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SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT
REFERENCES COMMITTEE

Reference: Import restrictions on beef

FRIDAY, 14 MAY 2010

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SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT

REFERENCES COMMITTEE

Friday, 14 May 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, 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, Nash, Heffernan, McGauran, Milne, 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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Committee met at 8.32 am**BELLINGER, Mr Bradley Robert, Chairman, Australian Beef Association****ECONOMOU, Mr Athol, Director, Australian Beef Association**

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 that 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. I would also ask witnesses to remain behind for a few minutes at the conclusion of their evidence in case the Hansard staff need to clarify any terms or references. I remind people in the hearing room to ensure that their mobile phones are either turned off or switched to silent. On behalf of the committee, I thank all those who have made submissions and sent representatives here today.

Evidence was then taken in camera but later resumed in public—

Proceedings suspended from 8.33 am to 8.56 am

CHAIR—Do you have any further remarks for the public hearing?

Mr Bellinger—One of the three points that the Australian Beef Association would like to reveal to the Senate is that our major export customers appear not to have been consulted on the decision to import beef from BSE affected countries. As it stands with our major beef markets on the Pacific rim—Japan, South Korea and Taiwan—Japan imposed the 20-month rule on all US beef imports to that country and Taiwan and South Korea applied a 30-month rule. We have concerns that if we allow beef from BSE affected countries into Australia then these countries will then impose that rule onto our own beef market.

If you look at it statistically, Japan is our biggest export market at 350,000 tonnes and we have South Korea at 120,000 tonnes. Remember that 52 per cent of all cattle in Australia are born and bred in Queensland, and their pastures have constraints on the age at which the cattle can be turned off. A 30-month-old animal is only a beast of 2½ years. If they shut us out and apply the 30-month or the 20-month rule then most of our manufacturing beef going to those countries

could well be shut off. We have not consulted those markets to see what rules they will apply to us.

CHAIR—Did you want to address your other two points as well before we move to questions?

Mr Bellinger—Yes. We have a problem with the private members bill which was put through the Senate as a means of safeguarding Australia against BSE. We believe that the NLIS compliance component of that bill sent through the lower House is inadequate. Of course, NLIS is Australia's National Livestock Identification System. As explained to me by John Cobb's office, NLIS traces a cow from the place of birth to the knocking box. It does not trace the cattle from the slaughterhouse floor to the consumer, so if a consumer ate a piece of beef that was infected with the BSE prion, and died, we would not know where the beast came from—so the NLIS would be absolutely irrelevant. Using NLIS as a means to safeguard the Australian public against BSE is clearly inadequate and it should be completely taken out of the equation.

CHAIR—And there was a fourth point?

Mr Bellinger—That was the fourth point.

CHAIR—I am sorry.

Mr Bellinger—I put one and two together.

CHAIR—You said that the export customers of Japan and South Korea appear not to have been consulted. What are you basing your assumption that they have not been consulted on?

Mr Economou—Firstly, we have not heard in the media that there has been any consultation. Secondly, none of the submissions by DFAT, DAFF and others indicate there has been any consultation with our customers in North Asia.

Senator HEFFERNAN—I realise there is a bit of competitive tension in the NLIS argument, but NLIS for foot-and-mouth, for instance, is an essential management tool; wouldn't you agree?

Mr Bellinger—No.

Senator HEFFERNAN—In any system there are likeable rogues. It is not perfect. If there is a foot-and-mouth outbreak at Juneee, and I bought the cattle in Katherine, at least we can say where the cattle came from; can't we?

Mr Bellinger—You can say where the cattle came from but, because foot-and-mouth disease is carried on the wind and all the cattle around your property will be shot, it is irrelevant.

Senator HEFFERNAN—Yes, I know all that. But you do not think it is a good idea to have birth to death traceability?

Mr Economou—The discussion is about the requirement to have birth to death traceability in the United States—

Senator HEFFERNAN—No. What is good for the goose is good for the gander. You are not going to cross that line with me. We have a bloody good system. I realise you think it is not a bloody good system. There are some flaws in it, and I can point to them. We need to sort them out rather than scrap the system. We need to fix the weaknesses in the system. Our system of traceability is better than anywhere else on the planet.

Mr Bellinger—Incorrect. They have a better system of traceability in the UK. It is more expensive, but it is more accurate. It is a paper based system.

Senator HEFFERNAN—Fair enough. You can improve it. But they do not have million acre properties; they have little pansy sized properties.

Mr Bellinger—May I submit to the committee our audit into the National Livestock Identification System that shows that 34 per cent of the cattle missing on the database.

CHAIR—You may indeed.

Senator BACK—Can you talk us through again your concerns regarding the alteration by the US towards making its trade for Korea, Taiwan and Japan more attractive and how that disadvantages Australian producers.

Mr Economou—North Asia is Australia's biggest export market. North Asia imposes a restriction on beef. The Japanese require all beef to be derived from animals under 20 months of age and South Korea and others require 30 months of age for animals from which meat is—

Senator BACK—That is not from all countries though, is it?

Mr Economou—The 20 months is Japan, the single biggest market. South Korea has a 30-month ban, Hong Kong has a 30-month ban, Taiwan has a 30-month ban, Thailand—

Senator BACK—That is for US imports?

Mr Economou—They impose that on US imports.

Senator BACK—Yes, US imports. That is the point I want to get to.

Mr Economou—But the issue is that Australia is exempted because we do not have BSE.

Senator BACK—That is right.

Mr Economou—And there is no perception that Australia has BSE. If we set about compromising our standards and there is the perception that we have BSE, those markets may impose a 20-month or 30-month restriction on our beef.

Senator BACK—Are you saying that in the event that we accept beef into Australia from countries that have had BSE the North Asian market may want to impose that same condition?

Mr Economou—We live in the real world. It is an issue of what consumers and governments do. There may not be a lot of science in the 20- or 30-month bans, but it is what the Japanese, the South Koreans and their governments have done.

Senator BACK—Are you aware whether anyone in the Australian scene, be it government or industry groups, has consulted with our North Asian markets who import Australian beef now about what their reaction would be should we allow the importation of beef from countries that have had BSE?

Mr Economou—There has been no discussion in the press, and I note the submissions that you will hear about later today make not reference to any consultation with Japan, South Korea or other markets regarding the 20- or 30-month issue.

Senator BACK—Has your organisation tried to engage them or is it not appropriate for your organisation to have tried to?

Mr Economou—We have not approached them and it is not appropriate for us to approach Japanese authorities on this matter.

Senator BACK—Anecdotally do you have any advice or feedback about how you think the North Asian import agencies might regard this Australian position?

Mr Economou—We have put our statements on the record. If you look at the American dialogue between the USDA, the US trade representatives, Japan, Korea and Taiwan, it is that key point of discussion. The Bush administration's position was that they were going to get this ban removed. The Obama administration has said: 'It's a reality. We need to deal with it. The Japanese and Koreans are unlikely to change their position.' As a consequence, as we have reported in our submission, Tom Vilsack, the Secretary of Agriculture in the United States, has indicated that they are no longer going to press Japan, South Korea and others to change their rules but will work around them. In fact, they recently signed a beef import agreement with Taiwan that basically says, 'We don't accept the science of the 30-month ban, but we will deal with you on that basis.' That is what is going on between America and its and our Asian customers.

If you want me to proceed, I will follow the logic of the argument through. The problem is that if Australia starts importing beef from the States the United States will then turn around and say: 'Look: Australia, which has negligible risk—the cleanest BSE country in the world—is prepared to accept American beef. Hence, our beef'—that is, US beef—'is at least as clean and as safe as Australian beef.' Then they will go to them and say, 'You should take the 20- and 30-month restrictions off American exports.' The reality is that we know the Japanese will not do it—for political reasons. It has nothing to do with the science. Then we have a situation where Japan is imposing a 20-month ban on US beef and no ban on Australian beef even though Australia agrees that these two beef standards are equivalent. The next step is that the Americans turn to the WTO and say, 'You're using this unscientific 20- or 30-month ban as an artificial trade barrier,' and then we have a great big fight on our hands. And this happens before we even get a scare; this just happens because we have changed the administrative legal trading arrangements. I fear that that is going to become a reality. If we are locked into the 20- or 30-

month rules, we will lose 90 per cent of our exports, because most of the meat that we export to North Asia is derived from animals over 30 months of age.

The second thing is that we do not have the technical resources to segregate out the young cattle. It has taken the Americans six years to get their act together; it will take us decades. Meanwhile our cattle prices will collapse because Japan and South Korea account for more than 50 per cent of our exports.

Senator HEFFERNAN—What do you mean ‘will’ collapse? They are at a 40-year low now.

CHAIR—Gentlemen, thank you very much for appearing today. We appreciate you taking the time to be here.

[9.13 am]

CARROLL, Dr Andrew Gerard, Chief Veterinary Officer, Department of Agriculture, Fisheries and Forestry

GRANT, Dr Colin James, Chief Executive, Biosecurity Australia, Department of Agriculture, Fisheries and Forestry

McCORMICK, Mr Hamish, First Assistant Secretary, Office of Trade Negotiations, Department of Foreign Affairs and Trade

McCUTCHEON, Mr Stephen Donald, Chief Executive Officer, Food Standards Australia New Zealand

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

MELLOR, Ms Rona Louise, Deputy Secretary, Department of Agriculture, Fisheries and Forestry

PARLETT, Ms Jane, Director, Food Trade and Quarantine, Department of Foreign Affairs and Trade

TOWLER, Dr Bernie, Principal Medical Adviser, Department of Health and Ageing

CHAIR—We will begin this morning's session in camera.

Evidence was then taken in camera but later resumed in public—

Proceedings suspended from 9.14 am to 10.07 am

CHAIR—We will now resume the public hearing. Do any of the officers want to make a very brief opening statement before we move to questions?

Ms McDonald—I thought it might be useful if we provided to the committee a bit of an update on activities that have happened since we last appeared. On 9 March the Parliamentary Secretary for Health announced that the government was going to take some action in response to consumer concerns about labelling of the beef products. In response to issues raised by consumers, who wanted more information about where their beef or beef products came from, Parliamentary Secretary Butler wrote to FSANZ and asked them to consider raising a proposal to review the country of origin labelling arrangements for meat. The current country of origin labelling standard requires unpackaged fish, fresh pork and preserved pork to have a statement on the package that identifies the country of origin. However, that does not extend to all meat products.

The parliamentary secretary is also talking to industry about other labelling systems, in particular a labelling system that will make it easier for consumers to identify, for example, whether a meat pie contains only Australian beef. If this were put in place, the labelling arrangements would be enforced by the ACCC. Steve McCutcheon who is here from FSANZ may also wish to provide some information on the action that FSANZ is taking in relation to the new country of origin labelling proposal.

Mr Mc Cutcheon—Food Standards Australia New Zealand appreciates the opportunity to make a brief opening statement at today's hearing of this Senate inquiry. FSANZ would like to update the committee on two developments since the last hearing of this inquiry was held on 25 February 2010.

On 9 March 2010 the Parliamentary Secretary for Health, the Hon. Mark Butler MP wrote to the chair of the FSANZ board, Ms Philippa Smith AM, asking FSANZ to raise a proposal to review standard 1.2.11 Country of origin labelling with a view to removing its inconsistency in application across unpackaged meat, particularly beef. In response to this request FSANZ prepared a proposal on 4 May 2010 to consider extending country of origin labelling to unpackaged beef, lamb and chicken meat. Public notification of the preparation of and timelines for this new proposal was made on 7 May 2010.

On 28 April 2010 FSANZ received an application from the New Zealand government for FSANZ to undertake a food safety risk assessment and assess its BSE risk status under the Australian government's new BSE food safety policy for imported beef and beef products. New Zealand is one of a number of countries currently allowed to trade beef products with Australia. Under the new BSE food safety policy, such countries are required to submit an application to FSANZ for BSE risk status by 30 June 2011 to continue to export beef and beef products to Australia after 1 July 2011. Public notification of the receipt of this application was made on 7 May 2010. This is the first and only application FSANZ has received since the new BSE food safety policy came into effect on 1 March 2010.

CHAIR—How long will it take to go through the process of sorting out any changes to the labelling laws? Is there an end date that has been required of the department to get any kind of determination back to the minister?

Mr McCutcheon—We are treating it as what is called a ‘general procedure’. That is a period of six to nine months under our legislation. We would be hoping that it would be closer to a six-month rather than nine-month period.

CHAIR—Are there any other brief statements?

Dr Grant—Yes, I would like to make a few opening remarks, if I may, to update the committee on this department’s activity since we last appeared. To give effect to the government’s new food safety policy for imported beef and beef products, which came into effect on 1 March 2010, the department has been working closely with Food Standards Australia New Zealand, FSANZ, on its bovine spongiform encephalopathy, BSE, food safety risk assessment process. The department will have its principal scientist on animal biosecurity on the FSANZ BSW food safety assessment committee. Regular meetings between FSANZ and the Biosecurity officers are being held and a steering committee for ongoing management of the assessment processes has been established and will be supported by a dedicated project manager.

Independently of FSANZ, Biosecurity Australia will conduct an assessment of the animal health quarantine issues associated with beef and beef product imports. In response to a request from the Minister for Agriculture, Fisheries and Forestry, Biosecurity Australia announced on 8 April 2010 the commencement of formal, regulated IRAs for beef and beef products from the United States, Canada and Japan. IRAs will reassure the Australian community that effective protocols will be in place for the safety of imports from animal diseases. The IRAs for beef and beef products from the United States, Canada and Japan are based on market access applications from these countries that had been accorded a high priority by the department.

Work on the IRA for Japan was stopped on 10 May, when Biosecurity Australia invoked the standing orders-the-clock provision due to the foot-and-mouth disease outbreak that was reported by Japan on 20 April. The clock will be restarted after a separate evaluation by Australia of Japan’s FMD status when Japan regains its former FMD-free status according to the World Organisation for Animal Health OIE.

The regulated IRAs are being conducted according to the IRA handbook—the updated version, 2009—and are expected to take a maximum of 24 months to complete. The process provides opportunities for stakeholder engagement and consultation, and includes the release of a draft IRA report for up to 60 days of public comment. An expert specialist panel has been formed to assist the development of the IRAs. The process will also include a review by the Eminent Scientists Group—a body independent of Biosecurity Australia. The IRA process will run separately but in parallel with the BSE food safety risk assessment by FSANZ. Factors which could affect the timing include the timing of applications to FSANZ by the relevant countries; the provision of information by those countries; and the applicant country’s facilitation of in-country inspections.

The products covered in the FSANZ food safety assessment and the BA IRAs are aligned and are associated with the importation of beef and beef products derived from cattle, buffalo and

bison and will include meat, bone, offal, natural intestinal casings and bone derived gelatine and collagen.

In-country inspections of the countries for which IRAs are being conducted will be undertaken by a team of FSANZ and DAFF officers as part of the food safety assessment and the IRA processes. DAFF and DFAT have held briefings with Canberra based representatives from the embassies of the United States and Japan, the High Commission for Canada and the delegation to Australia of the European Union to explain the processes. DAFF has also met with Canadian and USA officials in the United States and provided additional briefings.

DAFF procedures that will apply to any other applicant for imports of fresh beef for human consumption will require that each country that applies to Biosecurity Australia for access for fresh beef for human consumption will have the priority determined by the department. Once the priority is determined, access can be considered in the context of Biosecurity Australia's work program. No trade in fresh beef will commence under the new arrangements until FSANZ has completed its BSE food safety risk assessments and Biosecurity Australia has completed its IRAs.

CHAIR—Could I ask if you would not mind tabling your written statements for the committee?

Dr Grant—Certainly.

CHAIR—That would be very useful. Thank you.

Senator HEFFERNAN—So you have had a look at the can. Where does the meat that is in it come from?

Dr Grant—The product says 'Product of the United States'. It is certified by the USA government.

Senator HEFFERNAN—So is it American cow meat or something in there?

Dr Grant—It would come from a category A, category B or category C country.

Senator HEFFERNAN—But it is a product of the United States.

Dr Grant—The can says 'Product of the United States of America'.

Senator STERLE—It is alright for us, because we have already a conversation but, for clarification for those who may be tuning in because they are so rapt in what is going on, American meat and Canadian beef is not category A, B or C.

Dr Grant—That is correct; it is category D.

Senator HEFFERNAN—What was the process to get this tub of meat—which is branded proudly 'Product of the United States'?

Dr Carroll—The product would come in with certification from the USDA.

Senator HEFFERNAN—How do you test the certification? Do you ring them up or is it a desktop study like we did with the OIE certification of Brazilian foot-and-mouth-free beef? How do we know that this does not come from Uruguay or Timbuktu?

Dr Carroll—We have previously examined the US system and we have ongoing discussions with the US. We are familiar with their system and we have confidence in it.

Senator HEFFERNAN—With the present new process—and I am aware that Japan has been put on hold—is the department and the collective brains of the government, the opposition and everyone else in Australia giving consideration to how they are going to manage the border problems with the Canada and US beef and Mexican beef?

Dr Carroll—It will be part of the review process to ascertain how they will ensure traceability of product which is exported to Australia.

Senator HEFFERNAN—Will this committee be privy to the ongoing negotiations and paper trail as you go? I would like to test, as we often have done in the previous government—and we will in the future governments—the absolute practicality of the process versus the bureaucratic theory and science. Can you report to us as you go?

Dr Grant—As we have indicated in our opening statements, there will be a process of assessment jointly done by FSANZ and Biosecurity Australia. The documentation for all of that in the context of the import risk analysis, the IRA, that is done will be put out for public comment for 60 days and the public, in all its guises, will be able to assess what we have done in that entire risk assessment process, which will include in-country inspections and an assessment of the systems.

Senator HEFFERNAN—Will we be able to see the minutes of the meetings of the negotiations you have?

Dr Grant—Those would be on a basis of country-to-country confidentiality but they will be reflected in the discussion paper and the product that is out for public comment. There is nothing here that we are—

Senator HEFFERNAN—Things go wrong. All human endeavour has human failure—and cattle get diseases and whatever. Surely there must be some lines in the sand that you have already drawn. Where does this come from?

Senator O'BRIEN—Austin, MN.

Senator HEFFERNAN—We think that is Minnesota; I have got no idea. I thought it was in Texas but anyhow. How do you know, how do we know and how does Australia know—and the pressures of the FDA; good luck to them—if you do not draw that line in the sand on full traceability from birth, what the hell we are buying? How do you, without traceability, allow traffic across the border from Mexico—I thought the Mexican border was generally taken up with bloody cocaine or heroin or something? There is a fair trade with beef. There is a big trade

out of Canada. Surely you have say, 'If we're going to take your meat—you, the US—you've got to draw the bridge up at the border so we can trace what the hell we're buying.' Surely you have already made that decision.

Dr Grant—Without pre-empting the review itself and the assessment process, one of the issues we will be looking at is the chain of custody of the product and being able to be comfortable and being able to accept certification that is able to be demonstrably evident of containment.

Senator HEFFERNAN—All of that. I have recently dealt with some issues here with managed investment schemes cattle—and I will not go into it here today because I do not want to make a bad situation worse—but with a system that does not have full traceability in an industry that has a lot of likeable rogues in it, how can you be confident that whatever you propose bureaucratically in practical terms will work and that is the exact reason why we would like to see well in advance of any agreement with anyone, those practical tests on your bureaucratic theory—is that okay? Can you come back and—

Dr Grant—When we come back we will be providing an assessment of what we have seen couched in an import risk analysis set of documents which will go out to the public. We will explain in that what we have seen and what are going to be our conditions for importation of beef from all the three countries—

Senator HEFFERNAN—Excellent. Excellent. Excellent. You are a doctor of philosophy—medicine; I do not know what your PhD is in.

Dr Grant—Science.

Senator HEFFERNAN—Surely you must have a common-sense view already that we are going to have to do something about traceability with these cattle that are traded in the United States about where they are born. Surely that is elementary.

Dr Grant—We do, Senator, but I am not prepared to discuss it here in advance of doing the assessment in the United States and discussing it with our colleagues there.

Ms Mellor—I think it is fair to say to the committee that traceability is one of the issues that will be reviewed in the IRA process. It is certainly of interest to FSANZ as well. In the event that we do get to a point where we consider import permits, conditions will be applied around the comfort level that we have on what systems are in place to assure us about a range of things that will come out in the IRA.

Senator HEFFERNAN—So is it fair to say that across-border trade is an issue?

Ms Mellor—It is an issue for investigation, Senator, and that is part of the process of going through the IRA.

Senator HEFFERNAN—I will be sitting on your shoulder.

CHAIR—For the purposes of general background in terms of IRAs that Biosecurity has done, over the last—and I do not need a definitive answer—five years or so, how many IRAs have been conducted; just roughly?

Dr Grant—It is probably in the order of about a dozen or more in the last five years. On the plant and animal side, there tends to be a slightly greater number on the plant side; there are greater numbers of request—probably in the order of 12 to 15. These days, under the regulated process, they run for a couple of years or 30 months. Historically some of them have run longer, and so therefore they keep the resource base that is required to do them tied up for some time.

CHAIR—Out of those IRAs, how many have resulted in a product not being allowed to come into Australia?

Dr Grant—There is no such circumstance in which a product cannot come into Australia. There are provisions under which products are allowed to enter Australia under given requirements. If the country that is wishing to export is prepared to put in place measures that satisfy us then that product can come in. We look at it from a risk perspective.

CHAIR—I am sorry, I phrased that quite badly. Out of all of those, how many of those products have been unable to meet the requirements because of the IRA process and the arrangements that have been put in place?

Dr Grant—I cannot say that they are unable to. They have not demonstrated that they wish to export under those conditions.

CHAIR—Okay. That is an even better way of putting it. How many have demonstrated that they do not wish to export under those conditions?

Dr Grant—In respect of Philippine bananas, we have not received an application for an export permit and we have not, at this stage, under the recently finished IRA on chicken meat, received an application for a permit for importation of chicken meat.

Senator BACK—With regard to the budget coming down this week, can you advise on the allocation that has been made in the DAFF and/or FSANZ budgets to undertake the IRA in this particular case?

Mr McCutcheon—If I can respond on behalf of FSANZ, we do have a budget allocation for BSE specific work in our budget for, I think, the next three years. I have not got the precise figure with me but it is certainly part of our appropriation from the Commonwealth. I think the precise amounts per annum were flagged in the additional estimates papers.

Senator BACK—Perhaps I can ask the same question to DAFF?

Ms Mellor—In our case the cost of undertaking these IRAs is going to be met from our normal departmental funding. We have just given them a higher priority, so we did not seek any additional funding.

Senator BACK—Then the question to both of you is relevant. Can you tell us in terms of FTEs how many people will be allocated to the task from the agencies respectively?

Mr McCutcheon—Four from FSANZ.

Senator BACK—Four FTEs for the period of the IRAs.

Mr McCutcheon—It is four FTEs for this financial year. I think it is four for the next two to three years as well, but, again, I would have to check on that to be exact.

Dr Grant—We are just finalising our numbers but it is in the order of 10 or 12.

Senator HEFFERNAN—Does that include people who go overseas and inspect these plants—they are called supervision or inspected?

Dr Grant—It will include a team that goes overseas to do the IRA in-country inspection.

Senator HEFFERNAN—Can we go with them?

Dr Grant—It is a government-to-government exercise. I think it is for the entire period for FSANZ.

Senator BACK—Excellent. Thank you. I think you made the comment earlier that, regrettably, the foot-and-mouth-disease outbreak in Japan effectively stops the clock for them. Referring again to the case of BSE in the older animal in Canada earlier this year, does the clock stop for Canada prior to it even starting whilst that particular case is effectively there and live?

Dr Carroll—In relation to Canada, the answer is no. The slightly longer answer is that given their current BSE categorisation of status, there would be an expectation that they would from time to time have a case that would be taken into consideration as part of the process that they have gone through.

Senator BACK—Without pre-empting what the officers might recommend, would it not be the case that Canada's status or position would be starting from somewhere behind the starting line as a result of them actually having had another case of BSE this calendar year?

Dr Carroll—It would not be beyond our expectation that they could have another case of BSE or that the United States could have a case of BSE.

Senator BACK—So the fact of another case or cases being diagnosed does not stop the process?

Dr Carroll—No.

Senator BACK—Yet it has with foot-and-mouth-disease?

Dr Grant—Products from countries with foot-and-mouth-disease cannot enter this country—

Senator BACK—Fresh?

Dr Grant—Fresh, and that is the end of that until such times as they are clear of that and we have reassessed the OIE assessment of their clearance. The exercise in terms of Canada is, in fact, to do precisely what you identified and that is to assess the conditions under which their product can come into Australia.

Senator HEFFERNAN—So does it not naturally follow that the US falls into the same boat, given that Senator Back's 4,000 head a week over the border gives them the same status?

Dr Grant—Yes, we will be looking at the situation. That is precisely the reason we are going to do import risk analyses.

Senator BACK—Has Australia consulted, or will we consult, at all with our current Asian customers of beef as to what their attitude would be in the event that we were to change the conditions allowing beef into Australia from countries that have had BSE? Are we aware of what position the Japanese, the Koreans and others might take?

Dr Grant—We have not taken that position yet. The situation is that we are going through an import risk analysis to identify the conditions under which import could occur subject to a permit being requested from us to allow imports to occur. The process is public. The conditions that we will specify in the IRA are open to public scrutiny around the world, and they will have that opportunity at that time.

Senator BACK—Which government department should address itself to market issues or market constraints? Which agency would be looking at that? It would not be FSANZ.

Ms Mellor—That would be our department and the Department of Foreign Affairs and Trade.

Senator BACK—Is the Department of Foreign Affairs and Trade here? They are. Mr McCormick, is that something that the department has addressed itself to, or will address itself to? What would be the attitude of our Asian customers to us changing the conditions under which we would be prepared to allow beef into Australia from countries that have had BSE—or in the case of Canada, have BSE?

Mr McCormick—We would monitor those sorts of developments in all markets, anyway. But let me say that we have notified the change in policy to all of the WTO members through the SPS committee and we have not had any sort of negative responses in terms of the change in the overall policy direction.

Senator BACK—You have had no change?

Mr McCormick—We have had no negative issues raised with us at the government level.

Senator BACK—The point has been put to the committee that, as a result of negotiations between the US particularly and the north Asian customers, the question of the 20 month/30 month age barrier of beef going into those countries, which are also our markets, has in fact changed too, in a sense, the guidelines under which the United States is or can export beef into

Taiwan, Korea and Japan. Are you aware of any impact that that might have on Australian exports to those markets?

Mr McCormick—Are you asking me whether, if the US regains access to some of these markets, it will have an impact on Australian exports?

Senator BACK—Not specifically—we know it will have an impact, all right. The conditions under which some of these north Asian countries have accepted again the importation of beef from the United States has revolved around the age of the carcass—be it 20 months or 30 months.

Dr Carroll—New Zealand imports beef from the United States, and New Zealand also exports beef to those markets and it has not been an issue for them.

Senator BACK—If we go back to the material we were talking about somewhat earlier, we do not actually know the form in which that beef goes into New Zealand, do we? It may be—and you are going to get some information for us regarding other places—that that is also in a form similar to that which you believe Australia may import, so in fact it might not be relevant.

Dr Carroll—Sorry?

Senator BACK—It might be canned meat that comes into New Zealand.

Dr Carroll—I believe it is canned and fresh, but the canning process has no effect on BSE.

Senator BACK—We certainly know that. The point you were making, I think, was that because there has been no effect on the trade of beef from New Zealand to those North Asian markets, the expectation is that there would be no adverse effect on Australia.

Dr Carroll—Correct.

Senator BACK—I make the point again that it may be that the meat going into New Zealand is canned not fresh and so therefore it might be irrelevant.

Dr Carroll—It is fresh.

Senator BACK—Can I then ask the question: based on that advice, you do not have a concern that any age imposition might adversely affect Australian beef exports?

Dr Carroll—There is no indication of that at all.

Senator BACK—So in the event that those markets were to apply the same constraints on us that they are applying or have agreed to apply to the US, how are we going to be able to certify the age of the beef that would leave this country to go to those markets, should their conditions or terms change?

Dr Carroll—Through the normal processes that we would age beef at abattoir. It is a very theoretical question. There is no indication that any of those markets have the slightest consideration of taking that path.

Senator BACK—You would agree with that, Mr McCormick?

Mr McCormick—Yes.

Senator BACK—So you have had no adverse feedback at all from our current clients that any possible change in our circumstances, in terms of allowing the import of beef from these countries, would have any effect or any influence from their point of view?

Mr McCormick—Not that I am aware of, no.

CHAIR—What conversations or consultation did you have with the trading partners we currently export beef to about whether or not there would be any effect from the change in our classification, if we did indeed move down the track to accepting beef from the US?

Mr McCormick—I do not think we have sought to have that discussion with them at this stage as we have not actually changed the policy parameters, but we do not have a new policy in place.

Senator HEFFERNAN—But you did have.

CHAIR—So you are saying there was no consultation.

Mr McCormick—No, Senator—

CHAIR—I am a little confused. Did you or did you not have consultation with our existing trading partners that currently take beef from Australia about Australia choosing to accept beef from the US?

Mr McCormick—What we did was explain the changes in the government's policy and the process going forward from here with the risk assessments.

CHAIR—Who did you explain that to?

Mr McCormick—We have had a range of discussions with DAFF and DFAT and I think FSANZ has also had some discussions. There has been a range of ongoing discussions with other countries as well.

CHAIR—With which of our trading partners have you had those discussions?

Mr McCormick—Off the top of my head, I think Japan, the EU, Canada and the US.

Dr Grant—Cables have gone out to explain the change in process and the process going forward, in terms of the import risk analyses and the FSANZ food assessment process, to all WTO countries.

Senator HEFFERNAN—This is after the decision to change the policy in March?

Dr Grant—Correct.

Senator HEFFERNAN—We want to know what discussions you had before the decision changed in March and the effect on our markets. Did you have those discussions? It was the government's policy to go ahead and they retreated on that. What was the economic modelling, on the impact on our markets, and the consultations and could you provide the minutes and the dates of those meetings before the decision was changed?

Mr McCormick—I am a little bit confused, because I understand that we have already given you a list of representations that we had.

Senator HEFFERNAN—That was US.

Mr McCormick—No, it was not just the US. I think we have given you—

Senator HEFFERNAN—Bugger all else.

Mr McCormick—a comprehensive list of representations for discussion.

Senator HEFFERNAN—From memory, the only place you consulted was the US—which was 90 per cent of it—Canada and Japan, I think. Is that about it?

Senator STERLE—Chair, I am a bit confused. Senator Heffernan says 'bugger all'; Mr McCormick says 'comprehensive'. Can we just clear that up?

Senator HEFFERNAN—No, but in terms of—

Mr McCormick—We gave you a list—

Senator HEFFERNAN—the global market, are there any other countries you consulted? In terms of the global market there was not much consultation. None.

Mr McCormick—I do not think we sought to go out, as far as I am aware.

CHAIR—I understand you are saying you did not seek to go out to see what the response would be to the change. Does that then indicate that, without any consultation, you were entirely comfortable that there would be no change in the view from our trading partners that currently accept beef from Australia? If we change the arrangements, if we take beef from the US, which ostensibly then puts us at the same risk as the US—

Mr McCormick—No.

CHAIR—that that would not—

Mr McCormick—No.

CHAIR—But technically—

Mr McCormick—No.

CHAIR—So you are saying, ‘No, it would not’?

Mr McCormick—That is right.

CHAIR—So it absolutely does not?

Mr McCormick—We do not believe so.

CHAIR—You do not believe so?

Dr Carroll—Can I make a comment here, Chair. There is not free and open trade between us and the US. We would not be inheriting any US status. Should it get approval, there would be requirements applying to any product that came from the US into Australia. So we would not inherit the US status in any way.

CHAIR—Okay, we would not inherit the actual status but we all know that in this world things are not necessarily black and white. You do not think there is a risk of any perception of that?

Dr Carroll—We have had the new food safety policy out now for some six months in the international arena, notified through the WTO, and we received no negative feedback at all.

CHAIR—I bet not.

Senator HEFFERNAN—The whole thing begs the question—we are doing an import risk analysis now, right, for any country that wants to bring it in?

Dr Grant—We are doing an import risk analysis for three countries, one of which has stopped—that is Japan—on the basis that they have applied and expressed interest in exporting.

Senator HEFFERNAN—And anyone else that applies?

Dr Grant—For anyone else that applies we will consider their application and then put it on a priority list. There is so much in terms of resources that we can apply to this, and when we get to that, we will do it—

Senator HEFFERNAN—I am aware of that. So will you let us know as they apply so that we know they have applied and what you are doing about it?

Dr Grant—Yes.

Senator HEFFERNAN—Okay. So, if that is the case

Dr Grant—It is a public document

Senator HEFFERNAN—But this committee would like the communication when it happens, and not have to look it up by accident on some website. If it is good enough to do that now, all this risk analysis, could you explain to me why it was not good enough before the change of decision in March?

Dr Grant—Prior to the change in March, there was a prohibition on import of beef. There was not a need to do a risk analysis. Once the policy changed, it was announced that we would do a risk analysis.

Senator HEFFERNAN—No, it was announced you would do a risk assessment.

Dr Grant—Correct—a review.

Senator HEFFERNAN—Which is not a risk analysis.

Dr Grant—And a review is essentially the same process. It would have involved exactly—

Senator HEFFERNAN—You may well bureaucratically argue that. Could I also, while I am—

CHAIR—I have not actually finished, Senator Heffernan. Briefly, before I pass to Senator Heffernan and others, I want to ask about the exports from the US to New Zealand, which we were talking about before. Can you just clarify that again? You said it was fresh meat that goes from the US to New Zealand. Is it all completely fresh beef? Do we have a breakdown of that?

Dr Carroll—Fresh beef is allowed in. We do not have the precise details of exactly what product goes in.

CHAIR—Okay. So it is fresh—

Dr Carroll—Fresh canned.

CHAIR—but you do not know how much?

Dr Carroll—We do not have the precise break-up of

CHAIR—Do you know how much canned?

Dr Carroll—We do not have any break-up.

CHAIR—All right. Just on that: how are we going with the department shooting up some figures? Obviously we do not know New Zealand or Australia or where any of the beef is actually going at the moment. How are we going with finding out what beef those figures referred to on that table?

Dr Carroll—We have the ABS statistics, which indicate that, at 2008, at the time these were printed out, 1,229,609 kilograms came in from the United States and, in 2009, at the time of these figures, 799,631 kilograms came in.

CHAIR—Can we just do this the other way around? Can you just get the piece of paper that we tabled for you beforehand, with the—sorry; no we cannot. We are going to have to go in camera to deal with that. We will finish this up first, and we will quickly revise that at the end.

Senator HEFFERNAN—Could I indulge you with this can—sorry, it is not a can; Senator O'Brien has pointed out to me that it is actually plastic. Is there any code of packaging for the importation of meat from the United States?

Dr Carroll—Sorry?

Senator HEFFERNAN—Is there any code required in the importation protocol and approval process for meat from the United States? This is a product of the United States. Does it specify that it can come in wrapped in tissues, wrapped in plastic—which this is—or wrapped in tin?

Dr Carroll—It has got to be retorted—that product is a retorted product.

Senator HEFFERNAN—This is obviously microwavable if you tear the little aluminium thing off the top. Could you provide us with the written details? Could I give you this and then could you provide us with the paper trail that permitted this meat to come into Australia—the approval process, the paper trail and the tick-off at the other end as well as the tick-off at this end. Thanks.

Dr Grant—We will certainly take it on notice.

Dr Carroll—Could we also know where you bought it from?

Senator HEFFERNAN—The importer is on the can, mate. The rest is up to you.

CHAIR—Thank you very much. We shall now briefly go back in camera before we finish.

Evidence was then taken in camera but later resumed in public

Proceedings suspended from 10.46 am to 11.00 am

FAHEY, Dr Alan, Private capacity

CHAIR—Welcome, Dr Fahey. Do you want to make any amendments or alterations to the submission that you provided to us?

Dr Fahey—Not at this stage. I have brought a document to tender and a copy of my master's thesis from when I researched this subject.

CHAIR—Great. I will definitely read that. I invite you to make a brief opening statement before we move to questions.

Senator BACK—Actually, Chair, I wonder if Dr Fahey could advise us as to the subject matter of his master's in his opening statement so we have some understanding of his background and knowledge in this area.

Dr Fahey—Certainly. I am a medical practitioner with a broad interest in many subjects of medicine. Ten years ago I was surprised at the sudden, rapid decline in my aunt's health. In 1999 I visited my aunt with my mother while I was visiting a country town and she appeared to be well. Within months she was losing control of her body. She could not stand up. She started to hallucinate, she was hospitalised and 12 months later she was dead. It is one of the most horrific illnesses that I have ever seen. I was not officially one of her doctors, but I visited her on numerous occasions, flying to the country town every two to four weeks. I had never seen a disease like it and I thought that every part of her brain was affected. I contacted top specialists from Westmead Hospital who also were not sure what the disease was.

The day before she died, I arranged with her family and with the professor at Westmead Hospital to have a post-mortem performed once she died. My family agreed to that. She had her brain removed shortly after death by a specialist pathologist rather than the local government pathologist. That was sent to an area in Sydney, after two weeks fixation in formalin, and then the pathologists found that she had spongiform encephalopathy. Her brain had been basically turned to swiss cheese.

I told my family that I would research the subject for an hour and then inform the family about what had happened to her. Nine months later, after I had read 22 kilograms of scientific material, I felt like I was just starting to understand the condition. Ten years later I am still learning something every week about this group of diseases. I felt that I had redone medicine in a more up-to-date form because the implications of this group of diseases spread to every area of medicine, every part of understanding of science and medicine and took me into researching government policy, importation policies and department of agriculture biosecurity policies.

What I found was that the BSE epidemic that started in the United Kingdom gradually turned the map of the United Kingdom from one or two little spots of infection to over 55,000 herds being infected, millions of cattle being infected. It was discovered in 1996 that not only were the cattle infected but people were contracting a form of bovine spongiform encephalopathy called variant Creutzfeldt-Jakob disease. The numbers of people dying have increased over time.

The incubation period for this group of diseases is very long, usually years, and in my research I saw the statistics that purport to the fact that the BSE epidemic has gone away and that the number of infected animals has decreased. I do not believe that that is the case. Cattle develop this disease usually after the age of 36 months, or the age of three years. The disease incubates for years, and usually in Europe and worldwide they tend to kill cattle below the age of 30 months, which means that these cattle are potentially in the incubation period. In the same way that someone can contract influenza and be contagious for days before they actually show signs of the disease, they are equally infectious. If they are on a train and breathing on someone, the moisture cloud will infect people. With these diseases, that are not only present in cattle, but overseas they are present in sheep, mink, elk and deer, over 100 countries are on the World Health Organisation's list as infected with BSE alone. Overseas they are killing the animals when they appear to be well when they are no doubt incubating, or many of them are incubating, these serious diseases. I would like to see a representative taken from cattle herds and from sheep flocks across the United Kingdom and beyond Europe and America and actually have the animal's representative from herds grown from birth to death, and then have periodic testing.

But the tests are inadequate. Despite the document, about 44 pages long, that was tendered to the government in late 2009, I do not believe that the tests are adequate to detect mad cow disease or scrapie, which is mad sheep disease or bovine spongiform encephalopathy, or any other form of spongiform encephalopathy. The test lacks sensitivity. In 2000 a report was tabled at a cost of tens to £100 million that was commissioned under the chairmanship of Lord Phillips. Lord Phillips said that the substances that were found to be infectious did not mean that other parts of the body were not infectious but that the tests were no doubt lacking in sensitivity, and so virtually all of an animal should be regarded as infectious.

Senator BACK—Can I ask you to explain to the committee what you mean by the term 'lacking in sensitivity', please.

Dr Fahey—If you had a colander with big holes and to put rocks and sand into the colander, then the rocks would remain and the sand would pass through. That is pretty obvious. If you use the colander as a test of whether sand is or is not in the substance and you only look at what remains in the colander, you would say that there is no sand; there are only rocks, because the sand went through. The tests for mad cow disease will only show positive once the amount of infectious material has built to a critical load. The brain and spinal cord accumulate this infection the most, as do parts of the gut and parts of the lymphatic system to control infection. So if they take parts of the animal from those regions they might show infection, but if they take milk or semen or faeces or urine or tendon they might say that there is no infection when in fact there is just not enough material for it to become positive.

Senator BACK—Or they have taken the wrong groups of tissues.

Dr Fahey—In 2000 very little material was found to be positive, but even in the last 10 years—as late as in the last few months—tests are now becoming more sensitive, which is showing infection of transmissible spongiform encephalopathies in faeces, urine, blood, semen and virtually any part of an animal should be regarded as infectious. They are finding this increasingly in different species. I know that this committee is just containing itself to mad cow disease, or BSE, but this entire group of diseases has similarities from one species to another and I think that we as a scientific community should be looking broadly in order to advise the

government and say, 'These are very dangerous diseases and we do not know enough about them. We are at the beginning of the crest of a wave of understanding of these diseases.'

CHAIR—Thank you very much, Dr Fahey, and we are sorry about your aunt. Could you let us know when that happened and what form of the transmissible spongiform she had?

Dr Fahey—In humans the equivalent of mad cow disease is called variant Creutzfeldt-Jakob disease. To me her symptoms looked like variant Creutzfeldt-Jakob disease. But the pathology report said that she had sporadic Creutzfeldt-Jakob disease. She died in January 2000. At that time they said that they did not know the cause. But in the last two years they have found that forms of sporadic Creutzfeldt-Jakob disease are due to atypical BSE. There are at least three forms of mad cow disease. There is classic or sporadic BSE. Then there are BSE-H and BSE-L, which means that they have higher or lower densities than the classical BSE. They now believe that those atypical BSEs overseas are in fact causing sporadic Creutzfeldt-Jakob disease. They were not sure if it was due to mad sheep disease or a different form. If you look in the textbooks it looks like this is just arising by itself. But in my research I have a summary of a document which states that there has never been any proof that sporadic Creutzfeldt-Jakob disease has arisen de novo—has arisen of itself. There is no proof of that. The recent research is that in fact it is due to atypical forms of mad cow disease which have been found across Europe, have been found in America and have been found in Asia. These atypical forms of mad cow disease typically have even longer incubation periods than the classical mad cow disease. If that material is processed in an abattoir and then goes into stockfeed and is fed back to ruminants, it becomes more aggressive in the cattle even than normal mad cow disease does. The cows develop degeneration of the brain in a more aggressive form.

CHAIR—As for the issue that you are talking about and the accompanying information, does your research contain that information for the committee, just to give us a bit more detail on it?

Dr Fahey—Yes, it has.

CHAIR—How do you think your aunt actually acquired the disease? Is there any indication of how she actually acquired the disease?

Dr Fahey—That is a very interesting question. I asked that of my mother, who is still alive. My mother said that my aunt would eat a roll of overseas salami every week. Usually it was Mediterranean salami. My aunt lived not very far from here. She did not travel outside of Australia. She travelled to Albury a few times—this is in her lifetime—and she also travelled to Brisbane. She certainly did not contract it from overseas travel but she did eat overseas animal material.

The other area that I wonder about is vaccination, which is a controversial area. Some vaccines are actually made overseas. In fact, I believe it was in 2000 that the chief medical officer for Australia stated on national radio that every live vaccine in Australia used on Australian children had at some stage of its development been fed from the blood of British cattle, bovine serum albumin. The master seed banks have actually been fed on the blood of British cattle coming from the time of the BSE epidemic. My research was so concerning to me that I contacted the Prime Minister, the minister for health and the Chair of the National Health

and Medical Research Council, to try and make changes to so many areas of Australian government policy.

That is part of the reason I decided to do my master's thesis and, even though I have done a masters in psychiatry—in addition to a previous master's—I decided to take the unusual step of researching mad cow disease and its human equivalent. Because I feel so passionate about the danger of these diseases to the Australian community I decided to do something unusual and actually research the subject. They could not find a supervisor in psychiatry in Australia who could supervise my thesis and I needed to contact the Creutzfeldt-Jakob Disease Registry in Melbourne to get advice from the two directors to ensure that the contents, particularly regarding Creutzfeldt-Jakob disease, were accurate, which they are.

CHAIR—Thank you.

Senator HEFFERNAN—Is there a conference here in Canberra this weekend on CJD? I think there may be.

Dr Fahey—Is there?

Senator HEFFERNAN—I think so. I think I will lend to Senator Back—he was a vet. He is better qualified than me. I can wool class and weld and look at pictures but—

Senator BACK—I am trying to come to terms with what conclusions we can draw. You mentioned that, in a sense, you were dissatisfied with the advice that was given to the government, which was largely from Dr Mathews. Have you engaged with him at all on this whole question?

Dr Fahey—Not directly, but I did read his report and underlined and made comments regarding every paragraph of the document. I am sure that that document was written in good faith, but I could not draw the same conclusions that Dr Mathews drew. In fact, the information looked accurate but, with respect to the conclusions drawn from it, I would come to the exact opposite conclusion to him. In particular, his reference to pigs also being infected with transmissible spongiform encephalopathies concerned me even more, considering that Australian government policy is to import pork from overseas. I could not see the link between the evidence presented and the conclusions drawn. I felt even more concerned after I read the additional evidence in that document.

Senator BACK—You are not the only one who was concerned. As part of your research, from the time you became interested in this matter, after the unfortunate demise of your aunt, are you aware of any statistics that are available here in our records in Australia of human cases of various spongiform encephalopathies and/or mortalities? We have not been able to obtain any equivalent figures. I just wonder whether you have.

Dr Fahey—On a worldwide basis sporadic Creutzfeldt-Jakob disease occurs at a rate of approximately one, 1½ or two per million of the population. In Australia approximately 24 people die per year with sporadic Creutzfeldt-Jakob disease.

Senator BACK—Sporadic?

Dr Fahey—Sporadic. That is the one that is most probably due to atypical BSE prions. They are the ones with the very long incubation periods in cattle. It varies worldwide. People of Jewish origin, living in Libya, who emigrated back to Israel, have got rates of CJD that are 10 to 20 times that rate. Officially, Australia has had no cases of variant Creutzfeldt-Jakob disease—that is, according to the Creutzfeldt-Jakob Disease Registry. But if I could say, my aunt was not diagnosed; my aunt was diagnosed with another condition.

In January this year, the sister of one of my patients died close to here. His sister was in the same hospital in Wagga where my aunt went. His sister was also given an alternative diagnosis. His sister had the same symptoms of gradually becoming paralysed, being unable to walk and then unable to stand and then unable to sit, and then unable to swallow or to blink. She was given a diagnosis of motor neurone disease. She died in January 2010 having been in the same hospital with the same doctor as my aunt when she died in January 2000. Almost every social group that I have gone to and brought up Creutzfeldt-Jakob disease someone has said, ‘I know someone who died in a similar condition, and they were diagnosed with supranuclear palsy.’ Almost none of these patients have a post mortem. If I had not organised the post mortem for my aunt she would have gone to her grave with a diagnosis of cortical basal ganglionic degeneration. In the same nursing home where my aunt was dying the nurses said they had other patients with ‘diagnosis unknown’ or diagnoses such as motor neurone disease. None of them had a post mortem performed.

My own opinion, having lived through the extreme difficulty of my aunt’s demise and death and then having researched it, is that these diseases are not considered in the differential diagnosis. The tests only become positive in the very late stages. If tests are done early in the disease, they do not become positive because there is not a critical mass build-up. I think doctors do not think about their diagnoses. They need better education. This goes for sheep, cattle and all the other animal species. There are over 20 species now infected. Fish have been affected. They experimentally put mad cow disease into fish farms in 2007. By September 2009—this is bream I am talking about—

Senator BACK—Where?

Dr Fahey—Where was it done? I have the—

Senator BACK—What country?

Dr Fahey—This was not done commercially; this was done as an experiment. I think it was in the United Kingdom or America. *Sparus aurata* was the species of fish. I do have that information for you in the document. The fish’s brains were degenerating within two years. Fish is one of the intended future protein sources of the world. Many fish are now fed in fish swarms in big cages in the ocean. Once or twice a day boats go out and cannon-shoot material such as pork into these swirls with tens of thousands of fish. Now we know that fish have brains as well that will degenerate with mad cow disease it is unbelievable. I think we are at the same stage in Australia that we were 100 years ago with rabbits, blackberries or prickly pear. Once we allow this into the country, there will be no turning back.

Senator BACK—Can I just take you back for a moment so that I am clear. As you say, there have been no confirmed cases of variant of CJD in humans in Australia.

Dr Fahey—Officially.

Senator BACK—That is what I am saying: there has not been one officially confirmed. Is there now an accurate test pre and/or post mortem for humans available in Australia to determine a diagnosis of variant CJD?

Dr Fahey—In living humans, the test is only accurate in the very late stages—and they cannot say at what stage that will be. There are other tests, such as electroencephalograms, that measure, as you would know, brainwave activity. There is also the removal of tonsils or a cerebrospinal fluid test—the CSF 14-3-3 protein test—and some other protein tests. But they cannot say. All they can say is that, if the person has died of the condition, these tests will be positive and possibly become positive in the months before death. But they cannot even guarantee that.

Senator BACK—But on post mortem they can? On post mortem it is now possible to accurately diagnose that someone did have variant CJD?

Dr Fahey—Only if they died of CJD. If, for example, they were incubating CJD and it was eight months before their death and they were killed in a car accident, the test would probably be negative. But if they actually died with this condition—in other words, they develop akinetic mutism and are completely paralysed—then the brain would be sufficiently diseased for the test to be positive.

Senator BACK—Without being insensitive to your aunt's demise, if those tissues were still available would it be possible today to go back and have pathologists re-analyse those slides or that tissue or whatever?

Dr Fahey—That is true. What you are saying is correct. I actually asked for my aunt's genetic material to be obtained from that. Unfortunately, something happened in the lab and the tissue was destroyed.

Senator BACK—On the basis of everything you have told us and researched, what is your advice to the committee?

Dr Fahey—Could I just add one more point? I was very surprised to read that in 2002 the department of agriculture recommended against the importation of beef and cattle and sheep and donkeys and goats material from overseas and, under pressure from a foreign government, the department of agriculture decided to allow the importation of beef semen and beef embryos—and not only beef but sheep and multiple species. Since late 2002 we have been allowing the importation of live embryos and semen. Not only that; I contacted the chief vet for Australia two months ago and she told me that we are importing it by the bucketload regularly into Australia. We are impregnating Australian cattle—and Australian sheep, horses, donkeys, goats, but particularly cattle—with material from England and from the middle of the mad cow infected countries on earth, from America, from Europe. For the last eight years we have been bringing in infectious material and putting it into Australian cattle.

Even though this committee is looking at the importation of beef as a product, the back door is wide open and we are bringing it in. They told me that when they impregnate an Australian cow with a live embryo from England they wash it with trypsins and other material, as if that is going

to kill prions. You cannot boil it, you cannot cook it, you cannot sterilise it in the normal way or you would kill this material. They told me that the policy of the Australian government is that, if people want to bring cow material into the country, it goes through a checklist and it is approved, but, for sheep, they have to kill the overseas donor. So we are actually importing very little semen and very few embryos for Australian sheep, because overseas producers do not want to kill their stock. But for beef there is no such requirement, so they told me that Australian sheep had very little semen or embryos.

I have now been telling my patients that Australia is one of the last places on earth that is probably free of scrapie, mad sheep disease, but it is just a matter of time as we bring in more material. But personally I do not have faith in Australian cattle. I really hesitate to say that, because I am fiercely patriotic. I heard Senator Heffernan asking for a paper trail to trace that can of beef from America. Unless we can trace the origin of the embryos and the semen with a full analysis, and exclude them, I think the Australian beef industry is at risk. I do not feel it is safe to bring in animal material from overseas, of any nature, for any human consumption. There are 20 species infected. This is like dandelion seeds spreading in the wind. We have got one of the purest countries on earth. New Zealand, unfortunately, started the importation of foreign beef three years ago, and I feel concerned for the New Zealand beef industry. I think this committee still has the opportunity to make a positive step to help protect all of our health and wellbeing.

I thank Senator Heffernan and the committee for allowing me to present on this subject. For 10 years I have felt that I would really appreciate the opportunity to tell decision makers my concerns on this subject.

Senator O'BRIEN—If I understand your evidence, you seem to be saying that we certainly have a form of CJD here at present but possibly we have variant CJD here already.

Dr Fahey—Australia takes approximately five million tourists a year and, I believe, about 285,000 people are coming from other countries, including from the most CJD infected and BSE infected countries on earth. I cannot believe that we do not have a lot of people with variant CJD in this country.

Senator O'BRIEN—Are you saying they contracted it overseas?

Dr Fahey—Yes, I am saying they would have contracted it overseas.

Senator O'BRIEN—But in the case of your aunt, and perhaps of other people, are you saying that people who have never left the country have contracted it?

Dr Fahey—Yes, it is possible, because we have been bringing in overseas animal material continuously and there is a good chance that people can get it. These diseases are not spread just by eating. There is proof of iatrogenic spread of CJD in Australia through surgical instruments in hospitals and even through dental instruments. One of my concerns is that we bring in pork. The saws used in abattoirs and butcheries cannot be sterilised—they do not sterilise those saws, they wash them. But every time a piece of pork is processed in an abattoir or a butchery and then sheep or beef is processed using the same implements—or when you use knives and forks restaurants and clubs—they are not sterilised, they are washed. Infectious material would be on

the knives and forks, the kitchen utensils and the abattoir and butchery implements from allowing the imported material.

Senator O'BRIEN—Are you also saying that it is probable that Australian cattle are already infected with variant CJD?

Dr Fahey—I am not saying all cattle.

Senator O'BRIEN—No, I said not all.

Dr Fahey—Because of government policy to allow semen and embryos from the United Kingdom and other countries, my presumption would be that there are cases already incubating. Allowing large quantities of foreign animal material is going to speed the process.

Senator O'BRIEN—When would we expect to see animals that lived—that passed slaughter—perhaps breeding animals, show those symptoms, because that would tell us whether we have a disease or not, wouldn't it?

Dr Fahey—I used to be a jackaroo and went to an agricultural high school. Australia officially had scrapie until around 1952, I believe, and we have had no cases reported since. Sheep that are infected with scrapie often hop like a rabbit—I saw that in my teens—but they are often diagnosed with something else. In America cattle that cannot stand are called downer cattle and have been taken out of the food chain since mad cow disease was discovered in December 2003. Farmers would have to be educated to think of mad cow disease or mad sheep disease and then they would have to send suspect animals for processing and diagnosis. When can we expect to see it? I think that will depend on how long the cow lives and which of the three types of mad cow disease it is. My supposition is that it will never be diagnosed unless the government has policies in place—in America they check only small numbers—and we actually check the cow.

Senator O'BRIEN—Are you suggesting to us that there should be a policy requiring a veterinary examination—tissue sampling—of animals that die of suspicious diseases in order to potentially eliminate or prove your thesis?

Dr Fahey—Yes, I would definitely suggest that. In fact, I would suggest that random audits also be done. Cattle of a particular age should be sacrificed and their brain tissue examined—neuropathology performed. The other thing I would do is trace the origins of all embryos and semen and, in particular, examine that stock because they are the most at risk.

Post-mortem examinations and neuropathology are rarely done on humans. I personally would like to see them mandatory for anyone dying with any neurological or psychiatric condition. My aunt presented with psychiatric phenomena initially, and doctors thought it was psychiatric. Psychiatric phenomena are the way that mad cow disease presents in humans. Personally, I think that any humans—or cattle or sheep—dying with psychiatric or neurological disorders should have neuropathology performed.

Senator MILNE—I want to know, Dr Fahey, whether your aunt has now been formally classified as having died from mad cow disease as it presents in humans and what the Department of Health and Ageing has done about that, since it is an official case.

Dr Fahey—She was officially diagnosed with Creutzfeldt-Jakob disease. It was reported as sporadic but, as I say, in the last two years they have come to believe that sporadic is caused by atypical forms of mad cow disease. The Department of Health and Ageing, as far as I know, has not done anything about that, because the research about atypical strains and sporadic CJD is still evolving. In Ireland, people had to be buried at a depth of nine feet. They apparently incinerated about nine million cows in the United Kingdom to try to get rid of mad cow disease. Their biggest concern then was that the incinerant and the plumes were in themselves infectious and could have contaminated the British countryside, and they believe that mad cow disease has got into the British sheep flock. So a lot of these things are still evolving. My aunt definitely had the diagnosis of Creutzfeldt-Jakob disease.

Senator MILNE—I just wanted to establish that so we can follow up with the health department now that there has been one confirmed case of a person who had not left the country.

Dr Fahey—She was one of around 22 people who died with Creutzfeldt-Jakob disease that year in Australia, but the variant Creutzfeldt-Jakob disease is the one that everyone has been associating with mad cow disease.

Senator MILNE—Not the sporadic?

Dr Fahey—Not the sporadic. But, as I say, they now believe the sporadic is due to the other forms. These atypical forms of mad cow disease are only just now, in the last two years, appearing in the literature, and all of the research on mad cow disease that you read about is confined to classical BSE. So I do not think that the Department of Health and Ageing has made any link at this stage. I certainly have not seen one.

Senator HEFFERNAN—Senator Sterle has just prompted me to think about something. He thinks I am mad, but maybe I have CJD! Thank you very much for your evidence. At the present time there is no live test for BSE in animals. Do you think there will be shortly? There is a dead test and, as you say, that works on mature cases of BSE. Are you aware of any science coming along that might enable us to test live cattle?

Dr Fahey—I think that is coming, but even in 2000, when I started the research, companies such as Prionics in Europe hoped to have tests for live animals. But I checked with the CJD registry in the last month and there are no reliable tests in humans or animals at this stage that can guarantee a positive result.

Senator HEFFERNAN—You have given the committee valuable and, to say the least, interesting evidence this morning. Globally the world has changed the status of countries based on the knowledge of their herds. Originally in Australia we had a precautionary principle as the model, which we have now abandoned to go to a risk model. Wouldn't you say, given what you know and the unknowns, that the very least we could do is have a precautionary model of herd supervision and imports?

Dr Fahey—The precautionary principle that was clearly spelt out in 2000 by the European Commission, the forerunner of the European Union, said that where the evidence is uncertain governments should adopt the precautionary principle. In the area of mad cow disease, where the science is still evolving, they recommended that governments err on the side of caution.

I have read the classifications of countries by risk, and in my opinion any country that has had mad cow disease or mad sheep disease in the last at least two decades should be excluded from importation into Australia. I would say possibly even three decades. And I believe that is the case whether the overseas countries have had indigenous infection or whether they have reported cases where the animal has been imported into the country. Initially, in America, comments were made that the cattle that were infected had been imported from other countries and that they had probably contracted the disease in other countries. Once they are in that country then I think the risk is there. In 1952 the American Department of Agriculture declared a state of emergency for mad sheep disease because the infection was spread through urine and faeces to other sheep and they could not sterilise the paddocks. We are at risk here, if we bring material from overseas, particularly animals, that we are going to get infected.

Senator HEFFERNAN—Thank you very much. Could I just finally say that there is a CJD Support Group Network meeting both in Melbourne and in Sydney. You are from Sydney. It is on Sunday, 16 May, which is this week, at the Kirribilli Club in North Sydney. They have the professor from the National Prion Disease Pathology Surveillance Centre, USA; a professor from Canada; a professor from the UK; a Dr Brian Appleby, who is working with patients in the USA—a whole list of international specialists. I just thought I would give you the invitation. You might like to go.

Dr Fahey—Thank you.

Senator HEFFERNAN—No worries.

ACTING CHAIR—Senator O'Brien, did you have another question?

Senator O'BRIEN—No, I think have exhausted my exploration at this stage.

ACTING CHAIR—Just quickly, Dr Fahey: is there any other—shall I say—higher authority on these diseases in the human form than you in Australia?

Dr Fahey—I found it very difficult, when I was doing my research, to find experts who have knowledge of both mad cow disease and its human form. Most of the experts I have spoken to are in one area or another, with very few people having overlapping knowledge, so I cannot actually answer your question directly because I do not know. Certainly the psychiatrists defer to neurologists, and neurologists ultimately defer to the CJD Registry, but the CJD Registry is not directly involved with mad cow disease.

ACTING CHAIR—This is the last question. Do you eat meat?

Dr Fahey—That is a very interesting question. When I did the research in 2000 I became a strict vegan after I looked at abattoir practices and I looked at *Dateline* and ABC documentaries on what happened in abattoirs with cattle. I have been eating Australian beef and sheep in good faith. Unfortunately, since I rang the chief vet two months ago, I am now eating Australian sheep. I am wary about Australian cattle, but I am sure that Senator Heffernan's stock would be pure!

ACTING CHAIR—As long as there are not bucketloads of overseas semen in your stock. Dr Fahey, would you accept an apology from the chair, Senator Nash, who has had to fly off to catch a plane—no pun intended—because we were going to go to 11.30. Thank you very much. On behalf of the committee, we thank you and all witnesses today. That concludes today's hearing.

Committee adjourned at 11.43 am