosecurity system objectives and national reform priorities in the IGAB. All NBC working groups and expert groups should be task-specific and, wherever possible, time-limited.*

Recommendation 21: *The NBC should take steps to increase its public profile and openness, including establishing a stand-alone website. The website could be maintained by, but be separate from, the Australian Government Department of Agriculture and Water Resources, and could accommodate and centralise all information on the NBC, its committees, and their activities. Key policy frameworks, agreements and reports of the NBC should be made publicly available on the site.*

ALFA supports the proposed steps to reform the NBC. The NBC plays a vital role in the national biosecurity arrangements and it is essential that there is clarity on its remit, necessitating a clear Terms of Reference. Additionally, due to the centrality of the NBC within the system it is important that there is enhanced transparency and information about the body's outputs and functions.

Recommendation 22: *AGSOC should establish and provide oversight to an independent IGAB Evaluation Program to assess and report on implementation of each jurisdictions' commitments under the IGAB. The evaluations, or a summary of them, should be made publicly available following ministerial consideration.*

Recommendation 23: *The NBC should clarify core commitments of jurisdictions for use in the independent IGAB Evaluation Program to be documented in a future IGAB.*

Recommendation 24: *The NBC should report annually to AGMIN on its progress of priority reform areas. The NBC's work program and annual report should be made publicly available upon ministerial consideration.*

ALFA is strongly supportive of these recommendations, as it is vital to the success of the national biosecurity system that all governments meet their baseline commitments under IGAB. The recent decisions by some jurisdictions to reduce their biosecurity budgets has raised concerns within the feedlot sector about the capacity of these jurisdictions to meet their biosecurity commitments. It is vital to the national system that all bodies meet their commitments and the proposed recommendations will ensure that there is an accountability mechanisms.

The recommendation to improve information flow is also supported, as it recognises the need for data whilst the sensitivity of the information in relation to trade.

Recommendation 25: *AGSOC should establish, as a priority, an Industry and Community Advisory Committee to provide advice to the NBC on key policies and reforms.*

Recommendation 26: *The NBC should convene a dedicated annual national Biosecurity Roundtable for AHA and PHA members to provide direct input to the NBC.*

ALFA supports the recommendation to enhance industry involvement in the national system through the development of two clear engagement mechanisms. As previously highlighted, it is essential to the development of a true 'shared responsibility' for biosecurity that industry has opportunities for engagement. The proposed Industry and Community Advisory Committee (hereafter the Committee) and annual roundtable will be important steps to enabling industry to engage and be activity involved in the national system.

The proposal for the Committee to have peak industry council as members is encouraging. ALFA as the peak industry council for the feedlot industry is able to represent the interests of the industry, unlike industry services providers that have been used as the mechanism for industry engagement in the past. The use of peak industry council will greatly facilitate direct feedback with industry on biosecurity and is strongly supported.

Although the recommendations are an improvement from the current arrangements, ALFA does have concerns about the interaction between the NBC and the Committee. The arrangement focuses on the NBC being the final decision maker and the Committee simply providing policy advice. This arrangement will require exceptional communications between the two bodies to be successful, so that the Committee can understand the outcomes of their policy advice and why certain recommendations are not being implemented. This communication will be important to ensure that the Committee has an effective and substantive role with its interaction to the NBC, and more generally the national biosecurity system.

7. Funding our national system

The national biosecurity system needs to have sufficient funding and resources to be effective, and ALFA is concerned with the current levels. Improving the current funding arrangements for biosecurity needs to be a priority for both government, industry and the broader community.

The grainfed industry has started a process to enable the industry, if required, to enhance its level of funding for biosecurity. The majority of the grainfed cattle sector's biosecurity funding is funnelled through AHA (at \$0.13 per \$5 grainfed cattle transaction) which has remained unchanged since 1997. However, the cost of project operations and the need for new programs has placed strain on the budget, and these increasing costs have been coupled with jurisdictions reducing their funding contributions. These factors have placed pressure on the budget and in response ALFA is working to create flexibility in levy investment, to enable the feedlot industry to focus resources on priority areas. The proposal is designed to enable industry to target its resources on priorities and to ensure that investment is on a consistent basis for program stability, and not ad hoc. It is envisaged that through the enhanced levy flexibility priority areas, such as biosecurity, will have sufficient funds for the programs required.

Recommendation 27: *The NBC and the Industry and Community Advisory Committee, in consultation with other key stakeholders, should revise the National Framework for Cost Sharing Biosecurity Activities to enable its practical application.*

Recommendation 28: *The NBC, with key industry and non-government partners, should agree uniform and fully inclusive categories of funding activity for the national biosecurity system.*

Ensuring that the national biosecurity system is sufficiently funded is a priority of ALFA. A review of the Framework for Cost Sharing and agreeing on uniform and fully inclusive funding activities is an essential step.

Recommendation 29: *The IGAB should include an ongoing commitment to the funding stocktake, with governments publicly reporting their expenditure and the high-level stocktake results under uniform and fully inclusive categories.*

Recommendation 30: *All governments should review their current biosecurity expenditure, with a view to redirecting funding into areas that return the highest yields to farmers, industry and the community. This approach will require a planned and coordinated strategy of engagement and communication.*

Recommendation 31: *The Risk Return Resource Allocation model should be extended to include all jurisdictions and their investments, with the Australian Government providing assistance to jurisdictions to build national capacity.*

The funding of the biosecurity system is complex but it is critical that both industry and government have a clear understanding of biosecurity investment.

ALFA is supportive of the recommendations 29-31 to give government clarity on its current level of investment in biosecurity. Additionally, it is essential that there is clear prioritisation of investment to ensure that the allocation of resources is best directed. The focus of investment in areas for the highest returns for the feedlot industry is strongly supported and ALFA would be keen to illustrate the sectors key investment areas.

Recommendation 32: *AHA and PHA should coordinate an industry stocktake of national biosecurity system investments, making the results publicly available.*

ALFA is supportive of the industry conducting a stocktake of biosecurity system investments, provided that it includes both financial and in-kind contributions.

Currently it is not possible to establish the level of contribution that the feedlot industry is making to the national biosecurity system. The grain fed cattle industry invests substantially in programs to improve its biosecurity preparedness, surveillance and, animal health and disease programs with the majority of programs operating through AHA.

The feedlot industry also makes substantial in-kind contributions to the national system. For example the NFAS Standards require feedlot operators to develop strategies to minimise the likelihood of diseases entering and spreading within a feedlot. Compliance with these requirements are externally audited on an annual basis. Additionally, individual feedlots work closely with the private sector, such as feedlot veterinarians, to deliver biosecurity preparedness training and surveillance activities.

These two examples are part of a range of activities undertaken by the feedlot industry that substantially contribute to the national biosecurity system but through non-financial means. In any industry stocktake of investment within the national system, it is vital that these contributions are included to give a true indication of the industry's level of investment.

Recommendation 33: *The emergency response deeds for aquatic animals and exotic production weeds should be finalised within 12 months.*

ALFA supports a review of the emergency response deeds to ensure that they are sufficient to enable a quick response. It is fundamental to the national biosecurity system that there are mechanisms in place to enable resources to be available immediately in an emergency situation, to facilitate the most efficient and effective response possible.

ALFA would prefer a rapid response to an exotic pest or disease incursions to have a cost sharing arrangement with a default arrangement for when decisions cannot be reached quickly about the success or other of an eradication program. This default is preferable as opposed to the four week option due to the potential for delays in emergency situations and the need to ensure resources are available. The use of the default funding arrangement would only be possible while information is being gathered.

Recommendation 34: *State and territory governments should review their biosecurity cost-recovery arrangements to ensure they are consistent, appropriate and transparent.*

Recommendation 35: *All levels of government could help meet their budgetary challenges by reviewing biosecurity levies and rates/charges currently or potentially applying to system*

participants. These should be commensurate with agreed national cost sharing principles, which the Review Panel considers should be reviewed

ALFA supports the recommendations as such reviews are required for clarity on current funding levels and to develop funding arrangement that properly resources the national system. As part of the review it would be appropriate for the jurisdictions to investigate harmonisation of charges. Also the review of biosecurity levies must consider the current contributions of the feedlot industry, both financial and in-kind. Finally, the review of charges must consider the contribution required from the broader community and mechanisms to fund these obligations.

8. Measuring system performance

Recommendation 36: *The NBC should establish a time-limited task group to progress development of a performance framework and performance measures for the national biosecurity system.*

Recommendation 37: *The Australian Government should facilitate development of an integrated, national biosecurity information system to provide a common platform for all jurisdictions to share and access biosecurity data and information in the national interest.*

Recommendation 38: *Data and knowledge sharing should be a core commitment of jurisdictions under the IGAB. Minimum standards and specifications should be agreed for data sets.*

Recommendation 39: *The Australian Government should establish, within the Department of Agriculture and Water Resources, a dedicated National Biosecurity Intelligence Unit, to coordinate and provide advice to the NBC, AGSOC and AGMIN on biosecurity intelligence covering emerging risks and pathways, and international and domestic pest and disease detection.*

It is important that the performance of Australia's national biosecurity system is able to be measured and reported on. This information is fundamental to directing investment, identifying gaps and risks, and improving the management of the systems operations. The recommendations to track the performance of the system through a clear framework and to enhance data sharing are supported.

9. A future system, a future IGAB

Recommendation 40: *Jurisdictions should adopt the proposed new priority reform areas and associated work program for IGAB2, and amend the IGAB in line with proposed revisions.*

ALFA supports the proposed reform areas and work plan for IGAB2, and encourages that industry is regularly engaged and that progress to the plan is communicated clearly.