

Ann McDonald
Assistant Secretary and Chair of the Traceability Working Group
Department of Agriculture and Water Resources
GPO Box 858
Canberra City ACT 2601

21 February 2019

Dear Ms McDonald

Re: Draft National Traceability Framework

WoolProducers Australia welcomes the opportunity to make a submission on the draft National Traceability Framework (NTF). With 73 million sheep and 98 per cent of Australian wool exported, a NTF that supports and enhances traceability systems is essential for the wool industry.

As the peak industry council advocating on behalf of woolgrowers, WoolProducers' work includes the provision of advice to Animal Health Australia and the state and federal governments. We work closely with the Department of Agriculture and Water Resources (DAWR) on key issues including animal health and welfare, biosecurity, pest management control, natural resource management, drought preparedness, emergency animal disease outbreak preparedness, and industry development, including research and trade.

WoolProducers is involved in traceability work on behalf of industry and currently sits on the Sheep Industry Traceability Working Group, SAFEMEAT, and the Integrity Systems Taskforce (part of the Integrity Systems Company). Traceability is vital to ensuring Australia's sheep and wool industries are resilient and that growers can operate profitable, viable farm businesses. Traceability enables good biosecurity practices and the ability to contain and eradicate disease. It also provides provenance and transparency within the supply chain which maintains our market access.

WoolProducers looks forward to continuing its engagement with DAWR on the National Traceability Project. In the following pages, WoolProducers provides feedback on the NTF to ensure the framework meets the needs of the sheep and wool industries.

Should you require further information or wish to discuss our submission directly, please contact WoolProducers Policy Manager, Ashley Cooper via email (acooper@woolproducers.com.au) or 0455 442 776.

Yours Sincerely



Jo Hall
CEO
WoolProducers Australia

1. Purpose

WoolProducers recognises the benefits traceability provides to modern consumers, as outlined in the Purpose section of the NTF. However, the statement that international trading partners are seeking certification attestations beyond biosecurity is concerning. The Australian Government should disallow international trading partners to assert certification or audit practices upon industry without industry sanction. Australia's sheep and wool industries already conduct extensive traceability and surveillance activities that surpass the systems and programmes employed by many countries that import our products.

Some of the traceability and surveillance activities undertaken by the wool and sheep meat industries in Australia include:

- National Livestock Identification System (NLIS);
- National Vendor Declarations;
- National Wool Declarations;
- Sheep Health Declarations;
- Abattoir monitoring and disease surveillance programmes, funded by grower levies and managed through Animal Health Australia;
- Disease surveillance programmes, such as the Transmissible Spongiform Encephalopathy Freedom Assurance Project and the National Arbovirus Monitoring Programme, and
- Foot-and-Mouth Disease Ready Project, which strengthens preparedness and facilitates earlier return to trade for Australia if an outbreak was to occur.

WoolProducers is very supportive of the objective of the NTF to deliver a common vision through consistent principles. For the NTF to achieve nationally consistent principles, there must be consistency between jurisdictional legislation, regulation and enforcement. This means, systems must be nationally harmonized to derive net benefit for Australia both domestically and internationally.

Without agreement of harmonization, not just of the principles but also implementation from the jurisdictions, there can be no claim to a NTF. The current Sheep and Goats NLIS is a prime example of how a supposedly 'national' system has been let down by non-harmonisation by jurisdictions.

The Implementation of improvements to the National Livestock Identification System for sheep and goats: Decision Regulation Impact Statement (DRIS) found that:

'Differences in implementing NLIS for sheep and goats between jurisdictions are likely to result in differences in traceability through the supply chain. This may create difficulties in effectively tracing animals in the event of a biosecurity or food safety incident.'

2. Scope

WoolProducers agrees that traceability systems for exported goods should provide visibility to the point of clearance in the importing country. However, if visibility is required beyond this point, it could prove to be difficult for mixed and bulk commodities. For example, when wool is processed, several bales are often mixed together before being processed and spun into yarn, which can then be sent to several different countries, or combined with other yarn to manufacture woollen garments.

WoolProducers supports the scope of the NTF enhancing and harmonizing traceability systems across state and territory borders. It is understood the framework will provide a guide for developing approaches, systems, strategies and policies that may be required in the future. The point must again

be made though, that the jurisdictions must work harmoniously in the national interest for this to be achievable.

3. Vision

WoolProducers is supportive of the vision of the draft NTF (dated 14 February 2019).

4. Principles

The principle, '*Visibility through the entire supply chain*' does not currently capture the point made in the 'Scope' section of the NTF that traceability systems for exported goods need only provide visibility to the point of clearance in the importing country. As the principle currently reads, it implies that products must be traceable from the point of origin through all production stages, to distribution. The description should be changed to reflect the need to only provide visibility to the point of clearance in the importing country. The principle could instead be written as '*Visibility through the entire supply chain: enabling tracing of foods and other agricultural product through the supply chain for domestic goods, or for export goods, to the point of clearance in the importing country*'.

5. Developing an action plan

Outline of action plan elements

For industries to develop a national traceability system, there must be collective support from the jurisdictions for the action plan element, '*A national industry-government partnership*' to be successful. There must be willingness from jurisdictions to change regulations and legislation (if required) to a common set of rules or laws as communicated under the '*Good governance*' element of the plan.

The '*Timely and accurate information and data management*' element of the action plan must protect sharing arrangements for data and information that is commercially sensitive or provides competitive advantage. It will be necessary to ensure that where relevant, the NTF references Australian and/or international privacy and data access laws that will provide security to traceability data.

Outcomes of traceability systems

WoolProducers is supportive of the five outcomes that are outlined in the NTF. The following feedback is provided, by outcome.

Outcome 1: WoolProducers agrees that the uptake of traceability systems for industries that do not have established traceability systems should be measured by uptake and integration. For industries with established traceability systems (such as the sheep industry), traceability systems should instead be tested by industry and/or government so that success is able to be measured by a percentage of product/animals able to be traced by a system. Sheepcatcher and Cowcatcher are examples of such testing. This provides a more quantifiable measure of success and the ability to benchmark a level of traceability. Therefore, WoolProducers recommends that the success measure for this outcome needs to capture both industries without existing traceability systems or that have low uptake of systems, and industries with developed, widely used systems.

Outcome 2: Success should not be measured by a reduction in cost to industries caused by market disruption as in some cases, market disruption will be for a defined time period. For example, the

World Animal Health Organisation regulates that if a foot-and-mouth disease outbreak occurs in a country previously free of the disease, trade can only be restored three months after freedom from the disease is demonstrated, or six months after freedom is demonstrated if vaccinations have been used to eradicate the disease. WoolProducers recommends that success is instead measured by the ability of the traceability system to provide as close to immediate tracing as possible, which may lead to improved disease containment, minimisation of spread etc.

Outcome 5: Success cannot be measured by the uptake or increased uptake of solely electronic systems by supply chain participants. The DRIS recommended the NLIS be improved through enhancement of the mob-based traceability system. The DRIS recommended a mob-based system over an Electronic Identification (EID) system for two main reasons:

1. An enhanced mob-based system was estimated to have the highest net present value under the standard assumptions relative to the costs and benefits of implementing the three options it considered, and
2. An enhanced mob-based system was estimated to have a positive net present value for a greater range of assumed costs and benefits, for the options it considered.

Therefore, electronic systems may not always be the best option for traceability systems. There should always be contingencies in place should an electronic system ever fail. WoolProducers recommends success is therefore measured through testing and benchmarking traceability systems, whether they are electronic or not, as outlined in our feedback on Outcome 1.

6. Governance

The NTF roles and responsibilities was changed in the 14 February draft NTF to include the responsibility for *'Coordinating ongoing stakeholder engagement regarding the action plan'* being one for businesses and primary producers. WoolProducers disagrees that businesses and primary producers should be responsible for this because it is unlikely primary producers would engage directly with the NTF action plan. The same applies for the responsibility of *'Developing an action plan, implementing, and periodically revising them'* because it is again unlikely that businesses and primary producers would directly engage on developing an action plan.

Industry bodies can instead engage primary producers through consultation. Direct engagement of primary producers and businesses would be to ensure they meet their legal traceability requirements through the NLIS system, which would achieve the relevant outcomes of NTF. Therefore, WoolProducers recommends that the NTF roles and responsibilities remove businesses and primary producers from playing a role, or holding responsibility for, *'Coordinating ongoing stakeholder engagement regarding the action plan'* and *'Developing an action plan, implementing, and periodically revising them'*.

ⁱ Implementation of improvements to the National Livestock Identification System for sheep and goats
Consultation regulation impact statement, October 2013
https://ris.pmc.gov.au/sites/default/files/posts/2013/10/national_livestock_id_system.docx