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Electronic NLIS (Sheep & Goats) Transition Package
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30 September, 2016

Electronic National Livestock Identification System (NLIS) (Sheep & Goats) – A transition package for Victoria

Dear Sir/Madam

The Sheepmeat Council of Australia (SCA) is the national Peak Industry Body representing and promoting the needs of Australia's lamb and sheepmeat producers. SCA welcomes the opportunity to comment on the draft consultation paper "Electronic National Livestock Identification System (NLIS) (Sheep & Goats) – A transition package for Victoria".

Summary

SCA has been at the forefront of industry efforts to ensure the Australian sheep and goat industries have an effective livestock identification and traceability system. We recognise the importance of traceability as fundamental to underpinning our biosecurity, food safety and product integrity systems for domestic and international market access.

SCA has worked hard and made a significant contribution to the development of a national mob based identification and traceability system since the introduction of the National Livestock Identification System. We have publicly acknowledged that radio frequency identification devices (RFID) can provide benefits to producers. More importantly, SCA has consistently supported a national system, consistent with all other industry bodies and jurisdictions, a position agreed by all governments through the NLIS Sheep and Goat Business Plan and which is endorsed by the SCA.

It is therefore extremely disappointing that Minister Pulford has made a decision to impose RFIDs on the Victorian sheep industry, with the many costly consequences on sheepmeat producers, not just in Victoria, but across Australia. This further, and unfairly, embeds increased traceability responsibility on sheep breeders where risk is often created by others in the supply chain by not meeting their responsibilities under the standards and who are not required to contribute to the increasing and recurrent costs of the scheme. As a consequence, this potentially encourages the use of practices that place at risk the integrity of the system, and with it, the reputation of the sheepmeat industry both domestically and internationally.

This disappointment is made worse given the Victorian Government's commitment, prior to the 2014 election, that they would not mandate electronic identification for sheep and goats outside a

national approach. This included a commitment to undertake industry consultation prior to any decision.

SCA is concerned that the Victorian Government having now made an announcement to implement mandatory RFIDs, is now conducting consultation in an inordinately unsatisfactory timeline. The short timeframe is completely insufficient to allow identification of the many gaps and inadequacies exposed in the discussion paper, particularly in relation to the logistics and practicalities of implementing this RFID system.

Not only does this have consequences for Victorian producers, but also undermines future opportunities to improve the national system, as a hurried and potentially flawed introduction will create an environment where future improvements are made more difficult to implement. If Victoria fails to get it right this will increase the cynicism about future changes to the NLIS across Australia.

SCA again stresses that the NLIS is a national system, and therefore this Victorian process is not a consultation into electronic NLIS (Sheep & Goats) but rather a consultation into a single state's move away from the National Livestock Identification System (Sheep & Goats). This is an important distinction as the NLIS for sheep and goats is a mob-based traceability system.

SCA is not averse to, and actively encourages, changes that improve traceability in the sheep and goat industries. What we are very concerned about is action that operates unilaterally in a system dependent on national cooperation.

A Way Forward

Having discussed above why SCA disagrees with the decision, as industry leaders we now have a responsibility to engage with Victoria on working towards implementation. This in no way should be seen as agreeing with the initial decision or the process in which it was made.

SCA asks that the Victorian Government work collaboratively with NLIS Ltd to ensure that the electronic system within Victoria aligns as closely as possible with the current NLIS Sheep and Goat Business Rules. We recommend that the electronic identification system in Victoria remains based on the mob-based premise to ensure harmonisation with the national system. This will also address many of the practical issues that will be encountered upon implementation of an electronic system for sheep and goats.

The Victorian Government has previously chosen not to implement all of the Business Rules in its implementation of the NLIS (Sheep and Goats). Along with the retraction in state government resources in this area, we believe these two factors have played a significant part in the perceived 'failure' by the Victorian Government of the current mob-based system.

SCA therefore considers it extremely unfair that the increased costs that the supply-chain will bear in implementing the electronic system, which is in part due to inaction from the Victorian Government, particularly when these supply-chain costs, will ultimately be passed on to producers.

SCA also has concerns about the effect that Victoria operating in isolation will have on the integrity of the NLIS database and its ability to handle the increased capacity that will be required to properly implement this electronic system. SCA therefore considers it the responsibility of the Victorian Government to ensure that the database is fit for purpose and meets all its operating requirements. Further, as there is no requirement outside of Victoria to upload electronic movements there is a very real chance that this will create 'ghost' stock and/or tags – which has and continues to be a significant issue for the cattle industry.

As the Victorian Government has seen fit to mandate the compulsory use of electronic ear tags for sheep and goats SCA has a significant interest in ensuring that the cost of implementation places the least possible burden on producers and supply chain partners and that the system, once

implemented, will meet its intended purpose of improved supply chain traceability and emergency animal disease response preparedness.

SCA again stress that the Victorian Government be mindful of the language used regarding this issue, including the incorrect inference that the NLIS (Sheep and Goats) is not an effective traceability system. Such language has the ability to adversely affect international trade – including the Victorian sheep and goat industries.

Lessons from the cattle industry

Experience from the cattle industry's implementation of an electronic identification system highlights a number of potential issues that should be avoided as the Victorian sheep and goat industries make the transition to an electronic identification system.

The mandatory implementation of RFID in the cattle industry occurred following significant consultation with industry stakeholders. Consultation included meetings, workshops, extensive communication and information dissemination. Even with this preparatory consultation and a more practical and staged implementation of cattle RFID, many operational issues remain in the cattle industry system.

Of particular note is the significant level of funded infrastructure that quickly became obsolete due to supply chain having inadequate time to properly research, design and incorporate new additional infrastructure while modifying that which already existed.

Timelines

In light of this experience and in assessing the proposed implementation process, SCA considers that the implementation and consultation timelines are too tight to facilitate an effective implementation of the electronic system. Given the significant requirement for infrastructure across the supply chain the "mid 2017" timeframe is patently unreasonable.

SAC recommends that the date for compliance be pushed back to allow greater industry consultation to develop the most efficient and cost effective implementation plan possible. Whilst having a practical implementation timeframe would be in the best interests of sheep and goat producers it would also serve the Victorian Government well in avoiding a potentially embarrassing outcome. It will not augur well for future relations if the system is not in a position to enable compliance under the government's imposed, poorly considered, timeframes.

SCA suggest that all activities listed in the table 'Non Infrastructure Support' (Consultation Paper, Table 2) be conducted prior to any compliance date being set.

Electronic Identification (Sheep and Goat) Standards

The Councils understand that under the current consultation paper there is no requirement to report property-to-property (P2P) movements and consider this to be a major flaw in the proposed system and which conflicts with the overarching Scope of the Standards.

This conflict is further compounded when considering that one of the main reasons provided in the consultation document for justifying the mandating of the electronic system is *"For addressing many animal health and food safety issues, a 'whole of life' approach by which animals can be tracked back to their farm of birth, should the need arise, is essential"*. Without a requirement to report P2P movements it is fanciful to suggest this objective can be achieved.

There is also no mention in the consultation paper on how sheep traveling on stock routes are to be treated under the electronic system.

Implementation Issues

SCA looks to continued engagement with the Victorian Government and make the following comments on the discussion papers. We are particularly concerned about how the following issues will be addressed.

Should you wish to discuss any aspects of this submission please do not hesitate to contact John McGoverne, SCA Policy Director on 02 6269 5610 or at jmcgoverne@sheepmeatcouncil.com.au.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'K. Allan', with a long horizontal stroke extending to the right.

Kathleen Allan

CEO

Sheepmeat Council of Australia

SCA put forward the following recommendations:

1. The electronic identification system for sheep and goats in Victoria should remain on the premise of mob-based.
2. Non-Infrastructure Support activities must be effectively rolled out before the mandatory introduction of electronic identification for sheep and goats.
3. A reasonable and staged timeframe for compliance along the supply chain should be implemented following extensive consultation with industry, as opposed to the unreasonable target of 'mid-2017'.
4. The treatment of tags on dead animals must be addressed in the standards.
5. Because of the potential to come into contact with indeterminate numbers of livestock, often over considerable timeframes when travelling along roadways, the omission of Travelling Stock Routes must be addressed in the Standards.
6. For animal welfare reasons, SCA has significant concerns about exacerbating the already considerable stress levels associated with the transport of sheep to processing facilities and which also directly relates to a diminution in the eating quality of the end product and subsequent economic loss for sheep producers. Therefore, SCA considers that all sheep consigned direct from property of birth to slaughter be exempt from tagging.
7. A specified final date for application of electronic tags for sheep and goats born prior to 1 January 2017
8. The removal of S1.2.3b, as it undermines S1.2.3a
9. Clarification of protocols for 'traceability plans'.
10. LPA NVD's must be the only accepted form of movement documentation
11. If P2P movements are not mandated, then S1.5 should be removed
12. Electronic tags must have the PIC of origin visually printed onto the tag and have a year-of-birth colour code
13. There must be consistency between the retention of records
14. Removal of S4.3.2

Standard Specific Comments

S1.2.2

The identification of the following categories of sheep and goats with an electronic NLIS (Sheep) tag is voluntary;

a) Rangeland (feral) goats introduced into Victoria in transit directly to an abattoir for immediate slaughter,

All harvested rangeland goats, as per the definition in the NLIS Sheep and Goat Business Rules, going direct to slaughter should be exempt from mandatory tagging, due to OH&S issues.

b) Saanen, British Alpine, Toggenburg, Anglo Nubian, Melaan and Australian Brown dairy goat breeds,

c) The Elf breed of goats,

Whilst it is acknowledged that there are practical and welfare reasons as to why these exemptions have been made, an argument could be made that other classes of sheep and goats should be exempted, including all sheep that go from property of birth direct for slaughter.

e) Sheep and goats born before the commencement date.

There needs to be a specified final date for all sheep and goats to be tagged with electronic tags. Full transitioning to the electronic system will take significantly longer if no definitive time is mandated.

When there is a requirement for retrospective electronic tagging to occur, the price of these tags should be on a cost-neutral basis for producers through continued tag subsidies provided by the Victorian Government.

f) Sheep and goats born after the commencement date on a property outside of Victoria and that are subsequently transported to Victoria provided that they are identified at the time of entry into Victoria in accordance with the legal requirements in the jurisdiction from which they were dispatched.

This Standard will provide significant problems in achieving the objective of the electronic system. If interstate sheep are not required to meet the Victorian requirements there is little point in implementing them in the first place.

Clearly Victoria is in no position to dictate the legal requirements of sheep from the dispatch jurisdiction but this is one of the problems of Victoria acting in isolation under a national system.

S1.2.3

With the exception of the exempt classes of sheep and goats specified in S1.2.2 –

b) all sheep and goats likely to be have been born in Victoria on or after the commencement date that have been introduced onto a Victorian property and that are not identified with a visual or electronic NLIS (Sheep) tag, must be tagged with a pink electronic NLIS (Sheep) Post-breeder tag before leaving that property.

SCA does not understand the intent of this Standard as it appears to undermine the intent of the S1.2.3a and therefore the entire premise of the electronic system.

The only logical reason for the inclusion of this Standard is because P2P movements are not mandated. To reiterate our position, if the Victorian Government is determined to implement an electronic identification system for sheep and goats, P2P movements must be mandated to provide a basic level of integrity.

Meanwhile mandating P2P movements will require producers to have on-farm readers, which will significantly increase the cost of implementation of infrastructure for all producers.

c) all sheep or goats born outside of Victoria on or after the commencement date that are introduced onto a Victorian farm or feedlot after (date to be inserted following consultation) must be tagged with a pink electronic NLIS (Sheep) Post-breeder tag before leaving that property.

SCA believe that the date should be 1 January, 2017 in line with the proposed implementation date to provide integrity to the system, unless there is a revision of the proposed timeframes for this system.

S1.2.4

Sheep and goats may be dispatched from a property without an electronic NLIS (Sheep) tag if;

c) The goats are rangeland (feral) goats and are leaving a property operating under a traceability plan approved in writing by Agriculture Victoria.

S1.2.10

Electronic NLIS (Sheep) tags must be used to identify the species, ie sheep or goats, against which they have been registered on the NLIS database.

SCA has concerns that all tags are NLIS Sheep tags and only differentiated by the packaging. What is the contingency plan to deal with the circumstance where tags ordered for sheep are applied to goats and vice-versa? Has NLIS Ltd been notified of the need for tags to be transferred between the species?

S1.2.11

Where the transponder in an electronic NLIS (Sheep) tag on a sheep or goat located on a farm, feedlot or depot cannot be read electronically –

a) that NLIS tag must be removed and replaced in accordance with S1.2.3 before the sheep or goat leaves the farm or feedlot on which it resides;

b) the non-functioning NLIS device number may be linked with the replacement NLIS (Sheep) tag on the NLIS database.

The use of the word “may” is ambiguous at best and provides no definitive standard. To provide lifetime traceability the non-functioning tag must be linked to the replacement tag.

S1.3 Movement information and documentation

S1.3.2

The following are considered acceptable movement documents for the purposes of these standards;

b) An electronic or paper NVD in a form approved by notice published by Agriculture Victoria.

SCA is concerned about this provision in the Standard and consider it should be removed. NVDs are the accepted industry movement document that underpins food safety in the red meat industry. Allowing the use of any form other than an NVD approved by SAFEMEAT Ltd will significantly undermine the integrity of LPA NVD. The LPA NVD must be the only acceptable movement document.

S1.5 Movement recording of sheep and goats moving between farms, feedlots and depots.

SCA believe that the date that this Standard needs to be implemented should be done only after compliance can be guaranteed. If P2P movements are not mandated this entire Standard is redundant.

S4.2 Sheep and goat tags

SCA believes that electronic tags must have the PIC of origin visually printed onto the tag.

S4.2.2

The record regarding electronic NLIS (Sheep) tag use must be kept for at least one year and be retrievable within 24 hours of being requested to do so by an Agriculture Victoria animal health or veterinary officer.

There is an inconsistency here between the retention time of records between saleyards, farms and depots. It would be assumed that this would be consistent if they are being retained for traceability purposes.

S4.3.2

If on a sale day scheduled after (date to be inserted following consultation), the saleyard operator does not expect to have functioning equipment and software available to efficiently scan electronic NLIS (Sheep) tags, the operator must provide Agriculture Victoria no later than five working days prior to the sale with a protocol for the visual inspection of a minimum of 5 per cent of sheep in each arriving consignment to check that the PICs on both visual and electronic NLIS (Sheep) tags are recorded on accompanying movement documents. The plan must also describe the remedial action proposed where one or more of the checked tags have PICs not recorded on the accompanying movement document, or if one or more sheep are not identified with an NLIS (Sheep) tag. The costs associated with implementing the protocol in every respect will be borne by the saleyard operator. Agriculture Victoria at its discretion may accept or reject the proposed protocol.

The inclusion of this Standard undermines the entire system and will see the establishment of two saleyard systems in Victoria and therefore needs to be removed. If implementation is to occur as per the prescribed timeframes there should be no Standard that allows non-compliance.

This can be avoided if the Victorian Government applies a more reasonable, staged implementation timetable, as suggested in the industries' Recommendation 3.

BACKGROUND - SHEEPMEAT COUNCIL OF AUSTRALIA

The SCA is the national Peak Industry Council representing and promoting the needs of Australia's lamb and sheepmeat producers.

The objectives of the SCA are;

- to represent and promote the interests of Australian sheepmeat producers;
- to conduct activities necessary for the advancement of the sheepmeat and live sheep export industries;
- to collect and disseminate information concerning the sheepmeat and live sheep export industries;
- to co-operate with industry stakeholders and organisations at the state, national and international levels;
- to maintain interaction and co-operation with its Members, relevant Government departments and authorities at Federal, State, and local government levels, and with other relevant industry organisations;
- to promote the development and resourcing of the agricultural and pastoral industries of Australia;
- to act as the Prescribed Body for the sheepmeat industry in Australia within the Red Meat Industry Memorandum of Understanding (MoU) under the Australian Meat and Livestock Act 1997 (the Act).

SCA represents sheepmeat producers in Australia and provides a mechanism to bring a diverse range of issues and needs to the policy making process. The Council draws on many formal and informal processes to achieve this. Principal amongst these is input from the state farming organisations, which have extensive networks within their jurisdictions.

As the recognised peak body for the sheepmeat industry under the Act, SCA sets the strategic objectives to be pursued by the levy funded organisations Meat & Livestock Australia (MLA), Animal Health Australia (AHA), and the National Residue Survey (NRS), examining and approving their programs and budgets. We are involved in priority setting for industry R&D and marketing activities both domestically and internationally as set out in the Red Meat MoU. Under the MoU SCA assesses the performance of services delivered by expenditure of lamb and mutton levies.