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SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT
REFERENCES COMMITTEE

Reference: Import restrictions on beef

THURSDAY, 25 FEBRUARY 2010

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SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT

REFERENCES COMMITTEE

Thursday, 25 February 2010

Members: Senator Nash (*Chair*), Senator Sterle (*Deputy Chair*), Senators Heffernan, McGauran, Milne and O'Brien

Participating members: Senators Abetz, Adams, Back, Barnett, Bernardi, Bilyk, Birmingham, Mark Bishop, Boswell, Boyce, Brandis, Bob Brown, Carol Brown, Bushby, Cameron, Cash, Colbeck, Jacinta Collins, Coonan, Cormann, Crossin, Eggleston, Farrell, Feeney, Ferguson, Fielding, Fierravanti-Wells, Fifield, Fisher, Forshaw, Furner, Hanson-Young, Humphries, Hurley, Hutchins, Johnston, Joyce, Kroger, Ludlam, Lundy, Ian Macdonald, McEwen, McLucas, Marshall, Mason, Minchin, Moore, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Siewert, Troeth, Trood, Williams, Wortley and Xenophon

Senators in attendance: Senators Back, Boswell, Colbeck, Heffernan, McGauran, Milne, Nash, O'Brien and Sterle

Terms of reference for the inquiry:

To inquire into and report on:

The possible impacts and consequences for public health, trade and agriculture of the Government's decision to relax import restrictions on beef, especially relating to the import of beef from countries previously affected by bovine spongiform encephalopathy, otherwise known as mad cow disease.

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McDONALD, Ms Mary, First Assistant Secretary, Regulatory Policy and Governance Division, Department of Health and Ageing

MORRIS, Mr Paul Charles, Deputy Executive Director, Australian Bureau of Agricultural and Resource Economics

YEEND, Mr Tim, First Assistant Secretary, Office of Trade Negotiations, Department of Foreign Affairs and Trade

CHAIR (Senator Nash)—I declare open this public hearing of the Senate Rural and Regional Affairs and Transport References Committee. The committee is hearing evidence on the committee's inquiry into the impact and consequences of the government's decision to relax import restrictions on beef.

I welcome you all here today. This is a public hearing and a *Hansard* transcript of the proceedings is being made. Before the committee starts taking evidence, I remind all witnesses that in giving evidence to the committee they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee, and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee.

The committee prefers all evidence to be given in public but, under the Senate's resolutions, witnesses have the right to request to be heard in private session. It is important that witnesses give the committee notice if they intend to ask to give evidence in camera. If a witness objects to answering a question, the witness should state the ground upon which the objection is taken and the committee will determine whether it will insist on an answer, having regard to the ground which is claimed. If the committee determines to insist on an answer, a witness may request that the answer be given in camera. Such a request may, of course, also be made at any other time. Finally, on behalf of the committee I would like to thank all those who have made submissions and sent representatives here today and for their cooperation in this inquiry.

I remind senators that the Senate has resolved that an officer of a department of the Commonwealth or of a state shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits any questions asking for opinions on matters of policy but does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted. Officers of the department are also reminded that any claim that it would be contrary to the public interest to answer a question must be made by a minister and should be accompanied by a statement setting out the basis for the claim.

You have lodged submissions. Did you want to make any alterations or amendments to those submissions? No. Would anyone like to make a brief opening statement before we move to questions? No. Do you have any comments to make on the capacity in which you appear?

Mr Morris—I am representing the Trade and Market Access Division of the Department of Agriculture, Fisheries and Forestry.

CHAIR—Thank you. Before we move to questions, and I click off, I just want to place on record that Australia's beef is 100 per cent safe, and nobody should be at all concerned about the beef they are buying and eating at the moment—indeed, they should double their intake, as far as I am concerned! I want all Australians to know that it is absolutely 100 per cent safe.

Mr McCutcheon, this question on food standards probably goes to you. The minister, Simon Crean, said yesterday:

The head of Food Standards Australia has said there is 100 per cent certainty that no beef will be imported into Australia that has BSE ...

Are you the head of Food Standards Australia?

Mr McCutcheon—Certainly, I can respond to that.

CHAIR—Excellent. I just wanted to clarify that for *Hansard*, when the minister is talking about 'the head'.

Mr McCutcheon—I can respond to that question, Senator; thank you for asking it. Just so the committee is clear: I was asked by a journalist from the *Australian* a question: 'Will consumers be able to be 100 per cent certain that imported beef products are BSE free?' I responded to that journalist that consumers can be confident that the new policy arrangements will be underpinned by a rigorous scientific risk assessment process and robust risk mitigation measures to prevent BSE from entering the food chain. So I want the committee to understand the context. I certainly did not give a direct quote, as it was presented in the *Australian*, but from a Food Standards Australia New Zealand point of view, we believe that, with all those risk mitigation measures in place, including what is set out in the BSE policy statement that was issued after the government made its decision around dealing with imported product from category 1 and 2 countries, consumers can be totally confident that the meat they would be consuming would be BSE free.

Senator HEFFERNAN—But you cannot give a 100 per cent guarantee—

CHAIR—Hang on, Senator Heffernan. Just give me five minutes. Sorry, it was not the journalist I was quoting here; it was the minister, which was why I wanted to give you the opportunity to respond. The minister has said that you have said that there is ‘100 per cent certainty that no beef will be imported into Australia that has BSE’. Is he correct in saying that, or is he incorrect?

Mr McCutcheon—The minister is correct in reporting on the comments that he saw in the *Australian*. As I just said, I tried to clarify that by saying that the way it was presented in the *Australian* was not quite as it was put to me.

CHAIR—Okay, to save you a bit of time here: the minister was quoting what he had seen reported by the journalist and not you directly?

Mr McCutcheon—That is my understanding, yes—but you would have to ask the minister on that one.

CHAIR—That is fine. So you are then not prepared to say that there is 100 per cent certainty? Those words that were used by the journalist were incorrect?

Mr McCutcheon—What I am prepared to say—

CHAIR—No, that is a ‘yes’ or ‘no’ question. Are you prepared to say there is 100 per cent certainty?

Mr McCutcheon—No, because with BSE—

Senator HEFFERNAN—That is all you have to say.

CHAIR—That is all right. I am just—

Mr ABBOTT—there is a negligible risk.

Senator O’BRIEN—Let him finish his sentence!

Mr McCutcheon—There is a negligible risk—

CHAIR—I asked him a ‘yes’ or ‘no’ question, Senator O’Brien.

Senator O’BRIEN—Like: ‘Do you still beat your husband?’

CHAIR—We have two hours here—

Senator O’BRIEN—Then let the man answer.

CHAIR—I did let the man answer. I asked him a direct question, Senator O’Brien.

Senator O’BRIEN—Let the man answer and we will not get these sort of inter-reactions.

CHAIR—Senator O’Brien, I asked him a direct question, which I am entirely entitled to do. For the benefit of the committee and if it will keep you happy—

Senator O’Brien—Okay—if that is the way it is going to be.

CHAIR—Senator O’Brien, perhaps you could let me finish.

Senator O’Brien—You had finished.

CHAIR—If you will just wait a moment, I was about to say that if it would be in your interest I will of course let Mr McCutcheon finish what he was intending to say, even though he had answered my question directly.

Mr McCutcheon—When I was asked that question by the journalist from the *Australian*, my response was:

Consumers can be confident that the new policy arrangements will be underpinned by a rigorous scientific risk assessment process and robust risk mitigation measures to prevent BSE from entering the human food chain.

That is the context within which the response was given to that question.

CHAIR—I understand that. That was the answer you gave earlier—thank you, Senator O’Brien—which I expected to be the follow-on from that particular answer. I will move on to the protocols. We want to be absolutely cognisant of exactly what the determination of the protocols is. At the moment we are aware of the questionnaire entitled *Australian Questionnaire to Assess BSE Risk*. Is there anything else that the committee should be aware of at this stage that comes under the definition protocols?

Mr McCutcheon—Nothing further at this stage. Essentially that questionnaire that we put on our website in recent days is the start of our process for assessing any applications that come in from countries that want to have their BSE status reviewed.

CHAIR—Is there anything further we should expect before next Monday, the start date for the changes in the importation laws, that would also come under the definition of what we have been talking about as protocols?

Mr McCutcheon—No, not to my knowledge.

CHAIR—Okay, so the questionnaire is it. Thank you for clarifying that. There is one more thing before I pass to colleagues, and I will come back to questions later—I know colleagues have a lot of questions to ask. The questionnaire says:

... verification of in-country control measures may be undertaken by in-country inspection ...

There is some concern that in-country inspection would not be mandatory. Why does it only say that it ‘may’ be undertaken?

Mr McCutcheon—I think this question, or questions along these lines, has been raised in previous hearings.

CHAIR—We saw the protocols only two days ago. We are asking questions about the protocols as we now have them in front of us, as opposed to the hypotheticals we have had before.

Mr McCutcheon—My apologies. The situation is that once we get applications in from countries that want to have their BSE status assessed we will go through that information in a fairly rigorous way. For a range of reasons, which, from memory, are outlined in the questionnaire—if we are not satisfied with the information, or the country has had a recent case of BSE, or there are a range of other concerns that we do not believe have been addressed in the information that that country has provided us—then the next step for us would be to ask to do an in-country inspection.

CHAIR—So it is quite possible, if it is determined under the protocols just on the documentation that it is appropriate to allow importation, that there may be no need whatsoever for an in-country inspection. Is that correct?

Mr McCutcheon—That is possible.

Senator HEFFERNAN—Is that based on the answers given to the questionnaire, which is an OIE endorsed document?

Mr McCutcheon—Not just on the answers they give. There might be other issues or concerns that we have. They might not provide answers to the questionnaire that would be a reason for us to say, ‘We need to have a further look at this.’ I think we have left it fairly open in terms of the criteria for which we would want to request an in-country inspection.

CHAIR—Given that, as you have said, this is the only document, one of the things that is very difficult to understand when reading through the document is what the requirement from FSANZ will actually be. The document states the questions to be answered and the evidence you require, but it does not give any indication to the committee of what your requirements will be with regard to the information coming back to you, which provides us with a real difficulty in determining whether or not these protocols are appropriate. I take you to section 2.4 on traceability as an example, given that the traceability is one of the issues we have had some real difficulty with. It reads:

What systems are in place to ensure the effective and timely identification and tracing of potentially BSE infected cattle, their birth and feed cohorts?

It goes on to list the evidence required—four separate pieces of documentation—but it is not specific about that documentation. We have no indication from that of what your requirements will be and what will be acceptable and what will not be acceptable. Could you explain that for the committee so we can get an understanding of what the requirement will be?

Mr McCutcheon—We developed this questionnaire and posted it on our website and it is a very comprehensive list of questions. We are seeking to get as much information as we can from

applicant countries about the way the disease might have been released in their country and also its prevalence and so on. I guess what we will do is have a look at the totality of that information, but in respect of traceability—

CHAIR—‘I guess what we will do is’—don’t you need to be a bit more specific than that?

Mr McCutcheon—The risk assessment looks at a whole range of issues, and as part of the risk assessment process you weight and balance all of those sorts of things.

Senator HEFFERNAN—Is this a BSE risk assessment or across the range with the chronic wasting disease as well?

Mr McCutcheon—No, it is a food safety risk assessment for BSE. It is very narrow.

Senator HEFFERNAN—That is right. We want to know—

CHAIR—Hang on, Senator Heffernan. Finish your answer, Mr McCutcheon, and I will pass to Senator Heffernan in a minute.

Mr McCutcheon—Back to your question about traceability, when we get that information, for example as responses to the various questions under section 2.4 on animal traceability and identification systems, we will have a look at that information. We want to be satisfied as a risk assessor that a country has the ability to trace an animal back up the food chain in a very short period of time. We have not put it in the document but we would certainly be looking at the Australian standard for that, which at the moment is around about 48 hours. So they are the sorts of considerations that would come in once we get the information from countries about what sorts of systems they have in place.

CHAIR—I understand all of that and I thank you for that answer, but I am trying to understand what your requirement will be. These protocols are the only things that are really underpinning this and, to be very simplistic, we have got no idea about what documentation you will accept as being an appropriate level of risk. I understand you are saying that there will be an amount of documentation that you will assess and determine the appropriateness of giving the tick-off to it, but we on this committee have absolutely no idea of what you will see as appropriate through any of the protocols in the questionnaire you have given to us.

Mr McCutcheon—It is a difficult question to answer until we actually get the information—

Senator HEFFERNAN—You don’t know the answer.

Mr McCutcheon—We will not know the answer until we get the information from the countries. At the end of the day, what we have been asked to do is conduct a risk assessment of a country’s BSE status. It is very clear that there are a range of things that we expect the country to be able to do and the information that they provide will either tell us that they can do those sorts of things or they cannot.

CHAIR—I have two more questions before I pass to my colleagues and one is on the fact that you will not know until you get the information. Surely you would have some benchmark in

place before you start this process of what is acceptable and what is not. I do not quite understand why you need to get the information from overseas before you decide whether or not it is an acceptable level.

Mr McCutcheon—The benchmarks in some respects are set in the OIE code, and I am not going to talk in detail about the OIE code. The measures that are in place in terms of preventing BSE, particularly for those countries that have had BSE cases, and the risks around the various mitigation measures and so on, are fairly well known. We will look at all the information that comes in from countries that answer these questionnaires and we will be able to make a determination on whether each country is category 1, category 2 or not categorised at all because it fails to satisfy us in several of those areas.

CHAIR—I must say that does not fill me with any great deal of confidence, Mr McCutcheon. In terms of the equivalence, the minister has said that there will be equivalence in the traceability requirements from producers in the United States or other countries to within Australia. In Australia we have the National Livestock Identification System, but in a country such as the United States they do not have that. Not only do they not have that but—and I quote:

... their framework—

which they have just released on 11 February—

ultimately will be led and administered by the States and Tribal Nations, with Federal support. Each State and Tribal Nation will be able to determine the specific approaches and solutions it will use to meet basic animal disease traceability performance measures based on the needs of their local producers.

How can they possibly have an equivalent national system if they are going to allow their traceability to be on a state-by-state basis?

Mr McCutcheon—If the US decide to make an application, that will be up to them to respond to those questions. Certainly, what is on the public record so far does not fill me with confidence. Nonetheless we need to have a look at what the US government, if it does make an application, puts in its submission.

CHAIR—So if it has a traceability system that is on the lines that is proposed at the moment, which is a state-by-state basis, are you saying it will not fulfil the equivalence requirement and therefore permission to import will not be granted?

Mr McCutcheon—No, I am not saying that at all.

CHAIR—Why not? How can it possibly be equivalent if it is not a national system?

Mr McCutcheon—I cannot make any commitments without seeing an application from that country. But can we go back to the issue of equivalency that you were mentioning. What we will be looking for, and I have said this before at previous hearings here, is a system that will be able to give us confidence by demonstrating to us that they can trace an animal back and forward within the food chain within a reasonably short period of time. If we do get a submission from

the US, we are not in a position to speculate on what they might be able to do or what they might not be able to do.

CHAIR—Surely, though, there would have to be some minimum benchmarks of what an equivalent system would be even before they give you their proposal of what their system is going to look like? If it is going to be a state-by-state system then surely it cannot be a national system. How can you say that would not be precluded from being granted an importation status?

Mr McCutcheon—I am not saying whether it would be precluded or not. All I am saying is we would have to wait—

CHAIR—But shouldn't it be—if it is a state-by-state system?

Mr McCutcheon—I don't want to speculate on what a country might—

Senator HEFFERNAN—Why can't you say—

Mr McCutcheon—As I said, we will have to await a submission. If we do get one from the US, we will have a look at that issue.

Senator HEFFERNAN—The Australian beef industry went through a lot of anguish, as you know, and we were pressured by the eradication of brucellosis and TB. We went through an assessment process, which was OIE endorsed, with a certificate in the importation of beef from Brazil. That was certified by the same certification process that you want to use. We have a system now where if a calf is born at the back of Alice Springs, goes to Charleville, ends up down in Dubbo and finishes up at Ballarat, we can trace it. Under the WTO we are entitled to ask for equivalence. Why can't you say that you will demand the same of the United States? If a calf is born in Mexico, goes across to Texas and finishes up in God knows what feedlot, don't we need to have the same equivalence?

Mr McCutcheon—I do not disagree with you. I think what I have been trying to say is that we want it to be able to be demonstrated to us that a country has a system where you can trace an animal back and forwards through the food chain.

Senator HEFFERNAN—Yes, well, thank you very much. Now, those people in the Cattle Council have said that all that will be required is closed herd supervision. Is that your view?

Mr McCutcheon—We do not have a view on that.

Senator HEFFERNAN—Would you say that any common sense person standing at the back of the room would know that what we have with birth-to-death traceability with an electronic tag is world's best practice?

Mr McCutcheon—I think it is generally considered to be world's best practice, yes.

Senator HEFFERNAN—Under the WTO arrangements, are we not then entitled to ask for equivalence of that herd supervision in the country of entry?

Mr McCutcheon—I might have to defer to my colleagues in DFAT on the equivalency and WTO. I am not an expert in the WTO area.

Senator HEFFERNAN—We will do the deferral in a minute, because all that we are talking about with your risk assessment is the human health aspect.

Mr McCutcheon—That is correct.

Senator HEFFERNAN—I talked to the Cattle Council this afternoon, and they are in serious disarray. The New South Wales bloke went on the radio in Tamworth this morning to say there should be a full import risk analysis right across the board and there should be full, national, birth-to-death livestock identification or they are going to walk away from the government. That is what he said. Why wouldn't you think it was sensible, given the circumstances? The Cattle Council also said, by the way, that they are not in favour of a full import risk analysis. Do you know why?

Mr McCutcheon—Import risk analysis is not our area. We are doing the food safety risk assessment. I am sorry to—

Senator HEFFERNAN—Yes, you are doing that assessment. That is why this is a bit tricky. It is all compartmentalised. They said they were not worried about an import risk analysis because it would 'take too long' and it was a waste of time.

Senator STERLE—Why don't we hear what the government says about it?

Senator HEFFERNAN—In the case of Brazilian beef, how did that fail so dramatically? Is this driven by the Vaile side letter, undisclosed for a long time, which says Australia will try and assist America and Canada through the OIE certification process to export meat? Is that why we are not having our own, Australian bred import risk analysis process?

Mr McCutcheon—All I can say is that FSANZ is doing the food safety risk assessment, and once we have finished that we will provide a report to the department of agriculture, which will have a determination on what that country's category might be for the BSE food safety side. Anything to do with IRAs and the like, which go beyond food safety, are really things my colleagues in DAFF would need to respond to.

Senator HEFFERNAN—Well, why—

CHAIR—Sorry, Senator Heffernan. Perhaps somebody from one of the other departments might like to answer you.

Mr Yeend—Sure. On the question about equivalency, the key factor that the WTO demands is that you follow a science based process that does not discriminate between the members of the WTO. In terms of equivalency, it certainly does not say that you have to have equivalent measures in place, but you have to be able to demonstrate through a science based process that there is an equivalency of outcome.

Senator HEFFERNAN—We have a system here where, if a calf is born at the back of the Kimberleys and finishes up in your backyard in wherever you live, we can trace it. How would a system anywhere else where there is no capacity to do that be equivalent?

Mr Yeend—There would be, through the assessment process that is done, which takes into account a range of factors, a way in which you determine equivalency—

Senator HEFFERNAN—Forget about the bureaucratic answer. Let's go to a practical answer.

Mr Yeend—and it has to be based on—

Senator STERLE—He is giving the answer.

Senator O'BRIEN—Can we hear the answer?

Senator STERLE—We are all over the place.

Mr Yeend—It needs to be based on science. This is for WTO standards. I would defer to others on animal health—

Senator HEFFERNAN—We keep going backwards and forwards.

Mr Yeend—but it needs to be science based, transparent and non-discriminatory. Those are the key WTO requirements.

Senator HEFFERNAN—Would you agree that in the circumstances of the United States, where they have Mexican traffic, the only way to do that would be to block the traffic or to tag the beast in Mexico to know where it came from?

Mr Yeend—I think you would need to take a range of factors into account, much the same as in the process we are talking about on BSE, to make that kind of assessment.

Senator HEFFERNAN—Hang on. You have a mind of your own. If a beast is born in Mexico and is about to be trafficked over the border to a feedlot somewhere and then have a plastic tag—that is an option; it does not have to be an electronic tag—

CHAIR—I am getting to that.

Senator HEFFERNAN—It could be the same as we use on the sheep. You can whack someone else's tag out and whack someone else's in. If it is going to be trafficked across the border from Mexico, and that happens—you would agree with that?

Mr Yeend—I could understand that it happens. I do not know for a fact that it happens.

Senator HEFFERNAN—Who in all this bureaucracy knows? Isn't someone aware of what—

Mr Yeend—It gets back to the fact that you need to take a range of factors into consideration to establish—

Senator HEFFERNAN—All right. Let's just stay with—

CHAIR—Senator Heffernan, let him finish.

Mr Yeend—If that is happening, then all the information is requested of the country that is seeking to import into Australia, and then there is expert advice taken on whether or not the conditions are met.

Senator HEFFERNAN—But you would agree, surely, that if a calf is born in Mexico and is traded into the United States, when it comes to the OIE certification, to know where that calf came from you would have to either shut the border with Mexico or tag the beast where it was born. How else would you know?

CHAIR—I think Mr Yeend has answered that to the best of his ability.

Senator HEFFERNAN—But he hasn't answered it.

Senator STERLE—Chair—

CHAIR—No, no. Senator Sterle, I am getting there.

Senator STERLE—But don't get cranky, Chair, if you are not keeping control. I am just trying to assist you.

CHAIR—I am not getting cranky at all, Senator Sterle.

Senator STERLE—It is your colleagues who are the ones going around in circles.

Senator HEFFERNAN—Mr Yeend, would it seem sensible to you—

CHAIR—Senator Heffernan!

Senator STERLE—Throw him out.

CHAIR—I am fully aware Dr Carroll wants to add something. Mr Yeend had already answered that particular question, Senator Heffernan. I want to give Dr Carroll the opportunity to add some information if he would like to.

Dr Carroll—Ultimately, we resist trying to set benchmarks or provide other advice to applicant countries on how they might meet our requirements. The approach we take is to say to other countries, 'You have to convince us that you can trace your animals.' That is the approach we take on a whole range of things. Similarly, with various other methods, they will have to come to us and convince us. We do not feed them with: 'If you do X, that will satisfy us.'

Senator STERLE—And if they cannot?

Dr Carroll—If they cannot satisfy us they do not get their categorisation.

Senator HEFFERNAN—So you agree that the United States has said they are not going to have full live traceability as a national policy?

Dr Carroll—Senator Heffernan, I repeat my position: they will have to come and convince us.

Senator HEFFERNAN—No, no, but you—

CHAIR—Let him finish the answer, Senator.

Dr Carroll—They will have to come and convince us, as Mr McCutcheon said. We are not prejudging anything, because we do not know what they are going to come up with.

Senator HEFFERNAN—That is correct but, as the chief vet of Australia, are you aware that three weeks ago the United States announced that they were not going to continue down the path where they were heading to have full live birth-to-death traceability across the country?

Senator STERLE—With the greatest respect, Chair, Dr Carroll has just answered that. If they can prove it, the meat does not come in. That is what he just said.

Senator HEFFERNAN—No, no. I am asking him a question: is he aware of the press release that was put out which said they are not going to engage in a national livestock traceability system?

Dr Carroll—I am aware of their press release. It is not relevant.

Senator HEFFERNAN—That is all I want. You are aware of it. So, in your view as the chief government vet, if we are to have meaningful lifetime traceability how do we overcome the problem of cross-border trade where there is no traceability?

Dr Carroll—That is not a problem we have. That is a problem the US have. They will have to convince us that they can trace back the animals from which the meat is derived to our satisfaction. We do not need to pre-empt how they do that. We do not have to tell them how to meet our requirements; we have to tell them they must prove to us that they can meet our requirements. Then they can convince us that either they can meet the requirements or they cannot. We are not in a position of saying, 'If you do X, Y and Z, you have met our requirements. That is all there is to it.' That would close off many of our options. We provide ourselves with the degree of flexibility to be able to say, 'It is actually not up to us to convince you in the US of what you have to do to meet our requirements. It is up to you to convince us.'

Senator HEFFERNAN—Yes, all of that. But in a practical sense as Australia's chief government vet would you agree that it seems to make sense that you would have to put the tag in the ear of the calf where it was born?

Dr Carroll—I would not try to pre-empt whatever measures the US wants.

Senator HEFFERNAN—You as the chief government vet—

CHAIR—Senator Heffernan, I think we have exhausted this question. We are not getting anywhere.

Senator HEFFERNAN—I will move on. So, in terms of a full import risk analysis, when does that come into play when we are going to deal with something like the chronic wasting disease?

Dr Carroll—Chronic wasting disease is a disease that has been known since about 1967. Biosecurity Australia is aware of all the information that continues to surface. There is still no indication that it is a disease of cattle or that it is transmissible through cattle in natural conditions. There is not sufficient reason to conduct a full IRA. There will be a review of the beef conditions applying to each country. At the time of that country's application that will be published and given 30 days' consultation. If anyone feels the issue of CWD—chronic wasting disease—of deer has not been sufficiently addressed in the beef import requirements, they will have the opportunity to raise that issue then and put their evidence in front of Biosecurity Australia.

Senator HEFFERNAN—Do you agree it has been established in cattle experimentally?

Dr Carroll—Experimentally, it has been established in many things, but not under natural conditions. If you squirt enough of it into an animal's brain, you can probably get it into most things.

Senator HEFFERNAN—So, in terms of herd supervision within Canada or the US, from your long years of experience as a vet, do you know of any other way that you can have full traceability, given the vagaries of trucks and trains and transport, other than to have a traceable tag?

Dr Carroll—I will go back to my original answer. We will let them—

Senator HEFFERNAN—No, no. I am asking you as the Chief Government Vet, do you know of any other way? I am not asking anything to do with the United States or anyone else on the planet. You as Australia's Chief Veterinary Officer, do you know of any other way?

Dr Carroll—Yes.

Senator HEFFERNAN—How?

Dr Carroll—We could use the Japanese or the European system and know about them from birth to death, give each one a birth certificate, know about its parents. There are systems overseas which go to quite some degree of traceability.

Senator HEFFERNAN—We are talking about Texas or the Northern Territory—2½ million acres. You are really joking if you are talking about issuing birth certificates.

Dr Carroll—You said, ‘Was there any other method?’

CHAIR—Senator Heffernan, you asked him a question.

Senator HEFFERNAN—It is impractical.

Senator STERLE—It would be nice to hear the answer.

CHAIR—Well, you asked him a question and he answered it. We might move on. I will come back, Senator Heffernan. We have plenty of time.

Senator STERLE—Let us get back to the risk. The risk factor of 0.002 per cent over 25 years.

CHAIR—What is the question, Senator Sterle?

Dr Carroll—That is from the human health perspective.

Senator STERLE—For getting BSE.

Dr Carroll—It is a very minute number.

Prof. Bishop—Are you talking about the human disease or the animal disease?

Senator STERLE—The human disease.

Prof. Bishop—For human disease, as you know there has not been a case of the variant in Australia and I think the risk has been quantitated by the expert report from Professor Mathews, which the committee has had a lot of time to look at and quiz. It has been quantitated in there at the request of the expert group that looked at that within the NHMRC and that has been quantitated at the risk of around 40 million times less than dying in a motor car accident, as a way of understanding what the risk is. Just to put that into context, the risk of you and me getting cancer is one in two, so one of us is going to get it. There are about 100,000 cases of that every year so we are looking at motor car accidents, which is 1,500, and then 40 million times less than that.

Senator STERLE—Right, if that translates in years per person, the chance of someone catching BSE means that one person in 25,000 years might get it.

Prof. Bishop—I think I have explained the risk. You can calculate that in a thousand ways. I have not done your calculation exactly as you have done it but it would seem to be consistent with the 40 million times less.

Senator STERLE—So it really is minimal?

Prof. Bishop—Well, we think it is negligible and I have tried to put in context with chronic diseases such as heart disease, which is similar to cancer, and cancer. Obviously, motor car accidents are 1,500 per year and people understand those sorts of risks.

Senator STERLE—Thanks. Chair, I would not mind if you want to go to Senator Milne because I will come back to this if there is more time.

Senator MILNE—I want to pursue some of the trade agenda because it is clear to me that this is being driven by the trade agenda. Currently, Canada has a case against Korea and a panel has been appointed to look at that. Would you say that Australia is in a similar position to Korea when it comes to the kind of argument that Canada is mounting? What is the difference between Korea's position and ours?

Mr Yeend—I will firstly respond to your question about whether this is being driven by trade. We have explained, on a number of occasions, to the committee that trade was one of several factors. The government's main driving force has been the very strong views put forward by industry, which obviously includes trade considerations that industry has brought to our attention. It also includes changes in the science that have taken place over a number of years that have warranted the government taking a look at the current policy.

We have also drawn attention to the need for Australia to respect its international trade obligations. In that regard, the need for us to be able to justify, on scientific grounds, any measure we have in place is paramount. We are allowed to take a very conservative approach to the setting of standards, as long as we can back it up and justify it by the science.

This brings me to the second part of your question, which concerns the case that has been taken by Canada against Korea. We have been approached by various trading partners, as we have also made clear on a number of occasions. There is a wide range of them, not just one or two. They have drawn attention to the ban that we currently have in place and to the fact that they thought the measures were overly stringent. They questioned whether they could be justified by the science. It is precisely those arguments that Canada is using against Korea that the measure in Korea, which is effectively a ban like there is in Australia, is not justifiable, based on the science that is available these days. This has changed considerably and shows that you can ensure there are stringent risk assessment procedures in place, without necessarily requiring a complete ban on imports.

So the case that the Canadians have taken against Korea does have relevance to the way we have considered the issue. As we have seen through this review process, based on Professor Mathews's report and all the other inputs that have been received, the government has taken the view that it is possible to have very stringent, strict procedures that involve detailed risk assessments which ensure our human health considerations are fully taken into account. It means we can take the kind of approach that does not amount to having a measure in place where there would be a good chance that, if another country were to take WTO action against us, it would find that the measure was not justifiable.

The consequences of a negative finding against Australia, if a dispute action were brought forward, as has been brought forward by Canada against Korea, are that we would be required to bring our system into conformity. So we would have to go through a lengthy WTO dispute.

There would be a lot of uncertainty amongst industry. Of course, industry is fully conscious of how important it is for Australia, for its export interests, to respect its international obligations. If we were found not to be in conformity, we would have to conform. We would effectively be required to make changes or face the threat of trade retaliation.

So, certainly those considerations have been part of DFAT's input into this process. We have been quite clear on that. But, to get back to where I started: industry is aware of that, industry has been the one that has been worried about this and there are a number of other factors that have seen the government take the decision that it has.

Senator MILNE—Thank you. Could you be a little more succinct in your answer to this. We already have questions on notice showing a number of contacts from overseas governments making representations to ministers et cetera, so there is very clearly a big push from Canada and the US. Of course, industry have been talked to, but we have the questions on notice here—we know where the push is coming from. The reason I asked the question is that I am trying to understand: if the panel that is currently in place finds against Korea, is that a very clear signal that we are just as vulnerable? That is why I asked the question about Korea's position and our position being similar. I want to know if Korea is in any different position from us, without a great long explanation.

Mr Yeend—With the Korean situation, they had their own measures. The WTO panel will consider the specifics of the Korean situation. It would only have consequences for Australia if a trading partner decided to take action against Australia.

Senator MILNE—Okay. Would it be fair to say that, if Canada gets a successful finding against Korea, the likelihood is that if it brought a complaint against Australia almost straight away it would be emboldened in that because there would be a lot of similarities?

Mr Yeend—I think it would depend on the outcome of the case that is in the WTO.

Senator MILNE—All right. How long does this consideration take? Previous cases have taken years. The panel is in place. What is your expectation with respect to the dispute with Canada and Korea being resolved?

Mr Yeend—We are expecting that there will be a ruling in this case in early 2011, but—

Senator MILNE—Okay, so in early 2011—

Mr Yeend—But there can be delays to the process, as you have indicated.

Senator MILNE—In the event that the case is upheld by the WTO, and in the event that Canada took a case against us and was joined by the US, Japan and some EU states in that case, and if a finding was made that Australia's position was unscientific, what are you saying the risks are? The producers are all over the place on this. What are you saying the risks are—that the export markets will take retaliatory action, including higher import tariffs? What other retaliatory action can they take?

Mr Yeend—That is certainly one of the ways they can retaliate. The country that takes the action can ask for countermeasures to be put in place. It can be in the area that is under challenge, but to try to reach an equivalent amount it can also be in other sectors.

CHAIR—Can you be a little bit more specific?

Mr Yeend—Sorry, in terms of?

CHAIR—Senator Milne has asked you exactly what form that retaliation could take.

Mr Yeend—Traditionally, it would be through a request to increase tariffs on certain products of interest to Australia.

Senator MILNE—But it would not necessarily be meat? It could be retaliation against any product into that export market?

Mr Yeend—It could be on other products as well. Normally, they would try to target it to the area of the dispute, but it could be in any area.

Senator MILNE—How does that relate to free trade agreements? Is the deal off if you have a free trade agreement—with the US, for example? If the US decides to take retaliatory action, is that still within the context of a free trade agreement?

Mr Yeend—This would be under the WTO system. We need to respect our WTO obligations, and our FTA obligations are compatible with our WTO obligations in insisting on the need for science based justification of measures in place. What we are talking about is WTO action, so the FTAs are not a consideration in what we have been talking about.

CHAIR—Are you saying that the FTA would remain in place in spite of the fact that there was retaliatory action?

Senator MILNE—Yes, it would.

Mr Yeend—Yes. It would.

Senator MILNE—My final question in this line of questioning is in relation to the procedures. You just talked a minute ago about the event of a successful finding by the WTO against Australia. What power do they have to put in place the assessment procedures that would then have to be applied in Australia? Would we be able to determine our own processes or would a different set of processes be imposed? Are you really saying to us that you either take what is on the table now or risk having a different system imposed if you lose?

Mr Yeend—We would most definitely be able to put our own procedures in place—

Senator MILNE—So that is not a risk.

Mr Yeend—No. And I would say that you are talking about a process which would provide a tremendous amount of uncertainty and damage Australia's international reputation and, at the

end of a very lengthy dispute, if we are seen not to be respecting our international obligations you could see other trading partners taking issue with us and saying, 'Well, Australia's doing that; we may do the same thing.' Australia is always seen as a country that is so reliant on exports that it is essential that we live up to our international obligations. So, in the event that there were a dispute—and this is all highly speculative but I am illustrating how the system works—if there was a negative finding we would be required to bring ourselves into conformity with our obligations. We would determine how we did that but we would need to meet the benchmark of being able to justify it scientifically.

CHAIR—I am trying to get my head around this concept of a level playing field and understand what you are saying. How is it that that is important? I am just trying to sit that with the subsidies that exist in the US. Obviously we do not have any. We are on the level playing field; they are not. Is it a question of the chicken and the egg? Is importation of beef an entirely different thing to subsidies, all together? What has been raised with me as chair of the committee is that there seems to be a rather undue unfairness in us scrambling to do our trading partners' bidding in this, and yet the subsidies still exist in the US.

Mr Yeend—I will try and answer that. I do not think we have ever suggested that there is a level playing field. That is not the case, and you point to subsidies and high market access barriers and other regulatory barriers that exist around the world. That is why we are, through trade negotiations—particularly through the WTO negotiations—trying to address those issues. And that is why—

CHAIR—How long has the Doha round been going?

Mr Yeend—It has been going since 2001 and—

CHAIR—It's been going since 2001! We are getting there then, aren't we?

Mr Yeend—Well, Senator, there are very few other ways that you can address these kinds of issues, and these are issues of absolute priority to Australian farmers—getting rid of subsidies and market access barriers. The Australian government has been doing all it can—it has been very active—to move the Doha negotiations along. What is on the table at the moment in the Doha negotiation—just to give you an example with the US—would, if it was agreed, result in a 70 per cent cut to US subsidy entitlements. That would be from \$48 billion down to \$12 billion, and there would be tariff cuts in highly protected sectors of up to 70 per cent. So that is how we are addressing those issues. What we are talking about here are the existing obligations that we need to live up to and to respect. They are all part of the same issues that were under discussion in the WTO but there are different approaches to securing outcomes.

Senator MILNE—Can I just clarify something in relation to that? Why do you have any confidence at all that the European Union is going to get rid of subsidies?

Mr Yeend—They have made commitments in the Doha process. When I said that the US has committed to 70 per cent cuts, I stand to be corrected, but the EU has committed to 80 per cent cuts in their current CAP programs. The level of subsidies in the EU and the US continue to be of great concern to us. It is through these negotiations that we address that.

CHAIR—And to our farmers, I have to add.

Mr Yeend—Exactly. That is why we are trying to get these negotiations completed as quickly as possible. In Europe we work bilaterally. The next phase of the CAP reform process is about to kick off, in 2012. There are budgetary pressures in Europe that are resulting in a downward trend in subsidy levels. They are still way too high. There is a lot of work to be done, but through the WTO and through bilateral—

Senator MILNE—It is just not going to happen.

Mr Yeend—Well, it is happening. The levels are coming down, but they are not coming down as much as we would like. That is why we are working—through Doha, through bilateral discussion with the EU and through the Cairns group with our other allies—to get subsidy reductions. That is the comprehensive approach the government is taking to address what is a very difficult and important issue.

CHAIR—It is indeed. Unfortunately, I do not think our farmers have the same level of confidence that something is going to happen with exactly what you were talking about, which is why a lot of them are so concerned about this particular issue and the issue of us being on a level playing field while not everybody else is.

Senator BACK—Dr Carroll, perhaps you could clarify whether it is the case that a consignment of beef at the port of export or here in Australia on the wharf cannot be tested—there is no test for that consignment to make it possible to say definitively that BSE is not present in that meat. Am I correct?

Dr Carroll—Broadly, yes.

Senator BACK—So at the point of export and here at the point of import, we cannot say that?

Dr Carroll—That is correct.

Senator BACK—In a moment I will go to the questionnaire. I think, as part of the protocol, the questionnaire is yours, Mr McCutcheon. Is that correct?

Mr McCutcheon—Yes.

Senator BACK—I will go to the accountability process if I may. I am now referring to the Biosecurity Australia document, which I was very kindly supplied with yesterday, and the flow chart. The flow chart deals with the process from when a country applies for market access. It gets down to a recommendation being made to the Director of Plant and Animal Quarantine. It then goes to the director's determination being provided to AQIS. I do not see where it goes after that. I am trying to find out where the accountability rests in terms of an eventual decision, which I hope we will come to. Does it rest with you? Does it rest with the Minister for Health and Ageing, the Minister for Trade or the Minister for Agriculture, Fisheries and Forestry? Where does it actually rest—who signs off?

Dr Carroll—To clarify, Senator, you are talking about the table for the biosecurity bit, which is the animal quarantine risk part.

Senator BACK—I am; that is correct, but it also has reference, I think, to other areas. I am using this as an example, but I am trying to find out where the buck stops.

Mr McCutcheon—I will cover the food safety part first, because that is at the beginning of the process.

CHAIR—I will ask officers to make their answers to the questions as succinct as possible. We have only another hour, and a number of senators want to ask questions. I know this is not your normal habitat, but if you could make them as succinct as possible, that would really assist.

Senator STERLE—So you cannot carry on like some of the senators!

CHAIR—Thanks for that, Senator Sterle!

Mr McCutcheon—Sure, I will be quick. Essentially, FSANZ undertakes the food safety risk assessment and we make the final decision on the country's BSE risk classification for the purposes of food safety.

Senator BACK—'We' being the Chief Executive Officer of FSANZ?

Mr McCutcheon—Yes. The Chief Executive Officer of FSANZ signs off on the final determination for the country's food safety BSE risk assessment category, and that is passed on to the Department of Agriculture, Fisheries and Forestry.

Senator BACK—And the department picks it up and does what?

Dr Carroll—There are two phases to it: one is the quarantine requirements and the other is the food safety requirements. With the quarantine requirements, the decision-making step under the legislation is when the director of quarantine or a delegate, and in the vast majority of cases it is a delegate, issues an import permit. That import permit will state the quarantine conditions—

Senator BACK—That is the secretary?

Dr Carroll—The secretary of the department is the director of quarantine, but in normal circumstances it is a delegate of the director of quarantine who signs the permits. There is a power under the act to delegate the power to issue the permit.

Senator BACK—Sure.

Dr Carroll—So, in effect, the delegate of the director of quarantine will issue the import permit. That import permit will state the conditions under which the import may take place from an animal quarantine perspective. In considering that permit, the advice from Biosecurity Australia would form a large part of what is taken into consideration, but the delegate may take

into consideration any issues that the delegate feels they should take into consideration. So they are not restricted.

Senator BACK—So there is in fact no ministerial decision, accountability or sign-off on any of this process?

Dr Carroll—No.

Senator BACK—At all?

Dr Carroll—No.

Senator BACK—The reason I asked the question was first of all clarity. We did put some questions yesterday to the Minister for Trade. He kindly responded today and his second paragraph says:

As discussed, the Government is confident that this new policy satisfactorily meets Australia's human and animal health requirements.

My concern comes really from the extent to which the Minister for Trade, or indeed the ministers for health or agriculture, are representing anybody in this exercise, given the fact that none of the ministerial group have any say or accountability in the process. My concern is: to what extent do I take notice of the responses that we have been given? We are trying to come to clarity. That enables me to go to the question of the livestock identification. The question asked was:

We have a world class NLIS. Will we be requiring equivalent traceability and use just as rigorous tests?

The answer from Minister Crean was:

Yes. We will demand the same traceability standards of foreign beef producers as we demand of Australian beef producers. See below

The answer goes on to state that Australian producers will be required to be able to 'Trace animal to origin/birth', that the same requirement will hold for importers and that no alternatives will be accepted. It also states that Australian producers will be required to be able to 'Trace animal forwards (i.e. destinations after production)', that the same requirement will hold for importers and that no alternatives will be accepted.

That would appear on the face of it to give a huge degree of confidence. I would have thought from reading that, and correct me if I am wrong, that this is a statement by a senior minister, one of three who was a cosignatory to the release on 20 October of a statement to the shadow minister to the effect that it will be the same 'trace animal to origin/birth' and the same 'trace animal forwards'. Is it fair of me to ask you whether you will commit to the minister's commitment to us, given the fact that the responsibility rests with the departments and not with the ministers, or are the minister's words, with no disrespect to the minister, not worth the paper upon which they are written?

Mr McCutcheon—I can certainly say that the minister's words are absolutely correct. I have said several times that essentially what we will be looking for is equivalency of outcomes. In other words, other countries will have to meet the same performance criteria we might set here—that is, very clearly be able to trace an animal right back through the food chain, from its slaughter right back to where it came from, and be able to trace birth cohorts from the same property and the same animal forward through the food chain to wherever it might be, whether it is to its final destination or another property.

Senator BACK—When I go onto the Canadian Food Inspection Agency's website, I see that Canada's livestock traceability is only between properties until an animal is slaughtered and afterwards there is no traceability. If I refer to point No. 2 of Minister Crean's statement—'Trace animal forwards'—I can see immediately that Canada excludes itself.

Mr McCutcheon—Again, similar to my response to an earlier question along the same lines, we will have wait and see, if the Canadians make an application, what is contained in their application in terms of responding to those specific questions. But we have made it quite clear that we want the ability to track animals up and down the food chain.

Senator BACK—At the risk of the two of us repeating each other, I will go to the document to which we have referred from the Animal and Plant Health Inspection Service of the USDA released only in the last week. When I see the statement made that currently animal disease traceability ends when an animal is slaughtered and that animal disease traceability is not a food safety program, again, I have confidence that they simply fail as a result of the undertaking given by Minister Crean.

Mr McCutcheon—Again, I can only be clear to the committee that we want countries to convince us that they have the ability to track animals up and down the meat supply chain.

Senator BACK—The comment has been made but I will make it again regarding the United States saying a week ago that:

What is certain is that animal disease traceability will be required for animals moving interstate. However, each State and Tribal Nation will be able to determine the specific approaches and solutions it wants to use to achieve the minimum animal disease traceability ...

It also says that there will be no centralised data collection because that seems to offend a few people in the United States and that branding or metal tags could in fact be a valid form of identification. Are you saying to me that the process will pick that up?

Mr McCutcheon—We would expect that if a country like the US, for example, made an application to have their reassessment done included in the application would be the information around how they actually put in place their livestock identification tracing system and we would have a look at that. Again, we are looking for an outcome here. They have to be able to trace their animals up and down the food chain and prove to us they can do it.

Senator BACK—With deep respect, I am looking for some more comfort in this process than, 'We will look at it.' I want to go to the questionnaire now. I see nothing at all for which there are criteria that anybody looking at, including ourselves as parliamentarians, could actually see

where an applicant country met or did not meet a criterion. In general terms, is it the case with this questionnaire that an applicant country starts out in good standing and they continue to pass or jump hurdles until such time as you find that they do not meet the standards required? In your questionnaire I cannot see any standards that you require them to meet. Is it a, '55 per cent gets me there'?

Mr McCutcheon—Our starting point will be that we will treat every country that makes an application to have their status assessed on the basis that they are an at-risk country. So we will be looking at the information they provide us very carefully. We know what standards we have in this country to protect the food supply chain in respect of food safety. We will be testing the information that they provide us against those standards. Bearing in mind that the food standard in the code is very clear. It basically requires meat derived from beef and so on to be free of BSE. So it is a very clear standard. They have to demonstrate to us that they can meet that.

CHAIR—Just to follow on from that, I think Senator Back is asking a question that I asked earlier. The committee is not aware of what your requirement will be. I know that you have said what you will do, but we still have no understanding of what your requirement will be to tick off on whether or not it is approved.

Mr McCutcheon—In respect of traceability or overall?

CHAIR—In respect of the question that Senator Back just asked you.

Mr McCutcheon—The information that we are getting from this questionnaire will be responding to a whole range of issues that we want to have a look at to manage the food supply chain.

CHAIR—I will follow up on this later. I am sorry, Senator Back. Please continue.

Senator BACK—Mention is made in second line of the introduction of 'competent authority'. You are expecting data and evidence from the competent authority of the country that is applying. I would take that to be, perhaps, their ministry of agriculture.

Dr Carroll—Yes.

Senator BACK—Right. In looking at this—and Dr Carroll will no doubt relate to it—I was wondering, if I was a department veterinarian in that country, how I would go about satisfying your questionnaire. In 1.1 you talk about requiring documentation from the veterinary service of a third country, being the country of production, to support a rendering process for carcasses rendered down into meat meal. I ask myself the question: how could I, hypothetically sitting in San Diego, go and find a veterinarian of the ministry of agriculture in Mexico who could actually say, 'Yes, I'm satisfied that a rendering works somewhere in Mexico boiled up, cut down or did what ever they had to do—rendered an animal—to an extent that the feedstuffs contained therein would have inactivated or significantly reduced the titre of the BSE agent, should it be present.

I am not being flippant here. Dr Bishop, I would be very keen on your view. Could anybody have any confidence at all that it would be possible for a USDA veterinarian to find a Mexican

veterinarian to do that? Am I missing something? Would you sign such a document, Dr Carroll? I certainly would not.

Dr Carroll—The whole question is:

Has *meat-and-bone meal, greaves*, or feedstuffs containing either, been imported within the past 8 years?

Senator BACK—Eight years; that is right. I did not even go back the eight years.

Dr Carroll—Well, the first part would be: has it been? We do not know what they are going to answer to that.

Senator BACK—Sure.

Dr Carroll—Part of the questionnaire says:

Documentation, from the *Veterinary Service* of the country of production, supporting why the rendering processes used to produce *meat-and-bone meal, greaves* or feedstuffs containing them would have inactivated, or significantly reduced the titre of BSE agent, should it be present.

Senator BACK—Yes.

Dr Carroll—It will be up to them to establish to us that they can do that.

Senator HEFFERNAN—They obviously take—

CHAIR—Hang on, Senator Heffernan. It is Senator Back's question.

Senator BACK—That is exactly my point, Dr Carroll.

Dr Carroll—You were asking before whether we were going to assume they are innocent and then run through the process to knock them out?

Senator BACK—Yes.

Dr Carroll—No. We are going to assume they are guilty. They are guilty until proved innocent. They have to prove to us that they can establish these things.

Senator BACK—So you do not think that this statement is an act of faith?

Dr Carroll—We do not approach it from the perspective of justifying ourselves to them and saying, 'We have to prove to you why we can't accept your word.' We come at it from the position of, 'You have to convince us that you can meet our traceability standard. Firstly, you have to convince us that you haven't imported, if you claim you have not. There are various ways of helping to check on that, as well. Secondly, we know, because we have had to fill in these sorts of questionnaires, that it takes quite a bit of establishing.'

Senator BACK—It takes a very high degree of integrity to put your signature onto something which you have not actually personally undertaken—whether it be about examined or vaccinated animals—doesn't it?

Dr Carroll—Indeed. Having said that, we certify to things every day for export, where the vet doing the certification did not personally witness the procedures. You need systems in place that can—

Senator BACK—You will certify the veterinarian who actually did it. You will certify the veterinarian who did the vaccinating and checking and then your role is effectively to agree to the integrity of the veterinarian who actually did the vaccination.

Dr Carroll—We provide wide ranges of certification—

Senator BACK—Sure.

Dr Carroll—regarding the health status and the histories of animals, in both product exports and live exports, based on systems that we have in place. We have to convince—

Senator BACK—Going through this, do you think even Australia would pass this? If I go to the part about live animals it talks about the importation of live animals in the last seven years. To what extent would we have confidence in the signature of a veterinarian from a department of agriculture elsewhere who could sign a piece of paper to say that there had not been any importation of live cattle into a country in the last seven years? If I was signing that I would sure as hell make sure my signature was so illegible that nobody could read it. You would not sign it.

Dr Carroll—The submission will be made by the competent authority of the applicant country. They will have to ensure—as we do, because we have gone through this process ourselves on several occasions for other countries—that they have systems in place so that when they come back, and they do come back—

Senator HEFFERNAN—We are an island continent, remember?

Dr Carroll—If they do come back to us and say, 'We've looked through tariff records and things and you've imported X amount of meat and bonemeal from this and other places,' we have to trace all of those entries and go back and say: 'Actually, that was miscoded. It wasn't a meat and bonemeal customs entry, it was lawnmower parts.' You go through records very, very carefully. We have had to go through this with Japan, Europe, the OIE and the USA—several countries. On each occasion we have convinced them our systems are robust enough and, where they consider that they have found anomalies, we have disproved those anomalies and we have had our applications accepted in a process that is essentially the same as this.

Senator BACK—On 15 May 2009, for example, a six-year-old dairy cow in Alberta was confirmed as Canada's 16th case of mad cow disease. Seeing that, we would not expect the Canadians even to bother putting in an application.

Dr Carroll—That would be up to Canada, and they would have to convince us. We cannot pre-empt whether they will choose to make an application.

Senator BACK—One wonders why the Canadians have been so active lobbying ministers when, quite clearly, with a case of BSE in the last nine months, they are absolutely excluded. I could go on:

1.4. How have bovine carcasses, by-products and slaughterhouse waste been processed over the past 8 years?

Evidence required:

1.4.1. Documentation describing the collection and disposal of fallen stock and materials condemned as unfit for human consumption.

At the risk of labouring it, you and I could not sign to say that we were satisfied with the way Senator Nash's husband disposed of an animal that died seven years ago at Young in New South Wales, could we? We just could not do it—do you agree with me? You would not sign it; I would not.

Dr Carroll—I would stress—

Senator BACK—Would you sign it?

Dr Carroll—I would like to stress: we have gone through a process such as this and been accepted by the OIE and our peak trading partners. We can meet these sorts of requirements. That is what our trading is underpinned by.

Senator BACK—I guess what I am saying to you is that I am sitting here trying to establish whether at the end of the day I can have confidence. With the deepest of respect to those of you who are here, we know that there is no ministerial accountability, we know that there is no parliamentary accountability and we know that there is no legislative instrument—act or regulation. Any person would have to say that they could not reasonably accept the signature of anybody who accepted and signed off on any of those points I have mentioned. Madam Chair, I have other questions that I will come back to.

CHAIR—I have a question that follows on exactly from the point Senator Back has just raised. Again, with the greatest of respect to the departmental officers here who will be doing the job, at this point in time, as you said in the beginning, we have no understanding of the requirements that FSANZ will have to tick off any importation request, which you say will come through the process. Even if we accept that at this point we have no understanding whatsoever of what your criteria for tick-off will be, when you get to that point, what will be the accountability for your decision? What is the accountability process for the determination and decisions that you make on what is an appropriate tick-off for importation from other countries? If there is no ministerial oversight and it does not have to come to the parliament, what is the accountability process for the department? At that point you will be making a decision as to whether or not it should be ticked off.

Mr McCutcheon—With respect to the food safety assessments that FSANZ does, within FSANZ the CEO is accountable to the board—we are an independent authority—and the board in turn is accountable to a minister and to parliament because we are established under a set of legislation. In an accountability sense, whatever decisions we make, particularly on risk assessments, we are accountable for.

CHAIR—So, just to be absolutely clear about this, if you say: ‘Right, we will tick off country X; we think they have passed all the hoops,’ does that have to go and sit on the minister’s desk for him to tick off before you say yes?

Mr McCutcheon—No.

CHAIR—What is the accountability process if anybody outside of FSANZ, a parliamentarian or anybody else, wants to disagree with your determination?

Mr McCutcheon—Well, it is a scientific risk assessment—

Senator HEFFERNAN—You aren’t God.

CHAIR—Is there one or not?

Mr McCutcheon—There is not a strict accountability sense in terms of getting a minister or the parliament to sign off. Essentially, we make the risk assessment decision. That is what we are provided to do. It is no different to any other decisions we make in respect of risk assessments that we do on imported food. We provide that advice or, in this case, a determination.

CHAIR—Okay. I just wanted it to be absolutely clear for the record that the determination that Food Standards Australia and New Zealand makes is the ultimate decision and that there is no opportunity to have input into the decision you have made as to the appropriate requirements.

Mr McCutcheon—That is correct.

Senator O’BRIEN—So the importer cannot challenge FSANZ’s finding?

Mr McCutcheon—They can challenge it in the sense that they can come back and seek another assessment, but there is no challenge route for them, no.

Senator O’BRIEN—So it is not renewable in any legal jurisdiction or administrative tribunal?

Mr McCutcheon—No.

Senator O’BRIEN—Is it intended that there will be a determination for each country of application or for each importer?

Mr McCutcheon—For each country. These are country risk assessments.

Senator O'BRIEN—So once that assessment has been made, does that mean there will be no review? On what basis could it be reviewed, if at all?

Mr McCutcheon—There are a couple of avenues for review. Once a determination has been made on a country's application and it is allocated a category, category 1 or 2, then that country each year is required to provide a report to FSANZ—by, I think, 31 January—on an update on its BSE situation. So that in itself will require us to review that country's situation, despite the fact that they do have a category. If things arise in terms of a country's BSE status, for example they have a BSE detection, there is a requirement, and I think it is 24 hours, for them to report that to us. Of course, that would automatically trigger another review of their status. So there are a number of, I guess, triggers that could exist for that review. But once we do a determination and allocate a country a category, it is not the case that it sits there for ever more. It is constantly reviewed in the light of new information—and, of course, the 12-month review that is required anyhow.

Senator O'BRIEN—So there will be an annual review but there could be an unscheduled review if circumstances came to the attention of FSANZ?

Mr McCutcheon—That is correct, yes.

Senator O'BRIEN—By whatever means.

Mr McCutcheon—Again, the review that we would be doing would be on the food safety aspects.

Senator HEFFERNAN—I would just like to clarify something in relation to Senator O'Brien's very good question. Is this assessment made on the basis of the country of origin?

Mr McCutcheon—On a country basis, yes.

Senator HEFFERNAN—So it is not on the herd basis.

Mr McCutcheon—No, it is on a country basis.

Senator HEFFERNAN—Wouldn't the livestock identification system used have to be the full country if it is a country tick off?

Mr McCutcheon—Well, when we do the country assessment we will be looking at the traceability systems in that country—

Senator O'BRIEN—If you were, for example, to set a standard applying to a country, wouldn't it follow that the particular importer would have to show that that product met that standard even though there might be variable standards in that country?

Mr McCutcheon—That would be correct, yes.

Senator O'BRIEN—So Senator Heffernan's example of the Mexican cow in the Texas herd, or the possibility of that, might well disqualify that importer from importing because it did not meet the standard.

Mr McCutcheon—The country, in that case the US, would have to demonstrate that it has a system of traceability to follow animals back to their farm regardless of whether the farm is in the US or elsewhere. We are looking for traceability up and down the food chain.

Senator O'BRIEN—So, if there is a countrywide finding, the importer has to show that the country meets that requirement, or the source of the cattle meets that requirement?

Mr McCutcheon—No. The process is that a country is allocated a status and if it is category 1 or 2 then they are eligible to trade on the basis of the food safety risk assessment. If an importer comes to the Australian authorities, in this case DAFF, and wants a permit to import then the first box to tick is whether the country has the appropriate food safety assessment status. Once that box is ticked, it goes over to DAFF so they can look at the other areas, other quarantine controls, that would need to be satisfied.

Senator O'BRIEN—So that is the next stage?

Mr McCutcheon—Yes.

Senator O'BRIEN—Are FSANZ criteria published for each country for which there is an assessment?

Mr McCutcheon—No. What will be published is the final determination—for example, country A has category 1 or 2.

Senator O'BRIEN—Dr Carroll, could you tell us what the next step is?

Dr Carroll—The certification requirements that apply to the country are contained in the policy determination. To meet the food safety requirements, the documentation will show that country X is a category 1 country. That is the first set of requirements. Then there will be a set of quarantine requirements to cover the other diseases. That is the part of the process where BA will do an assessment of each country that applies to bring meat into Australia and will determine quarantine conditions. Those conditions are then signed off by the director of quarantine and that is the principal thing that will be taken into consideration by the delegate when issuing the permit. So the permit would show FSANZ clause A, B and C quarantine clause X, Y and Z. Then the meat will come across with the certification from the exporting country's competent authority that it meets those requirements. That will be checked at the border.

The decision-making process for that is that the delegate of the director or the director signs a permit. They are the accountable person. That is exactly the same system used for the 5,000 to 8,000 permits that are issued every year for a wide range of—

Senator O'BRIEN—Who makes the assessment of whether a country meets the FSANZ requirement?

Dr Carroll—FSANZ will have allocated the country classification. If somebody from the US wants to import meat from the US, we have their country categorisation provided by FSANZ.

Senator BACK—I would like a clarification. So that I am clear, as part of that assessment process, be it on food standards or be it on the animal side, you rely on certification from people within the competent authority of that overseas country. You are not sending Australians to satisfy yourself unless you have reason to disbelieve it. On the first instance, the assessment is based on the signature of those personnel from overseas.

Senator O'BRIEN—The OIE?

Dr Carroll—No, Senator—not the OIE.

Senator BACK—I did not hear the question.

Dr Carroll—I think the senator interjected and said 'the OIE'? I said, 'No, not the OIE'. The system is that FSANZ will look at their questionnaire—my colleagues will pick me up if I get this wrong—and assess the information on that, determine whether they need to go across in-country and verify certain things and then allocate, or not allocate, a status. From a quarantine perspective, the revised conditions as applying to country may also require visiting the country. Often in visiting the country, one of the main things you are assessing is actually the competency of the veterinary service to determine whether to accept their certification—do they have the ability to provide that certification? The in-country assessment is every bit as much about checking the veterinary service and how it works as about looking at the animal health situation in that country. We do not just say, 'Whatever the competent authority of country X says is correct'. We go across and determine whether or not they are in a position to offer the certification that is required. That same process happens frequently with Australia—other countries come across and check our veterinary services to ensure that we are competent to provide the certifications that we offer.

Senator HEFFERNAN—So, in terms of—

CHAIR—Hang on, Senator Heffernan.

Dr Carroll—But we do not go across for each shipment, because the shipments are done on the basis of the veterinary systems, the animal health systems—the same as ours—applying in the country. All export certification around the world is based on the competent authority and the systems they have in place to issue valid certification.

Senator BACK—But, in the first instance, once you receive responses to this questionnaire, you would surely be verifying or auditing that with Australian competent authorities, in the country?

Mr McCutcheon—With respect to the food safety assessments, we do have the ability to go over there and conduct in-country inspections if we are not satisfied with the information that has come through in the questionnaire.

Senator HEFFERNAN—Do you do that in conjunction with Biosecurity?

Mr McCutcheon—Yes, I think it would be a multiple delegation—it would be food safety experts and animal health experts, because we are talking about an issue here that derives from an animal.

CHAIR—Senator O'Brien, have you concluded?

Senator O'Brien—Yes, I have.

CHAIR—I will go to Senator Colbeck next. Can I just ask, though, with respect to the documentation that comes through on the questionnaire: how on earth can you know whether it is true if you do not go and have a look?

Senator HEFFERNAN—That is what happened in Brazil. You were going to go and have a look. You have never reported back to this parliament on what the outcome was.

CHAIR—I am quite genuinely asking this question, as I have all the others. How on earth can you know if the documentation that comes through on the bits and pieces of paper that are required on this questionnaire are going to pass, if you do not actually go and have a look?

Mr McCutcheon—We do have long-established relationships with many of our trading partners around the world. I might invite my colleagues in DFAT to come in here, but we would not—

CHAIR—So, because we have no oversight, we are going to trust you to trust them?

Senator HEFFERNAN—You are God in this matter.

Mr McCutcheon—There is an element of judgment here. We expect countries in good faith to properly address the questions—

Senator HEFFERNAN—But that is what Brazil did.

Mr McCutcheon—and come back to us with the information. We will work our way through that. We have a committee that has been established. It will include people from the agriculture portfolio on it—or at least one person. We will be able to work our way through that. I am sure we will be able to work out whether a country is telling us the full story or not. Clearly, if we have any doubts at all about the veracity of the information that has been provided in response to the questionnaire then we will definitely be going over there to verify.

Senator HEFFERNAN—Have you reported back to Australian cattle producers on why you have been so badly wrong on Brazil yet?

Mr McCutcheon—That is not my area, Senator.

Senator HEFFERNAN—It is Dr Carroll's area.

Dr Carroll—I am unaware.

Senator HEFFERNAN—That is a great answer. There was a catastrophic mistake, and you do not know the answer. Wow!

Senator COLBECK—I want to continue on from what we have just been looking at. We established on Monday that there has not been an import risk analysis for importation of beef into Australia, because the importation of beef commenced prior to the IRA process being commenced and developed over a period of time. Beef has been imported into Australia, from wherever it has come from, on the basis of OIE protocols—

Dr Carroll—No, on the basis of the risk assessment process that existed at the time within the department.

Senator COLBECK—Okay. But, effectively, we were working around OIE protocols. I am not saying that the OIE does anything, but there is an agreed set of processes through the OIE where the verifications that Senator Back was talking about are checked off: a country tells us that this is how they go about something, we audit that and then importation permits are issued, based on our auditing of those processes.

Dr Carroll—It depends on the product. As I said, I think somewhere between 5,000 and 8,000 permits get issued every year, so there is a lot of product imported that goes through the system that is in the legislation that we follow. The normal process for this sort of things is such that, if we are dealing with a country where we do not have sufficient information on their veterinary services and the way they function, we would send someone or a group across to assess their veterinary services and their animal health situation before finalising conditions. So that would be part of that process.

Senator COLBECK—I understand what you are saying. What I am trying to get to is the difference between the assessment process that we were talking about and the analysis under a formal IRA, the newer process. The Biosecurity Australia website says:

An IRA is required where there is no quarantine policy or a significant change in existing quarantine policy is to be considered. For example, an IRA would be conducted for:

- new commodities that have not previously been imported into Australia—
and we have had beef imports, so that process can be a baseline—
- commodities that are already imported but the import request is from a different country/area with a significantly different pest and disease status.

We have imported beef before from, for example, the United States—we have had evidence to that effect—and it was based on an analysis. Under the protocols that are being proposed in this process, for a country from which we have not imported beef, we are looking to continue with an analysis process. Under what circumstances might a full IRA be required from a country? What I am trying to establish is whether we are creating a problem for ourselves through having two processes. We have an import risk analysis process. Is there going to be pressure from countries saying, ‘No, we don’t want an analysis; we want an assessment’? And would that create problems for us within our overall biosecurity process?

Dr Carroll—The short answer to your question is no. The slightly longer answer is—

Senator COLBECK—Well, I will give you the opportunity to explain to me that ‘no’.

Dr Carroll—It says an IRA would be conducted for a country with a different disease situation. So, if we turned around and said, ‘We will now import beef from Kenya,’ where they have foot-and-mouth disease, we would have to do an IRA to see how we would safely import meat from a foot-and-mouth disease infected area. That would be a new country situation. If we said we were going to import beef from Fiji, which essentially has a similar health situation to the United States—there are no great differences with regard to foot-and-mouth disease between Fiji and the US—that would be an equivalent country situation from an animal health perspective. It is different from the FSANZ set-up.

The right to choose a regulated approach—in other words, the full import risk analysis approach—is one that rests entirely with the delegate. Usually countries exporting product to us, if we say, ‘We need to do an IRA,’ say ‘Oh, you shouldn’t have to because A, B and C.’ We make our decision and then we proceed down the path that we decide to. If we decide we are going to do an IRA, they may object. They may not like the decision. But essentially under our legislation, and my understanding is that it is entirely compatible with WTO rules, it is our right to do so if we so choose to, where it meets those requirements. In this case, it just does not meet the requirements.

Senator HEFFERNAN—Would we have to have an IRA from Mexico?

Dr Carroll—I would have to look at the situation in Mexico. I would not—

Senator HEFFERNAN—We are talking about Mexican beef here in this assessment process.

Dr Carroll—Sorry, Senator; as we have said, I do not think I can go into hypotheticals on a series of different countries that I do not even know are going to apply, and with traceability within the US—

Senator HEFFERNAN—But we know Mexican meat goes into America and we are doing a whole-of-country assessment.

CHAIR—Senator Colbeck has the call.

Senator COLBECK—Thanks, Chair. Senator Heffernan, I think, has put on the record a number of times during the conduct of this inquiry what happened with the beef that came in from what was an allegedly FMD-free zone in Brazil—it ended up on the Wagga tip. You have already indicated that you do not know what changes have occurred since that circumstance—

Dr Carroll—I know what changes were made and the conditions.

Senator COLBECK—That is what I am trying to get to. And that was done, we were told at the time, under the established OIE protocols where there were sign-offs, which Senator Back has been expressing concern about, at the other end. We then sent some people over to Brazil to have a look at what they were doing. What changes took place based on that particular occurrence? If our whole system is based on those sorts of sign-offs, what triggers do we have,

apart from an adverse event like the one which occurred, to be sure that we are not going to get caught again?

Senator HEFFERNAN—Can I just add to that?

CHAIR—No, Senator Heffernan.

Senator COLBECK—No, please Senator Heffernan.

Dr Carroll—I think I understand your concern. I believe I can answer it. There are probably two or three elements to the OIE setup. The OIE has recommended rules for trade which are recognised under the WTO through the SPS agreement and that is the benchmark of the rules for trade—that you should require certification for this, that and the other. The OIE also does risk assessment processes for four diseases to categorise countries and for the vast bulk of other diseases countries self-categorise. In other words, we say that anthrax occurs in a limited area in Australia. The OIE does not check; they accept our word for it. With foot-and-mouth disease, contagious bovine pleuropneumonia and rinderpest, we put in a dossier to the OIE. They assessed our written submission and by and large allocated our status on that and we have the highest status for all of those. BSE is quite a different disease. It is a disease for which the OIE does not recognise a free status; the only recognise negligible risk but again the OIE system is that you put in a dossier which they assess and then they give you a status.

What was done at the time of the Brazil instance, from what I have been advised, is that we accepted Brazil's zoning. They were a country which said, 'We've got a free area for FMD.' That was recognised by the OIE on the OIE's checking of their documentation. At that stage our policy was to accept that at face value and to accept imports on that basis. Since that time, we do not accept OIE country assessments. We do our own country assessments, similar to this BSE situation where the OIE have recognised various countries as negligible risk and various countries as controlled risk. We do not accept those. We use a similar methodology because it is a good methodology—we contributed towards its development and we voted for it as the appropriate methodology at the OIE, so it is one we approve of—and we conduct it ourselves. It does not matter what the other country declares or what the OIE accepts as their status for disease. It is how we assess the country and that is the big change from the Brazilian situation—that we no longer accept the OIE's categorisation and classification of countries, that we do our own classification of countries.

Senator COLBECK—And there would be other jurisdictions around the globe which have a similar approach. For example, I think the EU do not accept our zone process for bluetongue or they did not last time I asked a question about it. You might be able to clarify that for me. There was an issue with bluetongue zones in Australia not being recognised by the EU.

Dr Carroll—There is a long history. I think I put in the first application for zoning of bluetongue in Australia 25 years ago. The first three got lost in the EU. We not infrequently have to go back other countries and prove our situation and that is part of the process. We do get reviewed by the OIE, the US and the Japanese from time to time and it is proof—'This is your status.'

Senator COLBECK—There is a similar situation occurring with Russia at the moment with some of our issues on beef and kangaroo exports. Let us go to the document that the trade minister, Simon Crean, provided to Mr Cobb today. Under item 2, where you are talking about ‘Why no IRA—is assessment as good as analysis?’ the reality is that in some circumstances it may not be an analysis. It depends on our assessment of the country. It might well not be an assessment, which is what this document talks about with respect to BSE particularly, but, if it were a country such as Kenya or an African nation, as you were talking about before, it may be that there is a requirement, given that consideration, for a full import risk assessment. If anyone were to pick this up and say, ‘Okay, to get beef into Australia, all we have to go through is an assessment, not an import risk analysis,’ that may not necessarily be the case.

Dr Carroll—I would think that, from a quarantine perspective, if somebody wanted to send in fresh frozen meat from a country that fell outside the parameters of those for which we would just do the non-regulated risk assessment, it would be extremely difficult to do. I would think that Biosecurity Australia would not consider it an extremely high priority to do an IRA on it. They cannot demand a risk assessment. They can apply, but—

Senator COLBECK—The process that we go through is our choice, not their choice.

Dr Carroll—Yes.

Senator COLBECK—So, for beef from the US we are talking about doing an assessment but, for any other country, depending on the consideration of the particular risk, it may be that there is an import risk analysis—a full IRA—done.

Dr Carroll—I think it is more likely that a country could not get in without an IRA if it did not come under very similar conditions to the US with regard to animal health and disease status. However, we would not be doing an IRA if they were not going to get in. It would be highly unlikely that we would go through the process for countries that we felt did not have control of their foot-and-mouth disease situation. Rinderpest is the other major disease for consideration, but it is likely that, sometime this year, the world will be declaring itself free of rinderpest. That is a massive achievement but it appears to have been done.

Senator STERLE—I want to talk about accountability. Dr Carroll and Mr McCutcheon, correct me if I am wrong, but hasn't FSANZ's and BA's accountability been developed to ensure it is purely science based?

Dr Carroll—Yes.

Mr McCutcheon—Yes.

Senator STERLE—And how long have you been following these rules?

Mr McCutcheon—Ever since FSANZ was established as a science based organisation.

Senator STERLE—Which is?

Mr McCutcheon—The National Food Authority came into being in 1991, I think.

Senator STERLE—So nearly 20 years?

Dr Carroll—In the case of quarantine, since 1908.

Senator STERLE—Is that all!

Dr Carroll—Yes.

Senator STERLE—Okay, fantastic. That is tongue in cheek, sorry—I am reminded that *Hansard* does not pick up irony. I really want to clarify something with Mr McCutcheon—an earlier comment—just so the committee is very clear. I have a copy of a written response by you to questions posed by the *Australian*—and there is no emotion in me asking the question, Mr McCutcheon—which was used as the basis of the front-page story yesterday, 24 February. It was the quote from this story that the Minister for Trade used after his office explicitly checked with you that the statement was correct. The email is dated 23 February and it is from you to the *Australian*. I refer to question 6, where you were asked by the *Australian*:

Will consumers be able to be 100 per cent certain that imported beef products are BSE free?

Your answer was:

Yes. Consumers can be confident that the new policy arrangements will be underpinned by a rigorous scientific risk assessment process and robust risk mitigation measures to prevent BSE from entering the human food chain.

Just so this committee and everyone out there in ‘Hansard-land’ who has nothing better to do than listen to this inquiry and so we are all very clear that you are not misquoted on the record—

CHAIR—We have already determined that—

Senator HEFFERNAN—It was the minister, not—

Senator STERLE—Excuse me, I have had to sit through this committee and listen to the same damn question get asked 30 different ways.

CHAIR—So do not complain the next time it happens. You are doing it yourself.

Senator COLBECK—You complain about everyone else verballing, so just show some courtesy to your colleagues.

Senator STERLE—I would appreciate it if you would just give me an opportunity to clear up something. I do not need clowns on the backbench jumping in.

CHAIR—Absolutely, Senator Sterle, just do not complain about it next time.

Senator STERLE—So we are very clear and there is no misrepresentation—what was that?

Senator COLBECK—You talk about others verballing and you are doing exactly the same thing yourself.

Senator STERLE—I will continue, Mr McCutcheon, because there is a lot of misrepresentation. So you are not misrepresented and you stand by that statement?

Mr McCutcheon—Yes.

Senator STERLE—That is fine. Thank you very much.

CHAIR—Did you want to table that document, Senator Sterle?

Senator STERLE—You want it tabled? Absolutely.

Senator HEFFERNAN—Thank you very much. Could I ask a couple of questions?

CHAIR—No, you cannot.

Senator McGAURAN—I want to put on the record that I have a similar concern to my colleagues regarding the measure of traceability. To follow up the forensic analysis of Senator Back, I thought you were really quite defensive and very foggy when presenting what criteria or code you were going to use in regard to traceability. It all seemed to end up as a ‘We’ll know it when we see it’ sort of system. That is the concern: you are on your own, you have no accountability and all you have given us today is ‘We’ll know it when we see it,’ whether it is a good system or not. But Australia has the finest system and even the minister says that is the benchmark. That is the system. Ironically, the United States made us put that in place. The question is, going back to something Senator Back asked, about your rules. If a country comes to you and their traceability or ID system stops at the slaughter of the beast, would you rule that out?

Mr McCutcheon—Again, I will reiterate for the record that what we want to see, in doing our assessment of the risks for food safety, is the ability of a country to track animals from their property of birth through to the slaughterhouse and back, and, similarly, to trace the birth or cohorts of that animal from that same property, where they may have been exposed to contaminated meat and bone meal, through the system as well. The concept is quite simple. The actual systems in place, we expect, will vary around the world. Australia has, I would argue, the best system in the world in terms of the NLIS.

Senator McGAURAN—What about forward?

Mr McCutcheon—Are you talking about forward from the slaughterhouse?

Senator McGAURAN—Yes. If a country comes to you and their system stops at the slaughterhouse and they have no forward system, would you rule them out?

Mr McCutcheon—We would certainly want to look at what systems they have in place to trace product forward from the slaughterhouse because, again, that is all part of managing the food safety risks.

Senator McGAURAN—And if they have no system to trace product forward—is that one of your golden rules? We are just trying to get golden rules out of you. You are being very evasive and foggy. Is that a golden rule?

Mr McCutcheon—I apologise to the committee if it seems as though I am coming across as evasive or foggy because I am not. I am essentially saying that we have some quite clear general principles. It is a given that we need traceability in the system going beyond the slaughterhouse and to the consumer. We as a food safety agency want to be absolutely sure that countries have the ability to track their product up and down the meat supply chain. Until we get applications in from countries and have a look at what sort of systems they have, there is not much more comment I can make until such time as we see those. But that is the outcome that we are looking for.

Senator McGAURAN—Well, you are being vague. It was a simple yes or no. This was a mythical country. I did not name anyone.

Senator BACK—Can you understand how it would give us a higher degree of comfort if in section 2.4 on animal traceability and identification where it reads:

Questions to be answered:

- What systems are in place to ensure the effective—
et cetera. Can you not see that, if there was a statement which said, ‘Australia’s criteria by which we will judge your capacity are (a), (b), (c) and (d),’ then the applicant country could respond by saying, ‘We can meet (a), (b), (c) and (d) and we can demonstrate it’? From my point of view, that would be easy for them to understand, easy for you to audit and easy for a third party to satisfy themselves of. As it is at the moment, it simply says, ‘What systems are in place to ensure—’. There is absolutely no closing off of that process.

Dr Carroll—If I could just comment, having looked at some of these types of things. In undertaking this sort of analysis, the more constraints you put on yourself by saying, ‘You have to do X, Y and Z,’ the more you get into arguments about, ‘Have we done X, Y and Z?’ and not, ‘Do we have a traceability system?’ You want to leave yourself the maximum latitude, the maximum flexibility—

Senator BACK—I am sure the questionnaire can take account of that. I agree with what you are saying, but I am not suggesting that there is only (a), (b), (c) and (d). There might be an (e) or other factors that you require, but at the moment there are none. That is the point I am getting to. There are actually no criteria, and that gives me deep concern.

Dr Carroll—No. We have absolute 100 per cent ability to make sure that nothing can be ruled out from us and nothing is ruled in for us, so we can be absolutely convinced that the traceability system meets our requirements. They will also be using lawyers to answer these documents, and the more you put in them the more the lawyers can sit and argue about the clauses.

Senator HEFFERNAN—Lawyers!

Dr Carroll—You will be held to whatever you put in.

Senator BACK—Sure. But you can give us the comfort that nothing in this process is looking at dividing a country into regions or areas? Because of the ease of movement of animals, you are giving us that satisfaction that you would be looking at countries, not areas within countries?

Mr McCutcheon—These are country assessments, yes.

Senator BACK—So we cannot have ‘western something or other’ versus ‘eastern whatever’ because the disease is known to occur in one province or region and therefore we only look at that region. It is a countrywide assessment that is the whole basis.

Senator HEFFERNAN—It would follow, then, that it is whole of country traceability?

Dr Carroll—We can only repeat our answer.

Senator HEFFERNAN—Come on—the answer? Doesn’t it follow that, if it is a whole-of-country assessment it is whole-of-country traceability? You will be able to do it?

Dr Carroll—I think we can only repeat our answer that we will look at how they convince us that they have the traceability to meet our requirements.

Senator HEFFERNAN—But that would have to encompass, by whatever method, whole-of-country traceability, whether it is certificates, tags or whatever?

Dr Carroll—They would have to demonstrate to us that they meet the requirement and convince us that—

Senator HEFFERNAN—And isn’t that requirement whole-of-country traceability?

Dr Carroll—They would have to meet whatever the requirement says.

Senator HEFFERNAN—Oh, my God. Could I just go back to the Brazilian thing briefly. Given that, after that complete and catastrophic mistake, the government announced—or you blokes announced—you would go over there and have a look, did you go over and have a look?

Dr Carroll—I did not, no.

Senator HEFFERNAN—Speaking on behalf of DAFF or whoever it was—quarantine, AQIS, Biosecurity? Did a delegation of whatever, the might of the bureaucracy, go over there and inspect as they said they would?

Dr Carroll—I do not have the details.

Senator HEFFERNAN—Could you take that on notice?

Dr Carroll—I will take that on notice.

CHAIR—Could you indicate to the committee when you will be able to provide that to us?

Dr Carroll—Given the clearance process et cetera, whatever the normal clearance process would require for taking of questions on notice.

Senator HEFFERNAN—Could you also let us know who the delegates were who went and table the report that was a consequence of that? It was a catastrophic error. Is that all right, on notice?

Dr Carroll—I have taken it on notice, so we will provide that in the normal manner in which we provide them.

Senator HEFFERNAN—Thank you very much. I want to go to the whole-of-country assessment that Senator Back has pointed out, which as you say, Mr McCutcheon, is the process, not on the biosecurity side but on your side of the game. We are going to combine the biosecurity issues.

Dr Carroll—Senator, just to confirm—

Senator HEFFERNAN—If it is a whole-of-country assessment and some of the traffic in that country is from another country, from across a border, haven't you then got to assess where they are coming from as well?

Mr McCutcheon—We do not have to assess. It is up to the applicant country to demonstrate to us that they can fulfil—

Senator HEFFERNAN—So that means that, in the case of Mexican trade, the US would have to be able to demonstrate that they can trace back through Mexico where the cattle came from? Is that fair enough?

Mr McCutcheon—That is right. Any country that has a bordering country—

Senator HEFFERNAN—Could you provide on notice to this committee the health status and the details of the Mexican cattle herd?

Mr McCutcheon—In terms of the disease status of the Mexican cattle herd, I would have to defer to my colleagues.

Senator HEFFERNAN—We are asking the panel, with all the might of the Commonwealth bureaucracy, to provide us with the cattle herd status, the numbers and the disease status and the biosecurity arrangements of Mexico. We are talking here about importing meat from the United States; in the same words it is also about importing meat from Mexico. It is a whole-of-country assessment: you either block the border or you also assess Mexico in the same process.

Dr Carroll—I am unaware of whether we have even done a health assessment of Mexico.

Senator HEFFERNAN—If you do not know—

CHAIR—Hang on, Senator Heffernan. Perhaps Dr Carroll—or whoever could perhaps assist in this matter—could look into that. It seems a reasonably sensible request. I am sure it must be

information that is provided somewhere across the department. If you could undertake to provide that to the committee. Before I pass back to Senator Heffernan, could I remind officers that we are reporting on Thursday week. We do require this information to be included in the report, which the secretariat will obviously have to write. So a timely response, with those questions on notice responses, would be very much appreciated by, at the latest, the end of next week.

Dr Carroll—We will. If I could clarify one point. The only thing we are able to do at this stage with regard to Mexico is to forward to you the OIE report. We have nothing further on Mexico at this stage.

Senator HEFFERNAN—You are obviously not in a position to assess an application as a whole-of-country assessment for the United States if there is trade out of Mexico because you do not know about Mexico?

Dr Carroll—At this stage, we have not received an application from the United States.

Senator HEFFERNAN—I think you will get a surprise tomorrow!

Dr Carroll—The application cannot be submitted until 1 March. It is impossible to assess an application that has not been received and to provide information that has not been assessed.

Senator HEFFERNAN—I know that you do not like to talk hypotheticals. But if there were an application by the United States it would seem logical that you would also have to cut off Mexico or shut the border?

Dr Carroll—I would have to see what is in the application from the—

Senator HEFFERNAN—Going to the conduct of the assessment in an abattoir, you agree that there is no such thing as a live BSE test?

Dr Carroll—That is my understanding.

Senator HEFFERNAN—And there is no such thing as a BSE-free herd? Correct?

Mr McCutcheon—Yes.

Senator HEFFERNAN—What will the process be that you will demand in an abattoir? Will you demand a ‘dead’ test on every animal or how will you know that an animal does not have BSE? Are you going to test every animal?

Dr Carroll—It is correct that there is no live test for BSE. The test with regard to dead animals has an extremely low level of accuracy until animals are of more advanced years because of the way that BSE behaves—

Senator HEFFERNAN—I am aware of that.

Dr Carroll—That is why, I think, we have never seriously considered having a testing regime—

Senator HEFFERNAN—So when you say there is a negligible risk or zero risk—Mr Crean said ‘zero risk’—you cannot scientifically guarantee that because of this inability to test even a younger animal that has had the disease for a short time.

Dr Carroll—That is, I think, incorrect.

Senator HEFFERNAN—Tell me what the process will be to know that a beast does not have BSE when you kill it, not when it dies in the paddock?

Dr Carroll—As I mentioned in a response to Senator Colbeck, BSE is a very different disease from any other disease. It is a prion disease. It has quite specific distribution. The methods for stopping BSE are quite different from the means of stopping a contagious disease, because it is not a contagious disease.

Senator HEFFERNAN—I understand all that.

CHAIR—Last question, Senator Heffernan.

Dr Carroll—Therefore, the means of guaranteeing freedom are (1) to ensure that meat products are not fed to ruminants, as you have a ruminant feed ban in place, which is one of the big cornerstones of our process for being recognised as a negligible risk; and (2) that you ensure that, where there is any risk, you do not take specified risk materials from animals over a certain age, and that will also—

Senator HEFFERNAN—We are running out of time. I understand all of that implicitly. But what that says to me is that you cannot say that we will not be importing meat from cattle in a country that has not got BSE, because even if you have SRM removal you can still have a beast that has got BSE whose meat will be imported into Australia. (1) you have not got a live test, (2) you will take the precaution, you think, of SRM removal. Will mandatory SRM removal be part of the business?

Dr Carroll—I think for category 2 countries, mandatory SRM removal is there. SRM removal is an additional level of—

Senator HEFFERNAN—The United States is category 1 or category 2?

Dr Carroll—They have not been categorised yet, so it is impossible to pre-empt or prejudge that.

Senator HEFFERNAN—So because there is no live test, there is an inaccurate dead test, depending on the age of the beast, and it will be possible to import into Australia meat from a beast that has BSE.

Dr Carroll—As I was trying to explain, Senator—

Senator HEFFERNAN—Thank you very much.

Dr Carroll—Can I please explain. If you have ruminant feed bans in place, the mechanism of animals becoming infected with BSE does not exist, therefore the animals will not have BSE.

Senator HEFFERNAN—If there are rogue BSE animals—what is the word for no explanation for BSE activator?

Dr Carroll—Idiopathic.

Senator HEFFERNAN—So if there is one of those, that could be in the system and it could be killed and the meat could come here.

Dr Carroll—Idiopathic BSE is likely to occur in any cattle population that is large enough.

CHAIR—I have a couple of very quick questions to finish off. Can somebody tell me what an equivalent output to a plastic ear tag is?

Dr Carroll—In the context of animal traceability?

CHAIR—In the context of animal traceability.

Dr Carroll—It would be an identification method that can be linked to the animal.

CHAIR—What might that be likely to be?

Dr Carroll—Anything from an electronic tag, a brand, anything—

CHAIR—No, sorry, I will just take you to this. Our Australian producer requirement at the moment, under our National Livestock Identification System, is an electronic ear tag. Apparently under these new arrangements the alternative method accepted will be, yes, plastic ear tags; so we are going to accept a plastic ear tag as an alternative to an electronic ear tag, which is the only thing we accept in Australia, or an equivalent output. How are either of those two things the same as an electronic ear tag?

Dr Carroll—Can you please reread that?

CHAIR—Sure. The Australian producer requirement for the NLIS is an electronic ear tag. That is pretty straightforward?

Dr Carroll—Yes.

CHAIR—Got that? Excellent. Apparently under the new rules plastic ear tags will be accepted if used in an overseas herd.

Dr Carroll—If that is what the statement says.

CHAIR—It is. How is that equivalent to an electronic ear tag?

Mr McCutcheon—It is not equivalent, obviously. They are two different things.

CHAIR—That is exactly right.

Mr McCutcheon—But we are not talking about equivalent systems per se. We are looking for equivalent outcomes.

CHAIR—How can you have an equivalent outcome from a plastic ear tag which might have a million numbers on it? You do not know how on earth they would do that in terms of other countries, how many numbers go on, human failure, who is going to read the plastic ear tags. You cannot possibly say that is going to deliver the same outcome as an electronic ear tag.

Senator HEFFERNAN—And you cannot have full livestock traceability with a plastic tag.

Dr Carroll—It would depend on what systems they have backing up the plastic tag system.

CHAIR—Hang on. What sort of systems could they possibly have to back that up that would enable the plastic ear tag to be the same as an electronic ear tag?

Dr Carroll—If they have recording systems for their ear tag situation and collating systems and documented systems, similar to—

CHAIR—Sorry, Dr Carroll, but how could they possibly have an equivalent system that obviously involves human input compared to an electronic ear tag?

Dr Carroll—Some of our systems rely as well on human input.

Senator HEFFERNAN—Are you going to hand enter all of these things into a database instead of an electronic—you have got to be joking, mate!

Dr Carroll—If that is what they choose to do.

CHAIR—Why on earth didn't you just say electronic ear tags—it had to be equivalent?

Dr Carroll—Because we said they had to reach an equivalent outcome—

Senator HEFFERNAN—If you have got a million acres—

CHAIR—Senator Heffernan! Sorry?

Dr Carroll—Because we said they had to reach an equivalent outcome of traceability.

CHAIR—I am not going to go around this, but you cannot possibly achieve the same level of traceability with a plastic ear tag as an electronic ear tag. Have you ever seen one?

Dr Carroll—I am well aware of ear tags.

Senator HEFFERNAN—Have you ever tried to read one?

Dr Carroll—Yes, on many occasions.

Senator HEFFERNAN—It is very difficult. If you have 1.5 million acres with 300,000 cattle, that is mission impossible.

CHAIR—I think we have made the point about just one very small area where we do not have equivalence with our NLIS here in Australia. There has been a lot of discussion around labelling. I think the minister yesterday made some comments around looking at the labelling issue because currently meat from other countries is not required to be labelled. From that we take it that, if given clearance through your processes, any amount of beef could come into Australia and go into manufacturing and food outlets here in Australia. I really just need a yes or a no because we are out of time.

Mr McCutcheon—That is correct. There is no country of origin requirement for fresh beef.

Mr Morris—That is not quite right. Packaged fresh beef has to be labelled, but unpackaged fresh beef does not have to be labelled.

CHAIR—Thank you for that clarification. The announcement was made by the three ministers about the change in arrangements coming on Monday. And this question might be for you, Mr Yeend, as much as anyone else. Were any concerns raised with you from Japan about the change in status that was likely to result from the change of arrangements on Monday?

Mr Yeend—No.

CHAIR—Why would they have raised them with Meat and Livestock Australia and not with the department of trade?

Mr Yeend—I do not know, but they have not raised them with the department, as far as I am aware.

CHAIR—Is that unusual?

Mr Yeend—If they do not have any concerns, they would not raise them with us.

CHAIR—But they did have concerns. That was the point. I am curious to know why they raised them with Meat and Livestock Australia and not with the department of trade.

Mr Yeend—The Japanese government has not raised them with the Department of Foreign Affairs and Trade, which would seem to indicate to me that they do not have concerns that they want to raise with the Australian government about the proposed change.

CHAIR—I want to clarify this for *Hansard*—and thank you, Senator Sterle, for raising this. Mr McCutcheon was asked: will consumers be able to be 100 per cent certain that imported beef products are BSE free, and Mr McCutcheon answered yes.

Senator STERLE—Can you get mistakes from electronic tags?

Dr Carroll—Any system can register a mistake.

Senator COLBECK—In the document Senator Sterle tabled there are 18 countries listed as being able to export beef to Australia. Has the committee asked who those countries are previously and, if not, can you give those to us on notice and their various status. The first paragraph talks about countries and there are only two that currently meet both food safety and quarantine. I would be interested in those 18 countries and their status. I am happy for you to take it on notice, because we do not have time now.

Dr Carroll—Are you referring to the countries that under the previous FSANZ rule could export beef?

Senator COLBECK—I am asking the question based on this email of Mr McCutcheon's to Natasha. It is under the current BSE policy established.

Mr McCutcheon—We would be able to read them out now.

Senator COLBECK—Do we have another witness coming on?

CHAIR—We do. We have to pull up now.

Senator COLBECK—I would be interested to know where beef has come from and the status of those.

Dr Carroll—There are only two countries that can export for quarantine reasons at the moment who have been able to export beef—

Senator COLBECK—New Zealand and Vanuatu.

Dr Carroll—That is right. That is for fresh beef. This change would also affect canned beef products, because the canning process for canned beef gets rid of most of the quarantine concerns. So the countries under the FSANZ list—the old category A countries and maybe category B countries—would have been able to export canned beef products but not necessarily fresh beef products to us—in fact, probably not. We can provide the list.

Senator COLBECK—I am interested in knowing who has been able to send beef here in the past and under what circumstances.

Dr Carroll—Yes.

CHAIR—Thank you very much. With regard to the questions on notice, can we have them back to the committee by Wednesday of next week? The date escapes me but I think it is 3 March. That would be very useful. We do have to be mindful that the secretariat have to write the report and they will need all that information available to them. I thank you all again for giving us your time. You have been very generous with your time on a number of occasions now and the committee does appreciate it very much. Thank you all for being here today.

[7.16 pm]

McIVOR, Mr Ian Kemball, Chairman, Red Meat Advisory Council Ltd

Evidence was taken via teleconference—

CHAIR—Mr McIvor, I am sorry to have held you up.

Mr McIvor—That is okay. I was enjoying the evidence.

CHAIR—Do you want to make any amendments or additions to your submission at all?

Mr McIvor—Which submission are you referring to?

CHAIR—Your original submission. It is just a matter of protocol. We always ask.

Mr McIvor—No.

CHAIR—Did you want to make a statement or just go to questions?

Mr McIvor—I would like to say a couple of things, if I may. At your request, I am appearing again. I appeared together with the directors of AHMAC earlier in December and I do not believe our position has changed since then. Whilst I do not wish to abrogate myself from any responsibility as chairman of AHMAC, I would like to point out that my field of expertise is in live export and not meat processing. I would just like to make the point that if the discussion gets fairly technical I would prefer to put it to one of my fellow directors because I just do not have the expertise. I am not ducking the issue; I am quite prepared to field the questions, but I did ask if I could bring a couple of other people along to this discussion tonight and I was refused.

CHAIR—We are not aware of that. I will follow that up, but we are not aware of that at all.

Mr McIvor—I am not too sure that everyone understands what AHMAC is. It covers six areas of the livestock industry and not just livestock processing.

CHAIR—I understand that.

Mr McIvor—I happen to be the chairman—

CHAIR—I will follow that up for you but that was certainly not our intent. I can probably—

Mr McIvor—I am quite happy to field questions, so let us go.

CHAIR—Thank you very much for that. We do appreciate the fact that you have given us your time again. Thank you for your comments around the more detailed information but we have traversed a lot of that already, so I doubt we have any need to go over it again. We were

particularly interested in talking to you because since the last time we spoke to you the protocols have been released by Food Standards. Given that the industry was wanting to have some input into those protocols, we thought it appropriate to get you back to see if you were satisfied with those protocols and if the input you requested has been taken on board. That was the nature of why we asked you to reappear. Are you able to answer those questions? I do understand that you have made some public comments, but do you feel—

Mr McIvor—It appeared to us, from the further Senate inquiry after we appeared, that we were not going to be consulted in setting the protocols. We have since contacted FSANZ and Mr McCutcheon and they have assured us that we will be included in all the discussions, that our agreement will be asked for and that we will have a chance to debate it. We are happy with what has come out to date.

CHAIR—I have to raise this: I thank you for that and obviously for their reassurance, but the protocols have been released. So the time for you to have an opportunity for input would have passed. The protocols have been released and made public.

Mr McIvor—My understanding from my colleagues is that we have looked at them and we are satisfied with them.

CHAIR—You are satisfied with them. I will take that on board. We appreciate that. As I understand it—please correct me if I am wrong—you have required equivalence with the National Livestock Identification Scheme. Is that correct?

Mr McIvor—Yes.

CHAIR—And all of the things that are contained within the questionnaire—the protocols as defined—are to your satisfaction?

Mr McIvor—I personally have not read them but I understand that that is the case. We have been assured that we will get the—

Senator HEFFERNAN—Can I raise—

CHAIR—Sorry, Mr McIvor, what was that?

Mr McIvor—We have been assured that we have got the equivalence.

Senator HEFFERNAN—I call a point of order. Could I clarify, Mr McIvor, who told you that you could not bring your colleagues along to this hearing?

Mr McIvor—I am sorry. I understood that I was invited just in my single capacity.

Senator HEFFERNAN—But you said that you were instructed that you could not bring any colleagues. Who told you that?

Mr McIvor—I would have to go back and refer that. I got the invitation second hand. My understanding was that it was me only.

Senator HEFFERNAN—Who gave you that understanding?

Senator McGAURAN—You did not even ask to bring anyone else along.

Senator HEFFERNAN—Who gave you that understanding?

Mr McIvor—I'm sorry; you are putting me on the spot, now. I understood that I was invited singly, not collectively—that I could not bring my co-directors. If I misunderstood that I apologise.

Senator HEFFERNAN—Could I just ask a further question? We have taken evidence this afternoon that the assessment by Doha is a whole-of-country assessment. Do you understand that?

Mr McIvor—No. We were talking about me coming with my colleagues and now, suddenly we are into Doha.

Senator HEFFERNAN—Yes, we have moved on from that. We will get an explanation for that later. We are running out of time. Do you understand, from your understanding of the protocols that RMAC has ticked off, that the assessment is a whole-of-country assessment?

Mr McIvor—Yes, I understand that to be the case.

Senator HEFFERNAN—Okay. So, if it is going to be a whole-of-country assessment RMAC and the meat council have told the government that they are happy not to have a national livestock identification tag—

Mr McIvor—No, I think they asked for an equivalent to our national identification tag.

Senator HEFFERNAN—I understand that, but you would agree that it would have to be nationally, right? It would not be just herd or district—it's got to be across the nation.

Mr McIvor—No, I do not believe that that was the case.

Senator HEFFERNAN—Well, could you explain this to me, Mr McIvor. In Australia, if a calf is born in Alice Springs—

Mr McIvor—We have been down this track before.

Senator HEFFERNAN—and it goes to Dubbo and it ends up at Ballarat—

Mr McIvor—Yes, and it ends up on Wagga.

Senator HEFFERNAN—it can be traced.

CHAIR—Mr McIvor, Senator Heffernan does have the right to ask you the question.

Mr McIvor—Sorry. I apologise.

Senator HEFFERNAN—So, in Australia, even if a calf is born in the Kimberleys and ends up in Ballarat it is traceable electronically.

Mr McIvor—Yes.

Senator HEFFERNAN—We have been told that the traceability equivalence, because the assessment is nationally, will have to be the equivalent of that, whether it is by certificate or what other process. It has to be national traceability. Do you understand that?

Mr McIvor—Yes. I believe I do.

Senator HEFFERNAN—In the United States we have traffic across the border from Mexico so you would have to have traceability of those calves when they are born in Mexico.

Mr McIvor—I would not think that were possible.

Senator HEFFERNAN—That is a very good point. So, if that is not possible, then they are disqualified.

Mr McIvor—The way it was put to me was that, if you want to quote the United States, there are areas where it is possible—for example, Texas has an area where it is traceable. If it was outside of that, the animals would not be permitted to come into Australia. This is outside of my field, I am sorry.

Senator HEFFERNAN—My final question is: could you at a further hearing supply us with people who can answer these questions?

Mr McIvor—Yes, I hope so.

Senator COLBECK—The development and the introduction of the National Livestock Identification Scheme was something that was pushed pretty hard by industry. It was developed by industry.

Mr McIvor—Yes.

Senator COLBECK—I think it is coveted pretty strongly.

Mr McIvor—Yes.

Senator COLBECK—And I think you would have to agree it is a significant marketing tool for us in our export markets because of what it does provide.

Mr McIvor—Correct.

Senator COLBECK—The issue of traceability has been a significant discussion point right through this process from the outset, and one that I know the industry has looked to have as a key point and that they have wanted to see as part of the protocols. My concern really comes back to this national versus regional or local traceability issue. The concern is that Australia's farmers are required by law to have this national traceability process. Why should Australian farmers have to compete against a system that does not provide similarly? What is the point of us having this national livestock traceability system that is legislated if no-one else has to do the same thing?

Mr McIvor—We know that no-one else has the same system.

Senator COLBECK—That is my point.

Mr McIvor—I agree. No-one has the same system, but I am led to believe that there are countries where you can have traceability within an area. If the animals are being sourced from an area that is traceable—that you can identify—then that would be fine. But, if it is outside of that, we do not want them.

Senator COLBECK—I take your point there, but I think we are probably slightly at cross-purposes. We are short on time, so I will leave it there.

Mr McIvor—I just say—and I have said earlier—that I am a livestock exporter, not a processor. The livestock export group in Australia were the first to get on board with NLIS. We were the first to write to SAFEMEAT saying we support it.

Senator COLBECK—I am not trying to attribute anything in that context to you.

Mr McIvor—I know that.

Senator COLBECK—I am just asking a philosophical question, and one that has been asked often of me by some of those who do not necessarily support the legislated live national system.

Mr McIvor—But we certainly support it.

Senator COLBECK—I understand that, and there is no criticism intended.

Mr McIvor—Thank you.

Senator STERLE—If I have asked this question, and you have answered it, I do apologise: how many producers do RMAC represent?

Mr McIvor—RMAC is made up of the five peak councils—it used to be six. One of them is the Cattle Council. I cannot answer for the Cattle Council. They are just one of the six components of RMAC and my understanding is that they represent a majority of the cattle producers in Australia. You would have to ask the Cattle Council that. I believe you heard from Mr Brown earlier this week. I hope you asked him that question, because he can answer it. I cannot answer on the Cattle Council's behalf, but my understanding is that they represent the majority of beef producers or cattle producers in Australia.

Senator STERLE—That is fine. Is there another representative body that comes anywhere near the same representative size of the Cattle Council?

Mr McIvor—Not to my knowledge.

CHAIR—There are no further questions from my colleagues. Mr McIvor, thank you very much for giving your time again today. We do appreciate it.

Mr McIvor—I would just like to make one comment to Senator Heffernan. I hope that he goes a bit easier on Sunday night at the Presbyterian Uniting Church than he has in these last couple of days.

Senator HEFFERNAN—Could I just ask you one final question? Is there a reason why you have decided you do not want to go down the path of a full import risk analysis?

Mr McIvor—We have not declined that. Surely that is up to the government—the Chief Veterinary Officer and the Biosecurity Australia people.

Senator HEFFERNAN—RMAC officially has said that they are happy with an import risk assessment as opposed to an import risk analysis. Do you know the difference?

Mr McIvor—Yes, I know the difference. My understanding of the current situation is that the IRA is for new products coming into the country. Beef has been imported into this country for the last 20 years.

Senator HEFFERNAN—Mr McIvor, with great respect, there is a completely different process. Do you know the difference in the process?

Mr McIvor—Obviously, one is a lot more stringent than the other.

Senator HEFFERNAN—Forget about it—she'll be right, mate. Thanks for your help.

CHAIR—That concludes today's hearing.

Committee adjourned at 7.31 pm