

Opening statement: Greg Brown (Cattle Council)

I am pleased to be able to reaffirm Cattle Council's consistent position regarding the application of internationally agreed, BSE related science-based standards and guidelines that avoid unnecessary barriers to international trade.

Cattle Council's involvement in this issue dates back to 2005 when concern was raised that under Australia's domestic policy, sale of beef from countries that had detected BSE was banned for sale. Industry's fear being that an unintended consequence of this policy was that state and territory food authorities had the right to remove beef from sale in the event of Australia detecting even a single case of BSE. This policy did not differentiate between imported and domestic product. Any action to remove our beef from sale, if ever taken, would devastate this industry. Our concern was genuine and we engaged with the Government in 2005 in good faith. We understood that the most surefire way to remove this instrument was to move from a blanket ban to a risk assessment.

We also recognised that the Government during this period shared the same policy, that is, to support the science that underpins international trade. We note that on 18 May 2004, Australia's Minister for Trade, Mark Vaile, signed a letter as a part of the Australia / US FTA, recognizing the need to "apply internationally agreed BSE related standards and guidelines consistently and appropriately..". We agreed with the Coalition Government's policy.

In 2007, The Australian Government was being publicly criticized for its stance as outlined in this letter dated 18 May 2004. Given Cattle Council's principled position regarding this matter, we issued a press release supporting the need to apply sound scientific principles. We publicly supported the Coalition's stance. For an industry that exports two-thirds of its production to 110 markets worldwide, there is simply no other policy position that we could adopt. Anything else would be irresponsible.

Our press release dated May 2007 should provide ample evidence that there has been nothing secretive about Cattle Council's position regarding this important matter.

The Government's position in 2004 now seems inconsistent with the conduct of this enquiry and we formally request advice as to when the Coalition changed its policy with regard to applying internationally agreed BSE related standards and guidelines?

I hereby table the letter and Cattle Council's press release.

Furthermore, we understand that in 2004 / 2005, the Australian Government's Chief Veterinary Officer chaired the OIE BSE committee. The Australian Government at this time subsequently signed onto the BSE Code Chapter, which is still in force today.

In terms of what is in front of us now regarding protocols, there are two issues that we wish to address:

1. That the Australian Government undertake whatever risk assessment is required to ensure that the BSE prion never enters the Australian human or animal food chain; and
2. That traceability delivers equivalency of outcomes to the Australian system, that is, traceback and trace forward, including cohorts. We expect no more or no less to what we currently deliver to our domestic and international consumers.

Much has been said publicly in recent months with regard to the issue of beef imports into Australia, particularly the potential for imports from the US. Cattle Council has not seen any evidence that suggests anything other than the fact that US beef is safe as long as strict protocols are applied and adhered to. We believe that negative comments about the US are unwarranted and unnecessary. The US is an important ally and trading partner to Australia. I recall with great clarity

when the US market opened up to Australian beef; in many ways this revolutionized this industry. Older cattle that were almost worthless became an integral part of supplying this massive market. These cattle soon provided valuable returns to our beef producers. The US market, a market which consumes 170,000 tonnes of beef per week, is a market to be valued and respected.

With regard to the public commentary around this issue, we are extremely concerned by some statements that seem to be appearing at an ever-increasing rate. Comments that BSE beef will be entering Australia from 1 March, that the BSE prion is being trafficked internationally or that 10% of Australia's consumption will come from imports from 1 March. This is a clear misrepresentation of the facts and serves only to denigrate this fantastic industry. If this continues, consumers will become confused and may even avoid beef all together as a result of these misleading comments. My fears have been validated by phone conversations I have had from beef producers who share these same concerns.

In conclusion, rest assured that if Australian beef producers were locked out of international markets for any length of time as result of an exotic disease detection and after taking the appropriate control measures without any chance of being assessed on science, they would be outraged. Those remaining producers who were lucky enough to still be in business would be kicking Cattle Council's door down expecting us to do something about it. Therefore, we are extremely comfortable with a position that demonstrates to our customers that we support the application of science based standards and guidelines, underpinned by the necessary checks and balances, including appropriate protocols and risk assessments.

Ends.



18 May 2004

The Honourable Robert B. Zoellick  
United States Trade Representative  
600 17 Street, NW  
Washington, D.C. 20508

Dear Ambassador Zoellick

In connection with the signing on this date of the Australia-United States Free Trade Agreement (the "Agreement"), I have the honour to confirm the following understanding reached by the Governments of Australia and the United States during the course of negotiation of the Agreement.

Australia and the United States recognize the importance of addressing both food safety and animal health issues regarding *Bovine Spongiform Encephalopathy* (BSE) in a science-based, comprehensive, and cohesive manner. Science-based responses to address BSE concerns help to ensure food safety and protect animal health while avoiding unnecessary barriers to international trade. Australia and the United States recognize the central roles of the World Health Organization and Food and Agriculture Organization of the United Nations' *Codex Alimentarius Commission* (Codex) and the International Organization for Epizootics (OIE) in establishing international standards and guidelines, and will participate actively as these organizations address BSE-related issues:

Australia and the United States note that the OIE is presently reviewing BSE standards as they relate to animal and public health. Australia and the United States will work cooperatively in the OIE, Codex, and other fora as appropriate, with the objective of securing science-based standards and guidelines that address risks to food safety and animal health from BSE.

Australia and the United States also recognize the importance of encouraging Codex and OIE members to apply internationally agreed BSE-related standards and guidelines consistently and appropriately, and will work both within and outside these organizations to achieve this objective.

I have the honour to propose that this letter and your letter in reply confirming that your Government shares this understanding shall constitute an integral part of the Agreement.

Yours sincerely

Mark Vaile  
Minister for Trade



# CATTLE COUNCIL OF AUSTRALIA

## **MEDIA RELEASE**

MR 08/07

May 02, 2007

### **Cattle Council sets the record straight on BSE side letter**

Recent media reports accusing the Australia-United States Free Trade Agreement (AUSFTA) as having contributed to any loss in market share in South Korea and Japan are completely false.

Cattle Council Acting President, Greg Brown, says that the BSE side letter to the AUSFTA exists to ensure that science-based standards underpin all matters of international trade.

"The side letter merely reaffirmed pre-existing agreements as both Australia and the US are already signatories to the international animal health organisation, the International Organisation for Epizootics (OIE). In fact, Australia is an active participant in both of these organisations as it is clearly in our interest to do so.

"This side letter would not have any bearing on any future access arrangements that the US may be able to secure and it does not lower standards in any way," Mr Brown said.

The BSE side letter was signed in 2004 as part of the AUSFTA. It:

- recognises the central roles of the World Health Organisation and Food and Agriculture Organisation of the United Nations' Codex Alimentarius Commission (Codex) and the OIE in establishing international guidelines
- commits both parties to participating in the development of a comprehensive and cohesive response to BSE-related issues in an international forum.

"When it comes to trade, Australia can differentiate its product in many ways. However, we must be able to trade with the security that business is conducted in a manner that is backed by a science-based, rules-based standard."

Under the AUSFTA agreement, the integrity of Australia's food safety regime is maintained. It upholds Australia's right to determine the level of quarantine protection that it considers appropriate and provides a forum for settling quarantine disputes. Furthermore, the AUSFTA means that both countries agree that the World Trade Organisation is the appropriate forum for settling quarantine disputes.

"This type of science-based protection is essential for an industry that exports two thirds of its production.

"The side letter should not overshadow the AUSFTA. Australia will be given an extra 70,000 tonnes by year eighteen of the agreement and we will be free to export an unlimited amount of beef to the US after year eighteen of the agreement," Mr Brown concluded.

Ends – For further information contact Selena Jensen at Pegasus Communications on (03) 9329 7369 or 0400 626 782.