

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

Agriculture and Water Resources

Question: 74

Division/Agency: Export Division

Topic: Agricultural White Paper - Australia's Enhanced Traceability System

Proof Hansard page: Written

Senator STERLE asked:

How will the \$12.4 million to modernise Australia's traceability systems to verify produce integrity and secure access to overseas markets be undertaken and administered.

Answer:

The Enhanced Traceability System will be developed as a Departmental ICT solution to support regulatory supply chain traceability. Once implemented, it will be supported and administered by the Department.

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Agriculture and Water Resources

Question: 75

Division/Agency: Exports Division

Topic: Greyhound “passport” system

Proof Hansard page: Written

Senator STERLE asked:

1. Provide detail of work undertaken to improve the transparency and accountability of the exporting of greyhounds
 - a. Is the Department aware of the “Passport” system and the difficulty in covering those who are not members of the peak body?
 - b. Can a break-down be given of the number of greyhounds being exported and where to?
 - c. How many of these are using the “Passport” system?
 - d. Is there the provision of the Greyhound Export Declaration for providing a Passport number?
 - e. Is the department considering making the “Passport” system mandatory with the Department approving and auditing the passport system, funded by an industry levy on the passport application fee.

Answers:

- a. Yes the Department is aware of the “Passport” system. The Australian Government's role is limited under the *Export Control (Animals) Orders 2004* to issuing export permits and health certificates for dogs that assure the animal meets the importing country requirements.

Any questions about the greyhound passport system should be directed to the organisation that issues these passports namely Greyhounds Australasia.

- b. Greyhound exports by destination country for 2014 and 2015 (numbers for 2015 are from 1 January to 31 August).

Question: 75 (continued)

Destination Country	2015	2014
Austria	1	0
Canada	6	2
China	59	50
Czech Republic	1	1
Germany	3	0
Hong Kong	98	72
Ireland	3	3
Japan	2	0
Macau	370	260
Netherlands	1	1
New Zealand	448	242
Pakistan	1	1
Singapore	4	0
Slovakia	1	0
South Korea	4	1
Spain	1	0
Sweden	2	1
Taiwan	12	0
Thailand	1	0
United Arab Emirates	8	1
United Kingdom	17	11
United States of America	10	8
Total	1053	654

- c. The Department does not collect this information.
- d. The greyhound declaration form was developed by the greyhound industry and was never an official government requirement. The Department does not require this declaration to issue an export permit.
- e. No.

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Agriculture and Water Resources

Question: 76

Division/Agency: Exports Division

Topic: ESCAS breaches in Kuwait

Proof Hansard page: Written

Senator RHIANNON asked:

1. On July 17 the Department of Agriculture was notified of recurring ESCAS breaches in Kuwait – with Australian sheep continuing to be sold in breach of ESCAS in the Al Rai market – the 6th such complaint in 3 years. With the Eid al Adha approaching – the high risk period for animals in the Middle East- the Department provided export permits for 3 further shipments to Kuwait.

On what basis the Department was satisfied that exporters to Kuwait would meet their legal obligations under ESCAS to keep sheep within approved supply chains?

2. What additional conditions did the Department put on the two exporters to Kuwait AND were these conditions different to any other additional conditions the Department put on them previously given ongoing non-compliance in that market?
3. Do these additional conditions worked to protect Australian sheep from private sale and slaughter in the lead up to and during the Eid al Adha?
4. On September 24th the Department of Agriculture was notified of ongoing ESCAS non-compliance in Kuwait, with around 3,000 Australian sheep being sold through the Al Rai Market. Despite this further evidence of non-compliance in Kuwait, the Department of Agriculture has since granted two further export permits to exporters to send two further shipments into Kuwait.

What additional conditions has the Department now put on the two exporters to Kuwait AND are these conditions different to any other additional conditions you'd put on them previously?

5. Is an exporter's previous record of compliance with ESCAS taken into account prior to the granting of each export permit? If not, why not? How does it change the permit conditions?
6. Is an exporter's previous record of compliance with ESCAS an important consideration in determining whether or not to grant that exporter an export permit?
7. Are Australian sheep currently for sale in the Al Rai market in Kuwait?

Question: 76 (continued)

Answer:

1. Exporters to Kuwait are required to have an Exporter Supply Chain Assurance System (ESCAS) in place that ensures their ability to meet control, traceability and animal welfare requirements. An important part of the effectiveness of the control and traceability is based on Independent Performance Audit Reports (IPARs). IPARs for facilities in Kuwait did not identify any non-compliance issues in relation to control, traceability or animal welfare.
2. There are currently four exporters of sheep to Kuwait. In response to previous incidences of non-compliance, the department has applied additional conditions to exporters of sheep to this market. It should be noted that where leakage outside approved supply chains is proven, and the livestock cannot be traced back to individual exporters, additional conditions are applied to all exporters in that market. Additional conditions currently applied to exporters of sheep to Kuwait include:
 - supply chain officers (SCO) must be in place to undertake regular reconciliation of the animals and ensure that animals remain within the approved supply chains
 - monthly reports and declarations must be provided to the department on the reconciliation activities conducted by the SCO,
 - all animals be marked with an exporter specific paint identification upon entry into and before departure from each feedlot,
 - 24 hour security is in place at each facility where sheep are held to ensure only ESCAS approved movement of animals occurs.
3. Yes, these conditions reduce the number of sheep presented for private sale during Eid. Of the 550 806 sheep exported to Kuwait between 1 January and 29 October 2015, the vast majority remained in approved supply chains which comply with international animal welfare standards (212 462 sheep were exported in the lead up to and during Eid from 1 June to 30 September 2015).
4. Response 2 includes the details of additional conditions applied to all exporters of sheep to Kuwait.

The department has also lifted the risk rating for supply chains in this market from medium to high. This rating places increased auditing and reporting requirements on exporters to this market.

Reports of non-compliance during Eid in September 2015 are currently being investigated. Consideration of any additional conditions will be undertaken once the investigation is complete.

5. Yes. Refer to response 2.
6. Yes.
7. The department is not aware of Australian sheep being currently available for sale in the Al Rai market.

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Supplementary Budget Estimates October 2015

Agriculture and Water Resources

Question: 77

Division/Agency: Exports Division

Topic: ESCAS breaches in Oman

Proof Hansard page: Written

Senator RHIANNON asked:

1. The Department was notified by export company Wellard of total non-compliance of the Emanuel supply chain during Eid al Adha in Oman - yet the Department subsequently granted Emanuel Exports a further export permit to Oman for that same supply chain. Considering the blatant and deliberate ESCAS breach notified to the Department, how could the Secretary reach the appropriate level of assurance that ESCAS would be complied with regarding this subsequent shipment?
2. Wellard Rural Exports has stated publicly that those exporters and importers complying with ESCAS are being penalised as importers' competitors are selling sheep in breach of ESCAS to a broader market at a higher profit. This also serves to undermine the willingness of importers to comply with ESCAS on an ongoing basis, because those parties who aren't complying are continuing to receive sheep.
3. Does the regulator take such information into account - considering the failure to implement appropriate consequences on wrong-doers is serving to actively discourage cooperation from other importers? How?

Answer:

1. The department is currently conducting an investigation into allegations from Animals Australia, Wellard and Meat and Livestock Australia (MLA) about leakage in Oman during Eid 2015.
2. The department notes the comments made in 2.
3. As a result of the reports of non-compliance with ESCAS requirements in Oman, the department has lifted the risk rating for one exporter from medium to high. This rating places increased auditing and reporting requirements on the exporter.

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Agriculture and Water Resources

Question: 78

Division/Agency: Exports Division

Topic: Contamination testing of kangaroo meat

Proof Hansard page: Written

Senator RHIANNON asked:

With regard to the contamination testing of kangaroo carcasses for export markets:

- a. What proportion of both incoming (*unprocessed*) and of skinned kangaroo carcasses is subject to microbial screening?
 - i. How many numbers of carcasses does this represent out of what total carcasses?
- b. What proportion of tested carcasses are swabbed from the gut cavity – which is where the contamination occurs?
 - i. What does this represent in actual numbers out of what total?
- c. What proportion of packed meats is subject to microbial screening?
 - i. What does this represent in actual numerical terms out of what total measurement (quantity or weight) of meat?
- d. May I please have a copy of the current protocols overseas governments require for exported kangaroo meat?
- e. May I have updated list from 2013 to current of concerns received from importing countries about maximum residue limit breaches of kangaroo meat: by country, with details of what contaminants breached limits, levels of contaminants, and outcomes for each country.

Answer:

1.

- a. Sampling frequencies vary based on the component being tested and the organism for which screening is undertaken. Details are contained in Section 4.8 of the protocol for *Microbiological testing of wild game carcasses and products* (the protocol), which was provided in response to Question 102, Budget Estimates May 2015.

Question: 78 (continued)

- i. The total number of carcasses processed for export varies between establishments and from year to year. The proportion screened remains unchanged, as detailed in Section 4.8 of the protocol.
- b. The sample for all tested pre-dressed carcasses is taken from the abdominal cavity.
 - i. Refer to answer 1.a.i.
- c. Refer to answer 1.a.
 - i. The sampling rate is based on cartons, which may vary in meat quantity/weight.
- d. While trade currently occurs in line with importing country requirements, there are no current protocols agreed between the Department of Agriculture and Water Resources and overseas governments for the export of kangaroo meat.
- e. There have been no concerns received from importing countries since information was provided in response to Question on Notice 104 from Budget Estimates, May 2015.

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Supplementary Budget Estimates October 2015

Agriculture and Water Resources

Question: 79

Division/Agency: Exports Division

Topic: Acetic Acid use on kangaroo carcasses

Proof Hansard page: Written

Senator RHIANNON asked:

1. In May 2015 Budget Estimates Exports Division confirmed that kangaroo carcasses and meat for export is treated with acetic acid *“where use is permitted by the importing country”*
 - a. Which countries do not permit the use of acetic acid on kangaroo carcasses and meat?
2. Exports Division also confirmed that *“exported kangaroo meat is not tested for acetic acid”* pre-export in Australia, and that it is expected that kangaroo meat will be treated with acetic acid on a regular basis because *“the use of acetic acid in Australia is permitted under the Australian Food Standards Code.”*
 - a. Do importing countries know that acetic acid is used on kangaroo carcasses as a matter of course in Australia?
 - b. Is it still the case that shot kangaroos can spend up to 2 weeks in a field chiller parked in rural or remote areas before being delivered to a processor?
 - c. Macro Meats, the biggest exporter of kangaroo meat, instructs its shooters to routinely spray shot kangaroos with acetic acid infield and supplies its shooters with 20L drums of “Processing aid”: Can it be assumed that kangaroo meat exported to the UK will have been doused in acetic acid?
 - d. Is the use of acetic acid on meat allowed in the UK?
 - e. Are shot kangaroos also doused in acetic acid within processing plants?

Question: 79 (continued)

Answer:

1.

- a. Member countries of the European Union do not permit the use of acetic acid on unprocessed meat.

2.

- a. The use of acetic acid is permitted under the Australia New Zealand Food Standards Code. This code is publically available.
- b. There is a 14 day maximum interval between the time of kangaroo harvest and time of processing.
- c. No. Unprocessed meat exported to member countries of the European Union is not permitted to be treated with acetic acid. Only product which complies with importing country requirements is eligible for export.
- d. The United Kingdom (UK) does not allow the use of acetic acid on unprocessed meat. However, the UK does permit acetic acid to be used on certain meat preparations.
- e. Acetic acid is permitted to be used within kangaroo meat processing plants. Any acetic acid use would be in compliance with the Australia New Zealand Food Standards Code and relevant importing country requirements.

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Agriculture and Water Resources

Question: 80

Division/Agency: Exports Division

Topic: Contamination

Proof Hansard page: Written

Senator RHIANNON asked:

1. In February Estimates this year (2015) I was informed that the EU had raised concerns about unsatisfactory bacterial contamination of kangaroo meat. Please provide details about this:
 - a. What was the kangaroo product to which those concerns referred?
 - b. What was the contaminant and its levels detected?
 - c. Which country or countries in the EU raised this concern?
2. Have there been any other concerns expressed by any importing countries this year since February? If yes, may I have the above-listed details please?

Answer:

1.

Country	Product	Detection	Result
European Union (Netherlands)	Frozen kangaroo meat	Salmonella spp.	Present in 10 grams
European Union (Netherlands)	Frozen kangaroo meat (striploin)	Shigatoxin-producing E.coli	Present in 25 grams
European Union (Netherlands)	Chilled kangaroo meat (steaks)	Shigatoxin-producing E.coli	Not provided
European Union (Denmark)	Chilled kangaroo meat	Salmonella spp.	Not provided

2. No.

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Agriculture and Water Resources

Question: 81

Division/Agency: Exports Division

Topic: Rosselkhoznadzor

Proof Hansard page: Written

Senator BACK asked:

1. What is the date of the latest application forwarded to Rosselkhoznadzor (this is the Russian Food Health Department equivalent to AQIS Australia) for the removal of the 7th April 2014 restrictions of Australian abattoirs?
2. Time required for reissue of a new application to Rosselkhoznadzor?
3. When can the Department of Agriculture and AQIS reissue new documents to start the application procedure?

Answer:

1. The Australian embassy in Moscow made formal representations to Rosselkhoznadzor on 10 February 2015 and handed them a letter from the department. A follow-up letter from the department was handed over on 27 April 2015. Requests from the embassy for meetings to make in-person representations by the Ambassador have received no response from Rosselkhoznadzor.
2. There is no time constraint on Australia's efforts to resume access to Russia for beef.
3. The department has continued to take action to ensure Australian meat exporters are well placed to resume trade once the food import ban imposed by Russia in August 2014, and extended in August 2015, is lifted.

Rural and Regional Affairs and Transport Legislation Committee

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Supplementary Budget Estimates October 2015

Agriculture and Water Resources

Question: 82

Division/Agency: Exports Division

Topic: Export permits for Kangaroo products

Proof Hansard page: Written

Senator Rhiannon asked:

1. I understand earlier this year (2015) there were 6 current export permits for kangaroo products, with 2 operational or “live”:
 - a. How many export permits, both single use and multiple use have been issued for the export of kangaroo and wallaby products in the last 12 months?
 - b. How many businesses does this represent, that is, how many businesses currently hold export permits for kangaroo products?
 - c. How many of those permits are currently being used – or are “live”?
2. May I please have a spreadsheet indicating current single use and multiple use export permits for kangaroo and wallaby products, including:
 - a. Country of destination
 - b. Quantity of specimens and unit
 - c. Value

Answer:

1.
 - a. The department issues export permits for kangaroo products on a consignment-by-consignment basis that verify the products meet importing country requirements. Question on Notice 85 reports that 456 consignments have been issued with export permits, by the department, since 4 October 2014.

The Department of Environment issues export permits for single or multiple use, and that these relate to CITES.
 - b. As at 2 November 2015, there were no export permits in the department’s electronic documentation system waiting to be printed to accompany export consignments of kangaroo products to any market.
 - c. Refer to response to 1 b. above
2. Refer to the response to 1 b. above

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Supplementary Budget Estimates October 2015

Agriculture and Water Resources

Question: 83

Division/Agency: Exports Division

Topic: Kangaroo meat contamination messaging

Proof Hansard page: Written

Senator RHIANNON asked:

1. DAFF Quarantine and Export Services provided an “ad-hoc, one-off” grant of \$220,000 to the Kangaroo Industry Association of Australia, to fund a project “Residue and Contaminant Management Frameworks for the Kangaroo Industry” (the NRS project).

Exports Division advised that the NRS project outputs include regular reports to update progress against agreed milestones, annual project review meetings between the KIAA and the NRS, and a final report approved by the KIAA board.

- a. Will those reports be publically available or available to MPs at their request?
- b. One of the aims of the NRS project is to “*inform messaging about residues and contaminants in kangaroo meat*”: Please detail what this means?
- c. Is this market research to inform how to manipulate messaging about the residues, diseases and contaminants found in kangaroo meat, and to contain the damage by these contaminants?
- d. What are the agreed milestones please?

Answer:

- a. No. The targeted NRS project includes analysis of commercial-in-confidence data. Project reports are likely to include data for which privacy considerations must be taken into account.
- b. In accordance with the Funding Deed, NRS has provided the Kangaroo Industry Association of Australia (KIAA) with all residue monitoring data accumulated since the commencement of NRS kangaroo program in July 1988.

KIAA will conduct a detailed analysis of 27 years of NRS residue monitoring data with a view to better informing “*messaging about the residues and contaminants in kangaroo meat*”. One key outcome could be the consideration of enhanced NRS residue monitoring to address perceived market sensitivities. KIAA plans to generate public reports derived from the analysis of the NRS data.

Question: 83 (continued)

- c. No.
- d. The NRS project milestones for each of the three years in the funding deed term commencing 30 June 2014 involve the preparation of an annual report by KIAA based on agreed projects related to the analysis of kangaroo residue monitoring data 1988-2015, consideration by NRS and review prior to commencement of the following year's activities.

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Supplementary Budget Estimates October 2015

Agriculture and Water Resources

Question: 84

Division/Agency: Exports Division

Topic: Contamination of kangaroo meat

Proof Hansard page: Written

Senator RHIANNON asked:

The Minister, Barnaby Joyce, last month announced \$350,000 funding to kangaroo exporters, including a *“\$67,122 grant for Vanderlinde Consulting to develop an EU submission on lactic acid decontamination in kangaroo meat”*.

- a. Was the Minister referring to treating ropy slime-producing lactic acid bacteria contamination of kangaroo meat or to the use of lactic acid to treat contaminated kangaroo meat?
- b. Please give details on *why* there is a EU submission on this issue being developed?
 - i. What is the context of this submissions and why it has come about?
 - ii. Has the EU requested this submission?
 - iii. It has been previously confirmed that the EU raised concerns about the contamination of imported kangaroo meat: specifically what was that contaminant and its levels; to which country; in what kangaroo products?
 - iv. What specific types of contamination is the lactic acid used to treat?
 - v. Does the industry use lactic acid to decontaminate kangaroo meat? Where in the process is it used and please provide the guidelines to using it.

Answer:

- a. The Minister was referring to the use of lactic acid to reduce microbiological load on kangaroo carcasses.
- b.
 - i. The submission is to seek recognition by the EU that lactic acid treatment for kangaroo meat is equivalent to the use of lactic acid on beef carcasses. Such a decision may allow for the use of this treatment.

Question: 84 (continued)

ii. No.

iii.

Country	Product	Detection	Result
European Union (Netherlands)	Frozen kangaroo meat	Salmonella spp.	Present in 10 grams
European Union (Netherlands)	Frozen kangaroo meat (striploin)	Shigatoxin-producing E.coli	Present in 25 grams
European Union (Netherlands)	Chilled kangaroo meat (steaks)	Shigatoxin-producing E.coli	Not provided
European Union (Denmark)	Chilled kangaroo meat	Salmonella spp.	Not provided

iv. Micro-organisms.

v. No.

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ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

Agriculture and Water Resources

Question: 85

Division/Agency: Exports Division

Topic: Updated Kangaroo export data

Proof Hansard page: Written

Senator RHIANNON asked:

Please provide the most current export data for kangaroo products for the financial years 2013-14, and 2014-15, and up to current.

1. Including for each referenced period above:
 - a. By export commodity classification, including:
 - i. product description including raw skins/hides (Code 41039020);
 - ii. meat and meat offal products (Code 2089011);
 - iii. meat unfit for human consumption (Code 5119920);
 - iv. raw hides and skins (Code 41039020);
 - v. Leather products (Code 41139020);
 - b. By country
 - c. By quantity/volume/weight
 - d. By Gross or unit value for each kangaroo product details including:
2. Does the above data exist for the US State of California?
 - a. If yes, please provide the same for the same time period for California – in a separate table.
3. Can you confirm the above data is provided directly from exporters or their agents?

Question: 85 (continued)

Answer:

1. The department's electronic export documentation system does not retain data older than 13 months, nor does the system identify product based on the harmonised system codes. However, the department is able to provide the information in the tables below in regard to export permits issued for kangaroo products since 4 October 2014.

Export data for kangaroo skins/hides

No of consignments	Destination Country	Volume - KG
5	Bangladesh	34019
10	China	75081
3	Japan	1439
2	Mexico	6960.5
3	other	3314

Export data for kangaroo meat

No of consignments	Destination Country	Volume - KG
157	Belgium	2249529.07
6	Canada	69098.83
57	Germany	727456.34
18	France	257510.35
3	United Kingdom	24917.9
10	Hong Kong	2491.95
16	Japan	27491.27
2	Korea	40786.88
2	New Caledonia	154.6
29	Netherlands	438669.49
13	New Zealand	52219.87
48	Papua New Guinea	689045.78
8	Singapore	3778.53
41	United States	764231.99
6	Vietnam	4294.25
15	South Africa	292945.68
2	other	1218.85

2. The table below provides data for the US State of California as a discharge port of exports for kangaroo products issued since 4 October 2014.

Question: 85 (continued)

Export data for kangaroo meat.

No of consignments	Destination Country - Discharge port	Volume - KG
6	United States - California	91208

3. The information is sourced from the department's electronic export documentation system is provided by exporters or their agents.