



**NATIONAL LIVESTOCK TRANSPORT & SAFETY
GROUP SUBMISSION TO MPI
ON**

**Electronic ASD Framework
Development**

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AUGUST 2014

SUBMISSION BY RTF NATIONAL LIVESTOCK TRANSPORT AND SAFETY GROUP TO THE MINISTRY FOR PRIMARY INDUSTRIES ON THE ELECTRONIC ANIMAL STATUS DECLARATION FRAMEWORK DEVELOPMENT

1.0 National Livestock Transport & Safety Group

1.1 The National Livestock Transport and Safety Group is a sector organisation formed under the auspices of Road Transport Forum NZ. Road Transport Forum New Zealand is a nationwide organisation of voluntary members drawn from the road transport industry and includes owner-drivers, fleet operators and providers of services to freight transport operators.

1.2 The NLT&SG provides services to primary industry sector members and is made up of elected delegates representing the following RTF associations:

- National Road Carriers (Inc)
- NZ Road Transport Association Region 2 (Inc)
- Central Area Road Transport Association (Inc)
- NZ Road Transport Association Region 4 (Inc)
- Combined Owner Drivers Association (S.I.) Inc (Trading as NZ Trucking Association)
- NZ Road Transport Association Region 5 (Inc)

1.3 The NLT&SG is the authoritative voice of New Zealand's livestock and animal transport sector. The transport operators represented by the NLT&SG are responsible for conducting over 80% of New Zealand's land based animal movements.

2.0 Comment

The Electronic ASD discussion paper provides options for establishing a framework for electronic completion and transfer of electronic Animal Status Declaration (ASD) information. We welcome and support the concept of improving the integrity of that system. The electronic system should create an environment that encourages livestock senders to forward information in a timely and reliable

fashion to livestock receivers. The electronic ASD concept offers significant improvements over the current paper based system.

2.1 The move to electronic ASD's is sensible. The use of advanced technology should be encouraged to improve messaging between livestock senders and receivers. However, the discussion document does leave us concerned that the shortcomings of the current paper based system will be transferred to the proposed electronic system. Livestock senders will still fill out an ASD but rather than sending that form in paper based format it will be sent electronically.

2.2 We are not convinced that the move to electronic ASD's will provide any greater assurance that essential information will be passed between livestock senders and receivers in a timely and reliable fashion. Our reasoning is:

- There will still be an opportunity for ASD's to be completed in paper based format
- There is a possibility that the problems that afflict the current paper based system will be carried over to the electronic system
- Livestock senders will not be compelled to adopt electronic technologies

Lost opportunity

3.0 The discussion document primarily highlights the ease of information transfer as the principal reason for encouraging the uptake of an electronic ASD regime. As mentioned, we welcome the opportunity for the ASD system to take advantage of advanced technology to transfer important information. The question to be asked is whether that should be the limit of the use of that technology. We think not. MPI have an excellent opportunity to address a number of concerns associated with the paper based ASD but instead choose to use advanced technologies to duplicate an already beleaguered and unwieldy manual system.

- 3.1 There is a noticeable silence in the discussion document on what is widely considered to be the largest flaw with the current paper based system- the dependence on livestock transporters to transfer movement information between livestock senders and receivers. That the current system is dependent on livestock transporters to transfer information and that sometimes the system fails should not be interpreted to mean that livestock transporters are deficient in their roles. Rather, those flaws indicate that the importance of monitoring livestock movements should not be structured around livestock transporter's ability to relay information between livestock presenters and receivers. The current regime is afflicted by the failure of livestock presenters to pass on necessary information prior to livestock being transported. Placing responsibility on livestock transporters is not the solution to address the lethargic attitudes of livestock senders.
- 3.2 That is the principle reason why we welcome the opportunity to discuss the electronic ASD principles. We believe that this discussion provides scope for remedying faults in the current paper based system. Remedying those flaws should ensure that they are not carried over to the new electronic system. It is important to understand that at this critical stage of the electronic system's development.

System integrity

- 4.0 MPI recognise that not every livestock sender will opt to take advantage of the electronic ASD system and comment in the discussion document that; *"The ASD scheme must still allow for a paper based system for use by suppliers that are unable to access an electronic system. A paper based system also needs to be available as a back-up in case of any failure of an electronic system."* While the discussion document focuses on the electronic transfer of information the prior passage highlights that livestock senders will be

provided the option of sending information via the existing paper based system.

- 4.1 It is entirely possible that miscreant livestock senders will opt to continue to use the existing paper based system rather than being subjected to the scrutiny and precision of the electronic system. Understandably if it is easier to avoid (or transfer) responsibility by remaining with the paper based system recalcitrant livestock presenters will opt for that. This raises the question of whether the sending of ASD information electronically should be mandated. This is discussed in greater depth later in this submission.
- 4.2 As identified by the discussion document, livestock presenters have proven themselves to be unreliable at sending timely and accurate information to livestock receivers. We fail to see how the introduction of the electronic ASD will remedy that. The electronic ASD might make it easier to transmit information from livestock senders to livestock receivers but the process of noting and forwarding that information is essentially no different in practice to that of forwarding paper based information. In essence, the electronic ASD system will still enable livestock senders to continue to delay sending necessary information to livestock receivers. That must be addressed.
- 4.3 The question also needs to be raised that if livestock senders opt to send information electronically how will livestock receivers be made aware of that? This is especially relevant if livestock senders delay sending information to livestock receivers. As with the current system it is highly likely that livestock receivers would ask livestock transporters about the status of the ASD. For either system (electronic or paper based) it should not be the livestock transporters responsibility to notify on the status of the declaration. That transfer of information is a contractual arrangement between the livestock sender and receiver and the livestock transporter should have no involvement in that.

- 4.4 Adding to that, and as already mentioned, if livestock senders opt not to use the electronic ASD regime they can send information by the current paper based method. As noted, there are already concerns with that method and those concerns are partially responsible for driving the change to an electronic system.
- 4.5 MPI note in the discussion document that "*This is seen as an opportunity to improve on the integrity of the system while at the same time simplifying its use.*" Those comments suggest that MPI, either intuitively or consciously, recognise that the current system is unwieldy. In all reality the sending of information from a livestock sender to a livestock receiver should be a simple affair. It isn't and to compensate for that livestock transporters have been drawn into a contract that they have no direct relationship or participation with.
- 4.6 To recap, if the electronic system is to function satisfactorily livestock senders must become reliable at sending accurate information in a timely manner to livestock receivers and livestock transporters should be removed from the system to simplify it further.
- 4.7 We note under *Section 2.2* of the discussion document the following key attributes that the "*main stakeholders*" identify as being most important to them:
- Correct and complete data provided by suppliers
 - Ease of use for all users
 - Streamlined transfer of data between users
 - Reduce compliance costs for users (indirectly)
 - Meets all market/regulatory requirements
 - Use of crossover data
 - Contingency for system failures
 - Long term storage of completed forms
 - Potential to use data provided for multiple purposes

- 4.8 We fail to see how any of these objectives can be achieved if the opportunity to use the paper based ASD system remains in place and note that "*the need for contingency for system failures*" is one reason given for retaining the paper based system. We understand the desire to ensure that correct information is passed on in a reliable fashion if electronic means are interrupted but have difficulty reconciling that when so many other important information systems are electronically based with no readily useable manual form of back up. This is especially so for a myriad of Government initiatives and systems. The NAIT system being a prime example.
- 4.9 The direction that officials are taking by enabling the continued use of the paper based system is also at odds with the Government's "E Commerce" drive. Significant resource has been expended in a range of projects to reorganise, rationalise and streamline business function. Enabling the continued use of paper based systems is counter to that initiative.

System inequity

- 5.0 While on the subject of discussing *Section 2.2*, oddly enough that section makes reference to "*the main stakeholders*" but makes no reference to the stakeholders that are most disadvantaged by the inefficiencies of the current system (and if it remains as discussed, the current system) - livestock transporters. In fact the discussion document identifies that (under 2.1) ASD's are recognised as "*a major issue for meat processors with some companies needing to employ 0.5 of a labour unit to follow-up on missing or incorrect ASDs before animals can be processed.*" Quite typically the effect on the people that have transported the livestock has been ignored and neglected in those comments. Livestock transporters suffer the same issues as meat processors when ASD information is not transferred between livestock senders and livestock receivers but to a much greater degree of magnitude. Livestock transporters cannot unload

the livestock that they are carrying until ASD information is received by the livestock receiver.

- 5.1 The primary issue with that is the adverse welfare effects on animals that remain held in livestock units for excessive time awaiting information from livestock senders. Livestock units are being used as substitute holding pen space until livestock can be unloaded. No other sector in the transport industry uses trucks or trailers as long term storage facilities while awaiting unloading. Livestock transport should be no different. Livestock receivers should have the infrastructure available to pen animals while awaiting documentation.
- 5.2 The unnecessary imposition on animal welfare is further compounded by the reality that livestock would not be returned to their point of origin if ASD information was not received in a timely manner. In short, regardless of when ASD information arrives livestock will still be processed. Livestock transporters should not be drawn into the bureaucratic conflict between livestock senders and receivers. ASD provisions should be amended to release livestock transporters from these requirements and as already mentioned if the pen space was available at receiving sites they would not need to be.
- 5.3 Government has dedicated large amounts of resource to increasing efficiencies and productivity in the transport sector. The current ASD system is not consistent with the objectives of Government.
- 5.4 The issues we have highlighted are further exacerbated for livestock transporters by lost time impinging significantly on mandated worktime limits. As briefly discussed earlier that situation is made considerably worse in those cases where livestock senders fail to provide livestock transporters with ASD's and instead opt to relay through the livestock transporter that the ASD will be on its way.

- 5.5 To add to these frustrating problems livestock transporters are also being forced by the current ASD regime to take responsibility for the transfer of information between livestock senders and receivers. That is inequitable considering that livestock transporters have no contractual connection with the arrangements made between livestock senders and receivers. Obviously, there will be contracts formed between livestock transporters and their customers that relate to the transport of livestock, but they have no connection to the contracts that exist between livestock senders and receivers.
- 5.6 In summary, livestock transporters should not be delayed at processing (or similar) sites by the inability of livestock senders to provide ASD information to receivers.
- 5.7 Livestock transporters should also not be made to act as messengers to transfer communications between livestock senders and receivers. The electronic ASD offers the potential to remove and address these and other undesirable conditions that exist in the livestock movement sphere. MPI should use the opportunity that the electronic ASD proposals offer to create robust remedies to those maladies.

Mandate electronics

- 6.0 While we have covered a range of aspects regarding the electronic ASD we remain curious why MPI continues to indulge the paper based system, which has proven itself to be notoriously inefficient, to continue to be used. The electronic ASD discussions offer the possibility to significantly improve a recognisably aged and flawed system.
- 6.1 We made reference earlier to the section in the discussion document that mentions that "*the ASD scheme must still allow for a paper based system for use by suppliers that are unable to access an electronic system.*" We believe that the retention of the paper based system is more a product of the regulator's reluctance to insist that

the farming community adopt sensible business practice than one of continuity if the electronic system fails.

- 6.2 Farming is a business. As like all other business owner's farmers should have the tools available to enable them to conduct their business professionally. If they do not have those tools they should, like everybody else, access somebody that can provide that service to them. In this modern technological era farmers should be encouraged to use technology that is simple, efficient and fit for purpose and as mentioned earlier, the Government is striving to encourage the uptake of "E" commerce.
- 6.3 The discussion paper does not mention the proportion of farmers that do not have ready access to electronic systems. We imagine that only a small proportion of farmers would not have access to the required technology. Putting that into perspective, the benefits of utilising a full electronic system are being drastically hindered by a significant minority. That is an inequitable and undesirable position given the benefits that the electronic system is capable of providing.
- 6.4 We also doubt that those farmers that claim not to have ready access to electronic equipment would also not have access to other information conveying devices such as (for example) facsimile machines or similar information transmitting devices. We are very dubious about the excuses being given regarding the inability to access any type of electronic device that could be used to transmit ASD information.
- 6.5 The paper based system should be removed and a full electronic system adopted in its place. The paper based system is a sensible back up for the electronic system if there is a wholesale failure in the electronic system but it should only be utilise in rare situations where all other avenues for electronically transmitting information have been exhausted.

Conclusion

The current method of transmitting ASD information between livestock senders and receivers is unwieldy and is in drastic need of change.

The move to electronic ASD's appears to offer the solutions that MPI are seeking to address the concerns associated with the paper based system. MPI run the risk of replicating the same foibles that afflict the paper based system but on a different operating medium.

The solution is to adopt an electronic information sending system and remove the paper based system for sending routine ASD information. Livestock senders must also be given responsibility to ensure information is sent in a reliable and timely manner.

Greater compliance would be achieved by adopting the electronic system and placing stricter conditions on information sending requirements.