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Senate Rural and Regional Affairs and Transport References Committee  
P O Box 6100  
Parliament House  
Canberra, ACT 2600

### **Inquiry into Biosecurity and Quarantine Arrangements**

#### **A submission on behalf of the Ruminant Genetics Trade Advisory Group (RGTAG)**

The National Herd Improvement Association Inc. (NHIA) is the co-coordinator of an industry group which has been set up to facilitate improved communication between the ruminant genetics industry and Biosecurity Australia/AQIS. This industry group is known as the Ruminant Genetics Trade Advisory Group (RGTAG).

The ruminant genetics industry is affected in this matter mainly through the import and export of bovine (cattle), caprine (goat) and ovine (sheep) genetic material in the form of semen and embryos.

#### **a) The adequacy of current biosecurity and quarantine arrangements, including resourcing**

The Beale Review called for, among other things, a substantial increase in funding for the delivery of Australia's biosecurity system. In November 2009, the Minister announced a \$127m increase of funding which, whilst welcome, has not appeared to flow down to the 'coal face'. We have not observed any significant improvement in the development of information technology or processes to improve efficiency of certification by AQIS.

Resourcing for staff at both Biosecurity Australia and AQIS appears to remain inadequate. For example, the recent outcry that led to the establishment of an IRA for beef imported from countries with BSE has removed a significant number of staff from the genetics/animal health protocol section of Biosecurity Australia which has left an enormous work-load on the staff that remains behind. This has resulted in delays with the negotiation of animal health protocols which has had commercial consequences for the export of semen and embryos.

There continues to be a palpable sense of frustration amongst genetics exporters, especially, that the certification process by AQIS for material being exported from Australia is overly complex, expensive and not supportive of trade. There are marked contrasts in the processes of AQIS on export certification, compared to some of the more progressive

countries such as Canada. Export procedures should be easy, cheap and efficient with the responsibility on the importing country to have the sovereign right to accept the shipment at destination or not.

It is the view of the Ruminant Genetics Trade Advisory Group (RGTAG) that further consideration needs to be given to the amalgamation of the biosecurity functions of Biosecurity Australia and AQIS into a single organization. The reason for this view is that the roles and functions of both organizations appear to overlap when it comes to the area of import and export protocols. Companies having queries are often referred backwards and forwards from BA to AQIS and back again which leads to increased delays and expense for both importers and exporters.

***b) Projected demand and resourcing requirements***

As agricultural trade becomes globalised and farmers seek increased productivity through genetic gain, the volume of genetic material both imported and exported from Australia will continue to increase.

AQIS can provide statistics on these increased volumes of trade.

It is vital that both Biosecurity Australia and AQIS are allocated realistic resources to deal with these increases in trade volumes.

At the level of negotiating animal health protocols, Biosecurity Australia are now increasingly having to deal with imports and exports to countries like Kazakhstan or Thailand or Chile rather than the traditional markets of New Zealand, the USA or the EU. The delays in the implementation of Import Risk Analyses and the negotiation of animal health protocols are cause for frustration and loss of trade for many companies who trade in ruminant genetics.

Similarly there is a concern that existing animal health protocols for the import/export of live animals and genetic material are outdated and full of contradicting requirements. It is vital that the import/export pathways are opened up in order for trade to flourish.

AQIS will require more staff at ports of entry and exit to process this increased trade.

***c) Progress toward achievement of reform of AQIS fees and charges***

Following the disallowal of the new AQIS fees and charges on 16<sup>th</sup> September 2009, there has been no further progress on this aspect in the ruminant genetics field.

Whilst the NHIA is supportive of the need for AQIS to be adequately resourced, we are not in favour of underwriting the current inefficiencies inherent in AQIS especially when it comes to areas such as document processing and the current poor state of the ANIMEX system. If this move is about cost-recovery, and the new charges are based on real costs, then AQIS

should be investigating the possibility of sub-contracting some of this work to organisations that have lower costs.

Our position is that if this subsidy is removed without a corresponding improvement in the systems and processes employed by AQIS to increase efficiency, it will place Australian genetics exporters at a severe disadvantage in the global genetics market, lead to a significant reduction in exports and revenue returned to the domestic genetics industry. By simply increasing the cost of certification and retaining current practices, AQIS will be jeopardising the level of genetic export trade from Australia and reducing economic activity, especially in regional areas.

**d) Progress in implementation of Beale Review recommendations and their place in meeting projected biosecurity demand and resourcing, and any other matters**

As previously mentioned, RGTAG are of the view that the recommendation regarding the amalgamation of Biosecurity Australia and AQIS should receive a priority. The sooner there is a single authority in the area of biosecurity, the better.

Progress has been made in the past 18 months with the formation of the Ruminant Genetics Trade Advisory Group (RGTAG) as an industry consultative body and meetings are now scheduled between RGTAG and BA/AQIS twice a year in Canberra.

RGTAG is appreciative of the opportunity to make this submission and looks forward to further developments.