

Agricultural Competitiveness Green Paper

Submission from the Australian Veterinary Association Ltd



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The Australian Veterinary Association (AVA) is the national organisation representing veterinarians in Australia. Our 8500 members come from all fields within the veterinary profession. Clinical practitioners work with companion animals, horses, farm animals, such as cattle and sheep, and wildlife. Government veterinarians work with our animal health, public health and quarantine systems while other members work in industry for pharmaceutical and other commercial enterprises. We have members who work in research and teaching in a range of scientific disciplines. Veterinary students are also members of the Association.

Australia's veterinarians provide essential services to our livestock industries which together create billions of dollars' worth of value to our economy, providing food and fibre for domestic consumption as well as significant and important export markets. Veterinarians not only provide services to prevent and cure disease in livestock, but also to increase production, ensure food safety, improve biosecurity, monitor for exotic disease incursions, and respond to emergency animal disease outbreaks. The productivity of the animal agriculture industries is a key concern for veterinarians, particularly those providing essential services to the sector.

Achieving a better return at the farm gate

The Green Paper emphasises the need to increase returns at the farm gate by:

- reducing barriers to productivity and profitability (policy principle 1)
- responding to the growing food demand in our region (policy principle 7)
- ensuring access for all Australians to high-quality fresh food (policy principle 9)
- managing threats such as drought (chapter 8,) and
- maintaining a robust biosecurity system (chapter 11).

Two of the major potential barriers to achieving these objectives in the livestock sector are (i) disease and (ii) poor animal welfare. Effective management of both these areas is essential to maximising productivity, food security and food safety, and to realising the government's policy principles.

Disease

"Animal health, welfare and biosecurity are important at all stages of the livestock production chain. Each can have potentially adverse impacts on productivity if managed poorly." (Meat and Livestock Australia, 2014)

Prevention and control of diseases in the livestock industries increase business profitability by improving productivity and efficiency, as well as by reducing stock losses.

A progressive reduction of investment in animal health by Australian governments in the last twenty years has led to increased risks to the health and welfare of livestock,

increased risks of significant animal disease incursions, and ultimately risk to the profitability and sustainability of our livestock industries.

With the decline in government field veterinarians and veterinary pathologists, Australia's ability to detect and respond to emergency animal diseases is progressively contracting. Australian governments do invest in preparedness for major potential disease threats such as foot and mouth disease, and efforts have been made to address the shortcomings and gaps in response capability highlighted during the last major emergency animal disease outbreak (equine influenza in 2007-08).

- **Recommendation** - Current foot and mouth disease preparedness activities (including the real-time training programmes conducted in Nepal) and similar preparedness programs should continue, and be adequately resourced and developed in all jurisdictions.

A model for engagement of private veterinary practitioners to respond to emergency animal disease outbreaks was ratified by the Australian Animal Health Committee and agreed by all jurisdictions in 2013. These agreed terms and conditions must be securely entrenched in each state and territory emergency response protocols so that there is a seamless engagement process when governments need to secure the services of private veterinary practitioners during an outbreak.

- **Recommendation** – The Australian government should ensure that all jurisdictions implement the agreed terms and conditions of engagement of private veterinary practitioners in emergency animal disease outbreaks so they can be activated as required.

The move in most states to reduce and centralise veterinary pathology laboratories and operate on a cost-recovery basis has increased difficulties in undertaking routine disease surveillance and has reduced producer willingness to pay for these services.

Fewer government veterinarians in the field means that private veterinary practitioners now carry significant responsibility in both initial detection and ongoing surveillance for animal diseases. Should there be an outbreak of any size, the help of private veterinary practitioners will be essential in containing and eradicating the disease.

As well as declining government funding for disease surveillance, there has been a declining demand for on-farm veterinary services, partly due to declining profitability and willingness to pay. Another leading cause is the deregulation in most states of routine on-farm services that have previously been provided by veterinarians (more details in the competition and regulation section below). This is unfortunate, as regular visits by veterinarians to provide routine services are perhaps the most important general surveillance activities conducted in Australia. They are also an opportunity to engage producers in discussions about farm biosecurity and how to improve productivity and profitability.

With the winding back of government disease surveillance services in the field, what is now needed is an additional model for targeted and general disease surveillance to demonstrate continued absence of diseases important to sustainability and trade.

A potential solution is for governments to fund veterinarians to undertake selected surveillance activities in the course of their regular work. There are some useful precedents. For example the Johne's Disease Market Assurance Programs (MAPs) are a key strategy in the control of Johne's disease in Australia.

Animal Health Australia has recently formed a general disease surveillance Private Veterinarians Working Group (PVWG). This group aims to develop collaborations between industry and private veterinary practitioners to reduce the biosecurity risks to our livestock industries.

The development of public-private veterinary partnerships will be important to the future sustainability of our animal agricultural industries. However, we believe that governments will always bear a joint responsibility with industry for animal health and disease surveillance.

- **Recommendation** - Governments should continue to employ enough staff veterinarians and veterinary pathologists to meet their joint responsibilities for animal health and disease surveillance.

Animal welfare

“Good animal welfare practices are an integral part of a property management plan and affect the productivity, profitability and sustainability of the Australian livestock industries.” (Meat and Livestock Australia, 2014)

“Animal welfare is just as important to humans for reasons of food security and nutrition. Better management and care for livestock can improve productivity and food quality, thereby helping to address nutritional deficiencies and food shortages as well as ensuring food safety.” (International Finance Corporation, 2006)

High animal welfare standards result in productivity gains for livestock producers, and this has been demonstrated repeatedly through scientific research (see review by Hemsworth and Coleman, 1998).

Animal welfare affects productivity at every stage of the livestock production chain. From rearing and growing, through transport and ultimately slaughter, good husbandry practices and skilled handling affect the quality and quantity of the final product. Producers know that good animal welfare makes good business sense, maximising productivity and profitability.

Research has demonstrated that poor handling and stress can release hormones that disrupt the animal’s metabolism. The stress response adversely affects growth and results in reduced life expectancy, impaired reproduction, smaller litter sizes, reduced egg, meat and milk output, immunosuppression and disease.

Pigs handled roughly achieve slower growth rates and reduced growth efficiency compared to pigs handled without undue stress (Gonyou et al 1986). Rough handling also reduces pregnancy rates and litter sizes in young female pigs (Hemsworth et al, 1996). Dairy cows that are roughly handled have reduced milk let-down and reduced milk yields (Rushen et al, 1999). They have longer calving-to-conception intervals, meaning fewer calves are produced, as well as increased somatic cell counts in their milk which results in potential rejection of milk for human consumption. Rough handling and stress at slaughter are also well known to reduce meat quality.

In contrast, low stress handling using stockperson training programs such as ProHand[®] can result in increases in milk yield in cows, increased litter sizes and growth rates in pigs, and improved meat quality (AAWS, 2014).

Increasing our understanding of what makes for good animal welfare is an important part of the productivity puzzle.

- **Recommendation** - Continue and increase government investment in animal welfare research and development

At the same time, accepted minimum standards must be established and enforced across all jurisdictions for agricultural industries to unlock the productivity benefits of improved animal welfare. Adherence to basic minimum welfare standards is also a community expectation of livestock industries.

- **Recommendation** - The animal welfare standards and guidelines development must continue and be prioritised to ensure nationally-consistent implementation of minimum welfare standards.

Research, development and extension

(This discussion is relevant to issues in Chapter 10, page 85)

A frequently overlooked but equally essential contributor to farm gate returns is the development and adoption of new technologies, systems and skills.

Innovation and technology are key to improving productivity and competitiveness in the agricultural sector. According to the National Farmers' Federation *Blueprint for Australian Agriculture 2013-2020*, agriculture productivity growth is closely linked to research, development and extension (RD&E), and is enhanced by collaboration and coordination between funders and providers (National Farmers Federation, 2013).

The AVA supports the National Primary Industries Research Development and Extension Framework which provides a unique system for coordination and increased efficiencies in RD&E efforts across the research development corporations, cooperative research centres, CSIRO and tertiary research institutions.

A significant number of veterinarians across Australia are employed in research and development activities of importance to agriculture, including biosecurity and livestock health, genetics, production in the beef, dairy, sheep meat, wool, pork, egg and chicken meat sectors, animal welfare, public health, food safety, and agricultural chemical developments including vaccines and development of diagnostic technologies for our livestock sector. Continued investments into all of these areas are essential to maintaining Australia's high standards of biosecurity, food safety and agricultural competitiveness.

Extension is crucial to ensure uptake and implementation of new technologies generated by R&D efforts, and some gaps in extension service provision have been acknowledged in the Green Paper (pages 89-92). While government veterinarians will continue to be essential to livestock extension service delivery, it is envisaged that greater use could potentially be made of private veterinarians to provide impartial and science-based delivery of RD&E messages relative to the livestock sectors in the course of their regular farm visits.

- **Recommendation** – Investment in R&D focusing on innovations should be increased to improve productivity and profitability in our livestock industries

- **Recommendation** – Governments should explore public-private partnerships for delivery of extension services by private veterinary practitioners.

Competition and regulation

(This discussion relating to policy principle 5 is relevant to issues in chapter 3, page 18, chapter 4, page 33 and chapter 4, page 24)

While reducing unnecessary regulation is an admirable goal, it is essential that we maintain adequate and consistent regulation of biosecurity, animal welfare and the veterinary profession in order to manage and minimise risks to our agricultural livestock industries.

Nationally consistent legislation is the key to providing certainty for industry, as well as maintaining market confidence in livestock products.

Biosecurity regulation

“Biosecurity programs for livestock industries are designed to prevent the spread of infectious disease and contain disease outbreaks when they occur. Biosecurity is important at the national, regional and property level” (Meat and Livestock Australia, 2014)

The Independent Quarantine and Biosecurity Review (the Beale review) in December 2008 recommended an overhaul of Australia’s biosecurity legislation and a much stronger cooperative approach between the Commonwealth and state and territory jurisdictions.

New biosecurity legislation to replace the current Act which is a century old was tabled in Parliament on the 27 November, 2014 (Biosecurity Bill, 2014). It is critical that this new legislation and supporting regulatory arrangements are established to protect Australia from threats to its animal and plant industries.

Animal welfare regulation

Animal welfare standards provide an important mechanism for industry to demonstrate compliance and maintain consumer confidence in their products.

The aim of the former Australian Animal Welfare Strategy (AAWS) was to bring a nationally consistent, science-based and rational approach to animal welfare policy reform, in order to:

- demonstrate high standards of animal welfare to our international trading partners to protect valuable export markets, and
- develop policies and standards acceptable to the Australian domestic market, to minimise the risk to industry of criticism on animal welfare grounds and loss of consumer confidence.

The AAWS brought together a broad range of representation from the livestock industries, government, and not-for-profit groups and some good progress was made toward national harmonisation on this important issue.

Since the AAWS was discontinued, there has been concern that this loss of an inclusive framework risks the development of greater polarisation in the community. The risk is a shift away from an environment of negotiation to a more confrontational type of reaction by the public to perceived animal welfare issues in the livestock sectors.

This is a risk to our livestock industries whose best defence is to demonstrate compliance with recognised animal welfare standards. In recent years, we have seen the major supermarkets take the reins and dictate welfare standards to industry in response to community pressure. These standards are developed in an ad-hoc manner, are not generally science-based, and have forced industry's hand on issues such as sow stalls and cage-free eggs, requiring heavy investment in new infrastructure without strong evidence of economic benefit.

In chapter 3 ("Working with the states and territories", page 23) it is suggested that the states and territories should now drive reform in the area of animal welfare. The risk of this approach is that it leads to inconsistencies in animal welfare legislation between states, making it difficult for livestock industries to compete on a level playing field. For example, the varying state approaches to free range layer hen stocking densities are detrimental to competition in this sector and a source of consternation to egg producers. This is only one example of the potential problems when individual states develop animal welfare reforms in the absence of a national framework.

Chapter 4 ("Competition and regulation", page 27) raises this very issue of "lack of consistency in areas such as animal welfare standards" as a regulatory burden to stakeholders. The solution is not to reduce regulation, but rather to implement nationally-consistent animal welfare standards for the reasons outlined above. This will in fact reduce the regulatory burden, provide certainty for investments in industry infrastructure, protect the reputation of industry and maintain essential consumer confidence.

- **Recommendation** - The Australian government should commit to ongoing progression of animal welfare standards development to ensure nationally-consistent outcomes and market confidence

Veterinary regulation

The veterinary profession is currently regulated by states and territories, and this legislation is designed to protect the interests of both the consumers of veterinary services, and animals. However, inconsistencies between states and territories impacts agricultural industries in similar ways to regulatory inconsistencies relating to animal welfare. In some states, deregulation has reduced the ability of veterinarians to visit farms by allowing some routine services to be provided by non-veterinarians. This decline in farm visits by veterinarians impacts on biosecurity, so the regulation of veterinarians is relevant to federal policy considerations relating to agricultural productivity.

Veterinarians can and do compete on price and quality for routine services such as cattle pregnancy testing, bull testing, equine dentistry and reproductive services such as spaying and castration. However, the deregulation of procedures like these means that veterinarians visit fewer farms, reducing the opportunities to provide advice on productivity and monitor for exotic diseases. Animal welfare can also suffer where procedures are being undertaken by inadequately trained practitioners.

The AVA argues that regulation of the veterinary profession needs to be harmonised nationally so that there's a clear and level playing field for animal owners in all states and territories. Particular procedures that have the ability to impact on animal welfare (such as cattle pregnancy diagnosis and cattle spaying) should only be undertaken by registered veterinarians. While the main reasons relate to the protection of animal

welfare, additional benefits of increasing farm visits by veterinarians include improving farm productivity and disease surveillance.

- **Recommendation** – Harmonisation of veterinary practice legislation should be addressed by AGMIN and encouraged by the Australian Government because of its impact on productivity and biosecurity
- **Recommendation** – Governments should not advocate deregulation of acts of veterinary science where the welfare of animals could be threatened by non-veterinarians undertaking the procedure
- **Recommendation** – Because of the increasingly critical role of private veterinarians in biosecurity and disease surveillance, the Australian government should ensure that harmonised veterinary practice legislation supports the role of veterinarians on farms. This includes retaining critical routine services such as cattle pregnancy diagnosis as veterinary-only procedures.

Agricultural and veterinary chemicals regulation

The AVA supports the government's reforms in relation to the regulation of agricultural and veterinary chemicals. In particular, the AVA endorses initiatives around recognition of trusted foreign regulators and use of a risk-based assessment system to streamline chemical assessments, speeding the process to bring new medicines and chemicals to market.

However, there is currently no independent assessment of the implementation of the reforms and their effectiveness in meeting the stated policy objectives. AVA believes this would help identify implementation issues and possible solutions.

- **Recommendation** – The government should establish an independent third party review process incorporating stakeholder feedback to evaluate the implementation of its AgVet reforms, and their effectiveness in reaching policy objectives.

When making risk-based decisions about registration, it is not just human and environmental safety that must be considered. The potential for residues of products used in food animals must not impact on our international markets. Just as importantly, products that may have an adverse impact on animal welfare if used inappropriately must continue to be provided only through a veterinary prescription.

- **Recommendation** - Continued improvements to AgVet regulation should incorporate both food residue and animal welfare considerations when risk-based assessments are made

Accessing international markets

(This discussion is relevant to issues covered in chapter 12, page 100)

Biosecurity

Maintaining a robust biosecurity system is key to providing assurances around our favourable pest and disease status to protect our important export markets.

High standards of biosecurity and food safety are opening up large and important markets such as China, where Australian food safety standards are more trusted than local standards. Australia's investment in our biosecurity system and veterinary services on farm are paying off in our international markets.

Animal welfare

Similarly, maintaining high animal welfare standards is an essential component of promoting access to key export markets. According to Meat and Livestock Australia, McDonalds is our largest buyer of exported meat, and it requires stringent animal welfare standards of its suppliers.

“Higher animal welfare standards are increasingly seen to be a prerequisite to enhancing business efficiency and profitability, satisfying international markets, and meeting consumer expectations.

For example, a third of the leading global food retailers with turnovers ranging from US\$25-250 billion, have public animal welfare policies. Businesses that address or enhance animal welfare are likely to win or retain a competitive advantage in the global marketplace in a variety of ways, such as:

- *cost savings due to more efficient production processes that enhance animal welfare*
- *realising growing market opportunities for food produced in animal welfare friendly systems*
- *becoming the producer of choice for retailers and consumers concerned with animal health and welfare, food safety and quality, human health, and the environment*
- *accessing and maintaining entry into high quality and value market segments”*

(International Finance Corporation, 2006)

As well as attention to domestic animal welfare, the Exporter Supply Chain Assurance Scheme (ESCAS) for our live animal export industry should be maintained and strengthened to prevent loss of community support for the industry and to protect Australia’s reputation in the international marketplace.

- **Recommendation** - ESCAS should be strengthened to ensure ongoing international community confidence and access to key export markets

Current regulations relating to pregnancy diagnosis of cattle for export do not adequately protect either animal welfare or our valuable export markets. Where ultrasound testing is used, it is most accurate and reliable in detecting pregnancies at 5-16 weeks. Cattle determined not to be pregnant after ultrasound examination need to be checked by manual rectal palpation to ensure that pregnant animals are not misdiagnosed. For breeder cattle, manual palpation is essential to ensure reproduction physiological issues (such as freemartins which are infertile heifers) are identified prior to export.

For both feeder and breeder cattle, not detecting their true reproductive status poses an unacceptable risk to animal welfare, industry reputation, and economic viability.

- **Recommendation** – For both animal welfare and economic reasons, cattle should only be certified as suitable for export after manual checking for pregnancy has been completed.

In addition, the use of ultrasound machines by inexperienced operators can perforate the bowel as well as provide inaccurate diagnoses.

- **Recommendation** – For both animal welfare and economic reasons, pregnancy diagnosis for exported cattle should only be undertaken by a veterinarian.

Water and natural resource management

(This discussion relates to issues raised in chapter 9, page 81)

Pest animal management

Pest animals can severely impact the productivity of livestock and other agricultural enterprises. The AVA supports government investment in wild dog management under the National Wild Dog Action Plan, and encourages further investment in control of other pest animal species to ensure ongoing agricultural competitiveness.

While the management of pest species is the responsibility of state and territory governments in the main, a more nationally-consistent approach could increase efficiencies in this area. National leadership in consistent implementation of the vertebrate pest codes of practice would be a valuable contribution to effective and humane pest animal control.

Continued investment in research and development is needed to discover more effective and humane pest control methods. Governments should also fund extension programs to encourage the more widespread adoption of existing humane alternatives such as the replacement of serrated-jaw leg hold traps with the equally effective but more humane soft-catch foot hold traps, and the replacement of poisons such as strychnine and 1080 with the humane alternative para-aminopropiophenone or 'PAPP'.

- **Recommendation** – Governments should increase funding to research, development and implementation of humane and effective pest animal control methods.

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