

27 November 2007

The Commissioner,
Safeguards Inquiry Into The Importation of Pigmeat
Productivity Commission

Dear Commissioner,

As a vertically integrated Pork Producer, I make the following comments with respect to the current status, and the lack of Government Policy to save the Pork industry from the unprecedented level of cheap and heavily subsidised pork imports.

The items are presented to you for your urgent consideration and the necessary action to save the industry from *the worst operating environment the Australian Pork industry has faced in living memory*. Pork producers are no longer prepared to sit tightly to see their industry and their livelihood facing total oblivion – for no apparent fault of their own. In the main, this is due to the huge amount of imported pork meat. Unless Government Policy is urgently reviewed, in my opinion, the complete demise of the industry is a certainty, and the livelihood of many Australian families looks very bleak.

The following, not in any priority order, is a summary of only some issues that need urgent corrective action through Government Policy Reviews. In addition, the issues are by no means exhaustive:

- The Australian Pork Industry has embraced a traceability system (PIGPASS) to trace and isolate any possible outbreak of disease. This was implemented at a huge cost to pork producers with little government assistance. In addition, Australian Pork Producers have incorporated a Quality Management System (APIQ) at considerable costs to the Producers. Pork meat imported to Australia from exporting countries does not have a rigid and auditable traceability system in place. Thus, not only does this increase the risk of disease entering our ports, but financially disadvantages pork producers in Australia. Further, there is little evidence that Bio-Security Australia undertakes any external audits to ensure the Australian herd remains clean from new and existing harmful agents;
- The high level of antibiotics from imported pork meat places the Australian community at risk;
- There are banned substances in Australia that are not banned in the country of origin. No clear programmes are in place to regularly review changes to banned substances in Australia, with counter measures in exporting countries. Further, no audits are in place to regularly test the level of antibiotics in imported pork meat;

- All pork producers in Australia pay a levy for every animal slaughtered. With the huge increase in imported pork meat, such a levy or a higher levy must be imposed on imported pork meat to ensure a level playing field;
- At its legal challenge against the Director of Bio Security Australia, the pork industry presented ample scientific material, detailed reports from industry experts and Veterinarians from Australia and overseas. A common theme in these findings highlighted the huge risks associated with the continued importation of pork meat. Indeed some of the Judges presiding over the case agreed with these findings. There was a unanimous view that directly or indirectly, diseases such as Post Weaning Multi-Systemic Wasting Syndrome (PMWS) when brought into the country will permanently infect the Australian herd. It is only a matter of time. Indeed, the recent outbreaks of the Equine Influenza (EI) completely vindicate these expressed views and scientific findings. Further, whilst the legal challenge was lost on a legal technicality, the views and scientific findings presented to the Court are indeed as valid today as they were during the hearings. The EI presents the pork industry with a double whammy, as many of the pork producers are also horse farmers now faced with complete ruin. Whilst it is appreciated that an inquiry in the EI outbreak has been announced, the breakdown in the quarantine protocol can easily happen to imported pork meat. You will no doubt appreciate the fact that now pork producers have no confidence in Bio-Security Australia. Whilst the Equine industry may recover over time from the effect of the flu; agents like PMWS and new exotic diseases entering the country through the continued importation of pork meat will permanently infect the Australian herd. This places unnecessary financial and personal burdens on pork producers due to the continued policy to import pork meat without adequate safeguards. We simply have no confidence in the existing bio-security protocol;
- Pork producers who export their pork products are faced with huge Government charges. For every animal exported, an estimated Government charge of \$18 applies (AQIS charges, health certificates, etc). This is a factor in impeding and not facilitating our export efforts. This is not to mention other charges such as freight, transport, slaughter costs, etc. A charge on imported pork meat should equally apply to create a level playing field;
- Pork producers have no faith in the effectiveness of AQIS audits on imported pork products. The audits should be tightened, transparent and made available to all pork producers. Those importing the pork meat should be fully charged with the costs of the audits (on a similar basis as those exporting pork meat from Australia). Further, the entire quarantine system requires a complete review, and a moratorium must be placed on imports, while this review is carried out.
- Due to the lack of adequate audit trail, imported pork meat is being retailed as fresh meat. Given that the imported pork meat is heavily subsidised by the country of origin, pork producers are unable to effectively compete against cheap imported products sold as fresh meat on the domestic markets. This is a major factor that is depressing current prices in the domestic markets. Further, it places the community at a huge risk in the consumption of fresh meat from imported pork products;

- Coupled with the unprecedented grain prices, no action on issues relating to the importation of pork meat will be seen as a direct action by the Government to simply destroy the Australian Pork Industry;

Commissioner, I simply ask for a level playing field. This includes a complete review of Government Policy on the importation of pork meat for reasons only some of which are highlighted above. This is a minimum action required from the Government if it is serious about saving the industry from total oblivion in the very near future.

Yours faithfully,

R Nakhla
Pork Producer,
Northern Rivers (NSW)