

**27 May 2014**  
**[09–14]**

## Approval Report – Proposal P1014

# Primary Production & Processing Standard for Meat & Meat Products

---

Food Standards Australia New Zealand (FSANZ) has assessed a proposal it prepared to examine food safety management in the primary production and processing stages of the meat supply chain.

On 8 October 2013, FSANZ sought submissions on a draft variation to the Australia-only Standards 1.6.2 – Processing Requirements and 4.2.3 – Primary Production and Processing Standard for Meat and published an associated report. FSANZ received 11 submissions.

FSANZ approved the draft variations on 14 May 2014. The COAG Legislative and Governance Forum on Food Regulation<sup>1</sup> (Forum) was notified of FSANZ’s decision on 26 May 2014.

This Report is provided pursuant to paragraph 63(1)(b) of the *Food Standards Australia New Zealand Act 1991* (the FSANZ Act).

---

<sup>1</sup> Previously known as the Australia and New Zealand Food Regulation Ministerial Council

# Table of Contents

<b>EXECUTIVE SUMMARY .....</b>	<b>2</b>
<b>1 INTRODUCTION.....</b>	<b>3</b>
1.1 THE PROPOSAL.....	3
1.2 THE CURRENT STANDARD.....	3
1.3 REASONS FOR PREPARING PROPOSAL.....	4
1.4 PROCEDURE FOR ASSESSMENT.....	4
1.5 DECISION.....	4
<b>2 SUMMARY OF THE FINDINGS .....</b>	<b>5</b>
2.1 SUMMARY OF ISSUES RAISED IN SUBMISSIONS.....	5
2.2 RISK ASSESSMENT.....	9
2.3 RISK MANAGEMENT.....	10
2.4 RISK COMMUNICATION .....	10
2.4.1 Consultation .....	10
2.5 FSANZ ACT ASSESSMENT REQUIREMENTS.....	11
2.5.1 Section 59.....	11
2.5.2 Subsection 18(1).....	12
<b>3 IMPLEMENTATION.....</b>	<b>13</b>
ATTACHMENT A – APPROVED DRAFT VARIATION TO THE AUSTRALIA NEW ZEALAND FOOD STANDARDS CODE.....	14
ATTACHMENT B – EXPLANATORY STATEMENT.....	17
ATTACHMENT C – DRAFT VARIATION TO THE AUSTRALIA NEW ZEALAND FOOD STANDARDS CODE IN MARCH 2015 FOLLOWING P1025.....	20
ATTACHMENT D – REGULATION IMPACT STATEMENT (SEE SEPARATE DOCUMENT)	

## Supporting documents

The following documents which informed the assessment of this Proposal are available on the FSANZ website at

<http://www.foodstandards.gov.au/code/proposals/Pages/proposalp1014primary5331.aspx>

SD1	Membership of Meat Advisory Committees
SD2	Assessment of Microbiological Hazards Associated with the Four Main Meat Species (at Approval)
SD3	Assessment of the Microbiological Hazards Associated with the Minor and Wild Game Meat Species
SD4	A Chemical Risk Profile of Meat and Meat Products
SD5	Food Safety Management in the Meat Industry
SD7	Compliance Plan for the Primary Production and Processing Standard for Meat and Meat Products

There have been no changes to SD1, SD3, SD4, SD5 and SD7 following the second round of consultation.

SD6 is superseded by Attachment D (Regulation Impact Statement) to this Report.

## Executive summary

Food Standards Australia New Zealand (FSANZ) has examined food safety management in the primary production and processing stages of the meat supply. During the first round of consultation, FSANZ commenced the work under two proposals, Proposal P1005 (covering cattle, sheep, goats, pigs) and Proposal P1014 (covering other animals and wild game). These two Proposals were subsequently consolidated into one Proposal, P1014. P1014 also considered rendered products for human consumption and natural casings.

The Proposal was assessed under the Major Procedure.

The current Australia-only production and processing Standard for meat in the *Australia New Zealand Food Standard Code* (the Code), 4.2.3, includes requirements for producing ready-to-eat meat only and does not include primary production requirements. Standard 1.6.2 (another Australia-only standard) contains requirements relevant to the processing of crocodile meat.

FSANZ has approved a draft variation to Standard 4.2.3 to include requirements on primary producers in relation to traceability and managing inputs and waste. These primary production requirements do not apply to wild game animals. An editorial note has been included to explain that state and territory laws require people involved in the slaughter and processing of animals for human consumption to comply with the existing Australian Standards. FSANZ has also approved a consequential amendment to Standard 1.6.2 to delete the processing requirements for crocodile meat as these are addressed under current Australian Standards.

Primary production and processing standards do not apply in New Zealand.

Currently, food-specific regulatory powers in the meat sector are limited to processing environments only. The draft variation to Standard 4.2.3 enables food safety regulators to investigate through the entire meat supply chain, should a food safety incident arise. State and territory legislation includes offences related to failure to comply with a requirement of the Code. The inclusion of these requirements provides a basis for appropriate enforcement action that is currently unavailable.

Stakeholder submissions generally:

- supported regulatory requirements for primary production
- identified the opportunity to improve the system through integrating producer and processor requirements into the one document
- supported the making of a standard that restates the obligations that producers supplying animals for slaughter for human consumption must currently meet (e.g. managing inputs, traceability)
- highlighted the importance of implementing a standard that would impose little or no new costs on producers

Overall, stakeholder comments supported the draft variation to Standard 4.2.3 to articulate the requirements on primary producers in relation to traceability and managing inputs and waste. These changes will not alter the regulatory costs for the vast majority of farmers or substantially reduce risks as the meat industry is already managing risk well through a combination of existing state and territory laws and industry production assurance programs.

# 1 Introduction

## 1.1 The Proposal

At the request of the Council of Australian Governments (COAG) Legislative and Governance Forum on Food Regulation<sup>2</sup>, Food Standards Australia New Zealand (FSANZ) is considering food safety throughout all parts of the food supply chain for all industry sectors in Australia. In this context, and in accordance with the *Overarching Policy Guideline on Primary Production and Processing Standards* (Ministerial Guideline)<sup>3</sup>, FSANZ has examined food safety management in the primary production and processing stages of the meat supply chain. Primary production and processing standards (which only apply in Australia) aim to strengthen food safety and traceability throughout the food supply chain from paddock to plate.

During the first round of consultation, FSANZ progressed the work under two separate proposals, Proposal P1005 (covering cattle, sheep, goats, pigs) and Proposal P1014 (covering other animals and wild game). These two Proposals were consolidated into the one Proposal, P1014, for the second round of public consultation. P1014 also considered rendered products for human consumption and natural casings.

## 1.2 The current Standard

The current Australia-only production and processing Standard for meat in the *Australia New Zealand Food Standard Code* (the Code), 4.2.3, includes requirements for producing ready-to-eat meat only and does not include primary production requirements. Standard 1.6.2 (another Australia-only standard) contains requirements relevant to the processing of crocodiles.

The safety of meat and meat products in Australia is currently implemented through reference to Australian Standards under various state and territory Acts and Regulations.

The Code currently does not contain requirements that address hazards and traceability during primary production<sup>4</sup> for the major and minor meat species. Managing inputs, such as the use of agricultural and veterinary chemicals (including in feed and water) and animal/property identification are, however, controlled under various state and territory Acts and Regulations and supported, in a number of cases, by sector-specific production assurance programs.

The processing of meat and meat products in Australia is currently implemented through reference to Australian Standards. All states and territories have legislation that require businesses operating abattoirs/meat slaughtering facilities to be licensed or accredited and to operate in accordance with approved systems to manage meat safety and suitability. The processing of the major and minor meat species is covered by the following Australian Standards:

AS 4696 – 2007 *Hygienic Production and Transportation of Meat and Meat Products for Human Consumption*

AS 4466 – 1998 *Hygienic Production of Rabbit Meat for Human Consumption*

---

<sup>2</sup> Formerly known as the Australia and New Zealand Food Regulation Ministerial Council

<sup>3</sup> The Ministerial Guidelines are available at

<http://www.foodstandards.gov.au/code/fofr/fofrpolicy/pages/default.aspx>

<sup>4</sup> Primary production includes the rearing of animals for human consumption, feedlots, saleyards and transporters of animals (to saleyards, between properties, and to the abattoir).

AS 4467 – 1998 *Hygienic Production of Crocodile Meat for Human Consumption*  
AS 5010 – 2001 *Hygienic Production of Ratite Meat for Human Consumption*

The harvesting and primary processing of wild game animals is addressed by a specific Australian Standard, AS 4464-2007 *Hygienic Production of Wild Game Meat for Human Consumption*, and covers the harvesting<sup>5</sup> of wild game animals and holding of carcasses at field depots.

### **1.3 Reasons for preparing Proposal**

The Inter-Governmental Food Regulation Agreement seeks to have a national “whole of chain” approach to food safety regulation i.e. responsibility for food safety is shared between producer and processor with corrective actions applied at the appropriate point in the supply chain. The Proposal was prepared to address this gap in statutory powers in a nationally consistent manner, without requiring each jurisdiction to amend its own Food Act to provide this coverage. Primary production and processing Standards have been introduced into seafood, egg, poultry, dairy and seed sprouts industries, providing powers to food regulators to investigate appropriate food safety matters in primary production and processing as they arise.

One of the principal limitations of current food safety regulatory arrangements in states and territories is the inability to investigate food safety issues in the primary production sector without activating emergency powers. Currently, food-specific regulatory powers in the meat sector are limited to processing environments only. There have been incidents over the years where events have occurred in the meat supply chain that have been traced back to primary production environments. Only for those incidents where emergency powers have been activated have state and territory regulators been able to investigate e.g. nitrofurans in pork. The burden of proof required of a regulator to activate such powers may result in delays in investigation and response. It would be more effective and efficient to have a national mechanism (i.e. a standard) in place that empowers food safety regulators to investigate food safety issues in primary production as and when necessary, without recourse to emergency powers.

### **1.4 Procedure for assessment**

The Proposal was assessed under the Major Procedure.

### **1.5 Decision**

The draft variation as proposed following assessment was approved without change. The variation takes effect 12 months after the date of gazettal.

The approved draft variation is at Attachment A. The explanatory statement is at Attachment B. An explanatory statement is required to accompany an instrument if it is lodged on the Federal Register of Legislative Instruments.

---

<sup>5</sup> Harvesting includes the killing of wild game animals, their identification, bleeding, field dressing, cooling, hygienic storage and transport up to the point of their presentation for inspection at a wild game meat processing premises.

## 2 Summary of the findings

### 2.1 Summary of issues raised in submissions

The majority of submissions (nine of the 11 submissions received) supported the draft variation to Standards 4.2.3 and 1.6.2.

Stakeholders generally:

- supported regulatory requirements for primary production
- identified the opportunity to improve the system through integrating producer and processor requirements into the one document
- supported the making of a standard that restates the obligations that producers supplying animals for slaughter for human consumption must currently meet (e.g. managing inputs, traceability)
- highlighted the importance of implementing a standard that would impose little or no new costs on producers

The consultation process also indicated there was little support for maintaining the status quo (Option1). One submission (from the Victorian Department of Environment and Primary Industries and the Victorian Department of Health) did not support the draft variation and questioned its value, because it does not impose legal obligations on processors. The Departments considered that the introduction of on-farm requirements would deliver little, if any, improvement of food safety outcomes. However, incidents still occur, and could be expected to occur in future, which warrant follow up at the primary production level. In the event of an incident, there is a jurisdictional gap at the primary production level in food regulatory coverage for agencies with public health functions operating under the Food Acts. Further issues raised in this submission are included in Table 1.

The remaining submission raised the issue of halal labelling of meat products which was not relevant to this Proposal.

**Table 1: Summary of issues**

Issue	Raised by	FSANZ response
<p><b>Definition of “meat” and “meat product”.</b></p>	<p>A submission noted that the proposed variation to Standard 4.2.3 introduces a definition of “meat product” and a definition of “meat” that is different to that in Standard 2.2.1.</p>	<p>Definitions of “meat” and “meat product” were included in Standard 4.2.3 to clarify the scope of that particular Standard and provide consistency with the current Australian Standards for meat processing. The definitions in Standard 4.2.3 do not apply to Standard 2.2.1.</p> <p>Clause 1 of Standard 2.2.1 provides that the term ‘meat’, as used in that Standard, means “the whole or part of the carcass of”:</p> <ul style="list-style-type: none"> <li>(a) any of the following animals slaughtered other than in a wild state: buffalo, camel, cattle, deer, goat, hare, pig, poultry, rabbit or sheep:</li> <li>(b) <i>any other animal</i> that is permitted for human consumption under a law of a State, Territory or New Zealand. (emphasis added)</li> </ul> <p>The above definition would also include the animals covered under the definition of ‘meat’ in Standard 4.2.3:</p> <ul style="list-style-type: none"> <li>(a) animals covered under P1014 (e.g. deer, camel, buffalo, emu, ostrich, crocodile, rabbit horse)</li> <li>(b) wild game that is permitted for human consumption under and in accordance with a law of a state/territory.</li> </ul>
<p><b>Introduction of requirements for primary production</b></p>	<p>A submitter raised that existing obligations on farmers to provide information on National Vendor Declarations are sufficient.</p>	<p>It is established industry practice for meat primary producers to provide declarations of evidence to meat processors on animals provided for processing regarding acceptability, e.g. withholding periods followed for any agricultural/veterinary chemicals administered to animals so that unacceptable levels of contaminants do not occur in the resultant meat. However, there are no obligations on producers in food safety legislation.</p> <p>Regulators do not have statutory powers to investigate arrangements implemented by meat producers to substantiate statements made on such declarations should meat processors be concerned with animals received.</p>

Issue	Raised by	FSANZ response
<b>Implications for meat exports</b>	A submitter questioned whether the absence of legal requirements on processors in Standard 4.2.3 (i.e. duplicating the existing regulatory processing requirements embodied in Australian Standards) would have implications for exporting meat.	<p>The safety of meat and meat products in Australia is currently implemented through reference to Australian Standards. All states and territories have legislation that requires businesses operating abattoirs/meat slaughtering facilities to be licensed or accredited and to operate in accordance with approved systems to manage meat safety and suitability. The latter refer to Australian Standards.</p> <p>The Department of Agriculture, which is responsible for the export and import of meat products, provided a submission supporting the variation to Standard 4.2.3.</p>
<b>Responding to food safety incidents</b>	A submitter questioned whether there was any gap in existing arrangements for responding to food safety incidents.	<p>There have been incidents over the years where events have occurred in the meat supply chain that have been traced back to primary production environments. Information provided by state and territory meat regulators advise that only for those incidents where emergency powers have been activated have state and territory regulators been able to investigate those incidents. These include nitrofurans in pork and nicarbazines in poultry feed. These incidents related to inputs provided to meat animals in primary production environments and caused significant threat to established export markets. Regulators were not able to investigate these matters until routine testing results from export markets revealed positive detections. Standard 4.2.3 will provide state and territory regulators with the ability to investigate primary production food safety matters with a view to facilitating industry compliance on an educative basis.</p>



Issue	Raised by	FSANZ response
<b>Regulation Impact Statement (RIS)</b>	<p>A submitter stated that the RIS:</p> <ul style="list-style-type: none"> <li>• is not based on evidence of a food safety risk</li>   <li>• includes non-validated nor internationally agreed theoretical costs (“averting costs” and “macroeconomic costs”)</li> </ul>	<p>FSANZ’s evaluation of the hazards and current management practices in Australia indicates there are no identified unmanaged food safety risks for the meat sectors. The main regulatory problem being addressed is the inability to investigate food safety issues in the primary production sector without activating emergency powers and the consequential extensive government resources required to establish the burden of proof under these existing powers and subsequent cost to both industry and government. Lack of visibility of food safety requirements for meat primary producers is the other matter that is being addressed.</p> <p>While providing qualitative information, submissions provided little by way of empirical evidence on the impact of the variation to Standards 4.2.3 and 1.6.2. Due to this, and the inherent limitations of data and difficulties in quantifying the specific costs and benefits of the proposed standard, the specific overall impact of the variation to the two Standards has not been quantified. However, the potential costs and benefits of the variation have been identified and weighed in this RIS.</p>

## 2.2 Risk assessment

FSANZ investigated hazards (microbiological and chemical), production and processing risk factors (including control measures) and any foodborne illness associated with the production and consumption of meat from major and minor meat species and wild game.

The key findings from the assessment of the major meat species (cattle, sheep, goats and pig) were that:

- evidence suggests that Australian meat from these species has a low microbial load and generally low prevalence of pathogens
- a lack of epidemiological evidence available suggests the likelihood of potential hazards causing illness from consumption of meat is quite low
- during the animal production phase, there are a number of steps at which control may be applied
- the above findings are consistent with the existing significant body of evidence suggesting meat processed under existing conditions presents a low risk to public health.

In regard to the minor meat species and wild game, FSANZ evaluated whether there were any risk factors in production and processing not identified in SD2. Key findings were that:

- limited published data are available on the type, prevalence and levels of microorganisms present on animals before slaughter, or on carcasses post-processing. This was particularly evident in the Australian context.
- little published evidence exists, either domestically or internationally, that foodborne illness is associated with consumption of meat from minor and wild game species
- no substantial differences exist in the production and processing risk factors for minor and wild game meats compared to those of the major meat species
- microbiological hazards associated with minor and wild game species are consistent with those identified for other meat animals commonly consumed in Australia and are controlled by current meat processing requirements.

The key findings from the chemical risk profile were that:

- extensive regulatory and non-regulatory measures are in place along the meat industry primary production chain resulting in minimal public health and safety concerns regarding the use or presence of chemicals in meat and meat products
- extensive monitoring of chemical residues in meat over many years has demonstrated a high level of compliance with the regulations
- continuation of the current management practices, particularly monitoring programs for chemicals along the primary production chain, will ensure that the meat industry continues to maintain a high standard of public health and safety

FSANZ's evaluation of the hazards and current management practices in Australia indicates there are no identified unmanaged food safety risks for the meat sectors. Further detail is available in SDs 2–4.

## 2.3 Risk management

Following consideration of the assessment findings, the cost-benefit analysis and the issues raised during consultation, FSANZ has approved the draft variation to Standard 4.2.3 to include primary production requirements for traceability, inputs and management of waste for the major and minor meat species e.g. cattle, sheep, goats, pigs, buffalo, camels, alpacas, llamas, deer, horses, donkeys, rabbits, crocodiles, ostrich and emu. These primary production requirements do not apply to wild game animals. An editorial note has been included to explain that state and territory laws require people involved in the slaughter and processing of animals for human consumption, to comply with the existing Australian Standards. The processing requirements for crocodile meat in Standard 1.6.2 (clause 6) have been deleted as these are included in the existing Australian Standard for the *Hygienic Production of Crocodile Meat for Human Consumption*. FSANZ acknowledges the role the Australian Standards for processing have played in ensuring the safety of meat in Australia. Consequently, the food safety elements in the Australian Standards do not need to be duplicated or incorporated into Standard 4.2.3 as the standards (including their animal welfare provisions) will be retained and applied under state and territory legislation.

The draft variation to Standard 4.2.3 provides food safety regulators with the legislative power to investigate throughout the entire meat supply chain, should a food safety incident arise.

## 2.4 Risk communication

FSANZ developed and applied a basic communication strategy to this Application. All calls for submissions are notified through the FSANZ Notification Circular, media release and through FSANZ's social media tools and the Food Standards News.

The process by which FSANZ considers standard development matters is open, accountable, consultative and transparent. Public submissions are called to obtain the views of interested parties on issues raised by the proposal and the impacts of proposed options.

### 2.4.1 Consultation

Consultation is a key part of FSANZ's standards development process. The FSANZ process has been consultative and transparent, and sought to engage with the industry sectors concerned, state and territory government agencies and consumers from the commencement of this Proposal.

FSANZ used public and targeted consultation throughout the development of the variation to Standards 1.6.2 and 4.2.3 to identify and understand potential problems and in developing better regulation.

FSANZ acknowledges the time taken by individuals and organisations to make submissions on this Proposal. The call for submissions on a draft variation to the Code was from 8 October 2013 to 3 December 2013 and 11 submissions were received. Every submission was considered by the FSANZ Board. All comments are valued and contribute to the rigour of our assessment. Where relevant, the submissions and responses have been discussed in the body of this report and a summary of all the submissions and the response to these submissions is provided in Table 1.

FSANZ also undertook a number of industry visits to better understand the current production and processing practices for the animals being assessed and to identify any specific issues with this Proposal particularly for the minor meat species and wild game industries.

FSANZ also acknowledges the expertise of members of the Meat Standard Development Committee and the Minor Meat Species and Wild Game Working Group.

## **2.5 FSANZ Act assessment requirements**

### **2.5.1 Section 59**

#### **2.5.1.1 Cost benefit analysis**

The RIS examines the effects of amending Standard 4.2.3 to include primary production requirements for traceability, inputs and management of waste for the major and minor meat species e.g. cattle, sheep, goats, pigs, buffalo, camels, alpacas, llamas, deer, horses, donkeys, rabbits, crocodiles, ostrich and emu.

Currently, food-specific regulatory powers in the meat sector are limited to processing environments only. The draft variation to Standard 4.2.3 enables food safety regulators to investigate through the entire meat supply chain, should a potential food safety incident arise. State and territory legislation includes offences related to failure to comply with a requirement of the Code. The inclusion of these requirements provides a basis for appropriate enforcement action that is currently unavailable without recourse to the use of Food Act emergency powers.

Considerable consultation with key stakeholders on these options has been undertaken by FSANZ. Formal submissions were received addressing the RIS and direct consultation was undertaken with industry, state and territory regulatory agencies and the Department of Agriculture. No alternative options were identified. The results of these consultations are reflected in the Decision RIS (Attachment D).

While providing qualitative information, submissions provided little by way of empirical evidence on the impact of the variation to Standard 4.2.3. Due to this, and the inherent limitations of data and difficulties in quantifying the specific costs and benefits of the proposed standard, the specific overall impact of the variation to Standard 4.2.3 has not been quantified.

However, it has been concluded that on the balance of probabilities a net benefit most likely exists in proceeding with the draft variation. This conclusion has principally been reached as a result of the fact that no or little cost will be incurred by industry as a result of this legislative change. This is because virtually all industry members are already in compliance with industry schemes which means they will already be in compliance with the proposed new regulation. However, the standard will provide regulators with a clearer and less qualified legislative basis to mitigate risks or more quickly manage food safety incidents on a needs basis potentially avoiding significant costs for consumers and industry. It may also allow more targeted regulatory action to be taken in some instances that will be less costly to industry.

The current set of regulatory and voluntary measures largely serve to manage risks well, however present legislation may cause a 'timing gap' which could result in food enforcement agencies delaying going on-farm to investigate identified or potential food safety risks unless they have the voluntary agreement of producers or there is sufficient evidence to trigger their Food Act emergency powers. Such a delay could result in more people becoming unnecessarily sick and additional costs to industry. While Australia has not had a large scale, severe outbreak of meat related foodborne illness with an on-farm origin in recent times, outbreaks of this kind have been experienced in other western countries and it is important that Australia has the regulatory and other arrangements in place to enable an outbreak to be traced and managed as quickly as possible.

Therefore, if a large scale outbreak were to occur, the benefits of this regulation may greatly outweigh the costs. However, in the absence of any outbreaks, while the costs are minimal, the benefits may also be small.

Overall, stakeholder comments supported the draft variation to Standard 4.2.3 to include requirements on primary producers in relation to traceability and managing inputs and waste.

#### **2.5.1.2 Other measures**

There are no other measures (whether available to FSANZ or not) that would be more cost-effective than a food regulatory measure developed or varied as a result of the Proposal.

#### **2.5.1.3 Any relevant New Zealand standards**

Primary production and processing standards do not apply in New Zealand.

#### **2.5.1.4 Any other relevant matters**

The Cattle Council of Australia provided a late submission supporting the draft variation on the basis that it did not impose any additional obligations on primary producers.

### **2.5.2. Subsection 18(1)**

FSANZ has also considered the three objectives in subsection 18(1) of the FSANZ Act during the assessment.

#### **2.5.2.1 Protection of public health and safety**

FSANZ remains satisfied that current meat processing requirements control microbiological and chemical hazards associated with major and minor meat species and wild game species. FSANZ is unaware of any evidence to suggest the contrary. Further, inclusion of food safety obligations for meat primary producers in a national standard will remove an identified regulatory gap and may lead to a minor further improvement in public health and safety from an already high base.

#### **2.5.2.2 The provision of adequate information relating to food to enable consumers to make informed choices**

The provision of adequate information relating to food to enable consumers to make informed choices was not relevant to the assessment of P1014.

#### **2.5.2.3 The prevention of misleading or deceptive conduct**

The prevention of misleading or deceptive conduct was not relevant to the assessment of P1014.

### **2.5.3 Subsection 18(2) considerations**

FSANZ has also had regard to:

- **the need for standards to be based on risk analysis using the best available scientific evidence**

FSANZ's risk analysis relied on the best available scientific evidence. See the supporting documents.

- **the promotion of consistency between domestic and international food standards**

There are relevant international standards. The draft variations are consistent with the principles of meat hygiene applying to primary production articulated in the *Codex Code of Hygienic Practice for Meat* (CAC/RCP 58-2005). Therefore, the draft variation is unlikely to have a significant effect on international trade.

- **the desirability of an efficient and internationally competitive food industry**

The draft variation to Standard 4.2.3 enables management of hazards through the entire meat supply chain thereby integrating the producer and processor requirements to provide a national “whole of chain” approach to food safety regulation that is clearly visible to the market.

- **the promotion of fair trading in food**

This was not applicable to P1014.

- **any written policy guidelines formulated by the Ministerial Council<sup>6</sup>.**

The draft variations are consistent with the *Overarching Policy Guideline on Primary Production and Processing Standards* principles that standards address food safety across the entire food chain where appropriate and deliver a consistent regulatory approach across the primary production and processing standards.

### 3 Implementation

The variations to Standards 1.6.2 and 4.2.3 come into effect twelve months after the date of gazettal.

State and territory regulatory agencies and the Commonwealth Department of Agriculture are responsible for implementing the variation. The Meat Implementation Working Group, a national working group with membership from these agencies, has developed a national compliance plan for the draft variations to Standards 1.6.2 and 4.2.3. The key principle underpinning the compliance arrangements is that if businesses are currently complying with existing legal requirements, and continue to do so, they will comply with the future meat standard. The full compliance plan is available in SD7.

#### Attachments

- A. Approved draft variation to the *Australia New Zealand Food Standards Code*
- B. Explanatory Statement
- C. Draft variation to the *Australia New Zealand Food Standards Code* in March 2015 following P1025
- D. Decision Regulation Impact Statement (separate document)

---

<sup>6</sup> Now known as the COAG Legislative and Governance Forum on Food Regulation

## **Attachment A – Approved draft variation to the *Australia New Zealand Food Standards Code***



### **Food Standards (Proposal P1014 – Primary Production & Processing Standard for Meat & Meat Products) Variation**

---

The Board of Food Standards Australia New Zealand gives notice of the making of this variation under section 92 of the *Food Standards Australia New Zealand Act 1991*. The Standard commences on the date specified in clause 3 of this variation.

Dated [To be completed by Standards Management Officer]

Standards Management Officer  
Delegate of the Board of Food Standards Australia New Zealand

**Note:**

This variation will be published in the Commonwealth of Australia Gazette No. FSC **XX on XX Month 20XX**. This means that this date is the gazettal date for the purposes of clause 3 of the variation.

## 1 Name

This instrument is the *Food Standards (Proposal P1014 – Primary Production & Processing Standard for Meat & Meat Products) Variation*.

## 2 Variation to Standards in the *Australia New Zealand Food Standards Code*

The Schedule varies the Standards in the *Australia New Zealand Food Standards Code*.

## 3 Commencement

The variation commences on a date 12 months after the date of gazettal.

### SCHEDULE

[1] **Standard 1.6.2** is varied by omitting clause 6 and the Editorial Note to clause 6

[2] **Standard 4.2.3** is varied by

[2.1] omitting Divisions 1 and 2 and substituting

“

### Division 1 – Preliminary

#### 1 Interpretation

(1) In this Standard –

**meat product** means a food containing no less than 300 g/kg of meat.

(2) Unless the contrary intention appears, the definitions in Chapter 3 of this Code apply for the purposes of this Standard.

### Division 2 – Primary production of meat

#### 2 Definitions

In this Division –

**meat** means any part of a slaughtered animal for human consumption.

**meat producer** means a business, enterprise or activity that involves the growing, supply or transportation of animals for human consumption.

#### 2A Animals covered by this Division

(1) In this Division, a reference to an animal means an animal of a species listed in Column 2 of the Table.

(2) However, a reference to an animal does not include an animal of a species listed in Column 2 of the Table if that animal was slaughtered in the wild.

Table to clause 2A

Column 1	Column 2
Item	Species
1	Bovine
2	Caprine
3	Ovine



4	Porcine
5	Bubaline
6	Camelidae
7	Cervidae
8	Crocodylidae
9	Lagomorph
10	Ratite
11	Soliped

## **2B Application of Division to retail sale activities**

This Division does not apply to the retail sale activities of a meat producer.

## **2C Inputs**

A meat producer must take all reasonable measures to ensure that inputs do not adversely affect the safety or suitability of meat or meat products.

## **2D Waste disposal**

A meat producer must store, handle and dispose of waste in a manner that will not adversely affect the safety or suitability of meat or meat products.

## **2E Traceability**

A meat producer must have a system to identify the persons –

- (a) from whom animals were received; and
- (b) to whom animals were supplied.

### **Editorial Note:**

State and Territory laws govern the slaughter and processing of animals for human consumption, including of animals in the wild, and the preparation, packing, transportation or storage of meat or meat products. These laws require persons involved in such activities to comply with the following Australian Standards:

AS 4464:2007 -- *Hygienic Production of Wild Game Meat for Human Consumption*

AS 4466:1998 -- *Hygienic Production of Rabbit Meat for Human Consumption*

AS 4467:1998 -- *Hygienic Production of Crocodile Meat for Human Consumption*

AS 4696: 2007 -- *Hygienic Production and Transportation of Meat and Meat Products for Human Consumption*

AS 5008: 2007 -- *Hygienic rendering of animal products*

AS 5010: 2001 -- *Hygienic Production of Ratite Meat for Human Consumption*

AS 5011: 2011 -- *Hygienic productions of natural casings for human consumption.*

[2.2] updating the Table of Provisions to reflect these variations.

## **Attachment B – Explanatory Statement**

### **1. Authority**

Section 13 of the *Food Standards Australia New Zealand Act 1991* (the FSANZ Act) provides that the functions of Food Standards Australia New Zealand (the Authority) include the development of standards and variations of standards for inclusion in the *Australia New Zealand Food Standards Code* (the Code).

Division 2 of Part 3 of the FSANZ Act specifies that the Authority may prepare a proposal for the development or variation of food regulatory measures, including standards. This Division also stipulates the procedure for considering a proposal for the development or variation of food regulatory measures.

FSANZ prepared Proposal P1014 to develop an Australia-only primary production and processing standard for meat and meat products from minor species and wild game to provide a nationally consistent approach to the management of meat safety. The development of a standard for the farmed major species (cattle, sheep, pigs and goats) undertaken under Proposal P1005, has been incorporated into P1014.

The Authority considered the Proposal in accordance with Division 2 of Part 3 and has approved a draft Standard.

Following consideration by the COAG Legislative and Governance Forum on Food Regulation<sup>7</sup>, section 92 of the FSANZ Act stipulates that the Authority must publish a notice about the standard or draft variation of a standard.

Section 94 of the FSANZ Act specifies that a standard, or a variation of a standard, in relation to which a notice is published under section 92 is a legislative instrument, but is not subject to parliamentary disallowance or sunseting under the *Legislative Instruments Act 2003*.

### **2. Purpose**

The Authority developed Standard 4.2.3 to ensure food safety is addressed throughout all parts of the meat supply chain (i.e. from paddock to plate). Currently, regulatory food safety measures are only applied to the processing of meat and meat products. Variations have now been developed to amend Standard 4.2.3 to include obligations on primary producers in relation to traceability and managing inputs and waste. A consequential amendment has been made to Standard 1.6.2 to delete the processing requirements for crocodile meat as these are covered in an existing Australian Standard for processing.

### **3. Documents incorporated by reference**

The variations to food regulatory measures do not incorporate any documents by reference.

### **4. Consultation**

In accordance with the procedure in Division 2 of Part 3 of the FSANZ Act, the Authority's consideration of Proposal P1014 included two rounds of public comment following an assessment and the preparation of a draft Standard and associated reports.

---

<sup>7</sup> Previously known as the Australia and New Zealand Food Regulation Ministerial Council

A Standard Development Committee (SDC) was established with representatives from the industry sector, the Department of Agriculture, the relevant State and Territory government agencies and consumer organisations to provide ongoing advice to the Authority throughout the standard development process. The SDC contributed a broad spectrum of knowledge and expertise covering industry, government, research and consumers. A Working Group was also established with representatives from the relevant minor meat species and wild game industry sectors and State and Territory government agencies to provide ongoing advice to the Authority throughout the standard development process.

## **5. Statement of compatibility with human rights**

This instrument is exempt from the requirements for a statement of compatibility with human rights as it is a non-disallowable instrument under section 94 of the FSANZ Act.

## **6. Variations**

### **6.1 Standard 1.6.2.**

Item [1] omits clause 6 and the Editorial Note relating to that clause from Standard 1.6.2.

### **6.2 Standard 4.2.3**

Item [2] varies Standard 4.2.3 by omitting Divisions 1 and 2 and replacing them with a new Division 1 and 2.

#### *Division 1*

Clause 1 defines the term 'meat product' for the purposes of Standard 4.2.3. The clause also provides that the definitions in Chapter 3 of the Code apply to the Standard subject to any contrary intention.

#### *Division 2*

Clause 2 defines the following terms for the purposes of Division 2 of Standard 4.2.3: meat; and meat producer

Clause 2 defines the term 'meat producer' to mean a business, enterprise or activity that involves the growing, supply or transportation of animals for human consumption. This definition is intended to encompass businesses, enterprises and activities involved: in the rearing of animals for human consumption; the operation of feedlots and sale yards for such animals; and the transportation of such animals to and from sale yards, between properties, or to an abattoir. This definition of 'meat producer' applies only to Division 2 of Standard 4.2.3.

Clause 2 also defines the term 'meat' to mean any part of a slaughtered animal for human consumption. This definition applies only to Division 2 of Standard 4.2.3.

Clause 2A provides that a reference to an animal in Division 2 of Standard 4.2.3 is only to an animal of a species that is listed in Column 2 of the Table in that clause and which is not slaughtered in the wild. The clause's restriction relating to animals slaughtered in the wild does not apply Division 3 of Standard 4.2.3 and to producers of ready-to-eat meats subject to that Division.

Clause 2B provides that Division 2 of Standard 4.2.3 does not apply to retail sale activities of a meat producer. These activities are covered by Chapter 3 of the Code.

Clause 2C requires a meat producer to take all reasonable measures to ensure that inputs do not adversely affect the safety or suitability of meat or meat products. Inputs can include animal feed (such as pasture, grains, silage and concentrate supplements), water (including recycled water), chemicals or other substances used in connection with the primary production activities.

Clause 2D requires a meat producer to store, handle and dispose of waste in a manner that will not adversely affect the safety or suitability of meat or meat products. This requirement is intended to prevent the transmission to animals of pathogens from environmental sources. For example, the clause would require meat producers to ensure that the safety or suitability of meat or meat products is not adversely affected by waste contaminating the relevant animals' water supply or feed. The term 'waste' as used in clause 2D is intended to include: solid or liquid waste; animal carcasses; garbage; chemical residues; and seepage or runoff from drains, septic systems or manure pits.

Clause 2E requires a meat producer to have a system in place that can identify the persons from whom the meat producer received an animal and to whom the meat producer supplied an animal. This requirement is intended to ensure that an animal can be traced in the event of a food safety problem.

Division 2 contains an editorial note to explain that State and Territory laws require persons involved in the slaughter and processing of animals for human consumption, including of animals in the wild, and in the preparation, packing, transportation or storage of meat or meat products to comply with the Australian Standards listed in the editorial note.

Item [2.2] updates the Table of Provisions in Standard 4.2.3 to reflect the above variations.

# Attachment C – Draft variation to the *Australia New Zealand Food Standards Code* in March 2015 following P1025

## Background

Draft variation to the *Australia New Zealand Food Standards Code* in March 2015 following P1025 FSANZ is reviewing the Australian New Zealand Food Standards Code in order to improve its clarity and legal efficacy. This review is being undertaken through Proposal P1025. FSANZ released a draft revision of the Code for public comment in May 2013. The draft revision has changed the Code's structure and format. The draft instrument below reflects those changes. A further draft revision of the Code and call for submissions will be released in the near future.

The FSANZ Board is expected to consider P1025 and the proposed changes to the Code in late 2014. If approved, it is expected that the new Code will commence in 2015 and will repeal and replace the current Code. The new Code will then need to be amended to incorporate any outstanding changes made to the current Code, such as the variation to Standard 1.6.2 proposed by P1014. This is the rationale for the draft variation below. The variations to Standard 4.2.3 proposed by P1014 will be automatically incorporated into the new Code on its commencement. As such, those variations do not require transitional provisions.

This draft variation is provided for background only. Its content and structure may change as P1025 progresses.

## Draft instrument

### Food Standards Code—Variation

Made under the *Food Standards Australia New Zealand Act 1991*

---

#### 1 Name of instrument

This instrument is the *Food Standards Australia New Zealand Code — Revocation and Transitional Variation 2015 (No. 1)*.

#### 2 Commencement

This instrument commences on the day after it is registered.

#### 3 Variation of Standard 1.6.2

Schedule 1 varies the Australia New Zealand Food Standards Code – Standard 1.6.2 – Processing requirements for meat.

### Schedule 1 Variation of Standard 1.6.2

(section 3)

[1] Omit section 1.6.2—2.

## Attachment D – Decision Regulation Impact Statement



Proposal P1014

Primary Production & Processing Standard for Meat & Meat Products

---



# Table of Contents

- EXECUTIVE SUMMARY..... 3**
  
- 1 INTRODUCTION..... 5**
- 2 THE PROBLEM ..... 6**
- 3 OBJECTIVES ..... 9**
- 4 OPTIONS..... 9**
  - 4.1 Option 1 – Maintain the status quo .....9
  - 4.2 Option 2 – Regulatory option .....9
- 5 IMPACT ANALYSIS .....10**
  - 5.1 Affected parties.....10
  - 5.2 Option 1 – Maintain the *status quo* .....11
  - 5.3 Option 2 – Limited regulatory requirements .....11
  - 5.4 Comparison of options.....19
- 6 CONSULTATION.....21**
  - 6.1 Consultation process .....21
  - 6.2 Issues raised by stakeholders in Submissions.....26
- 7 CONCLUSION .....29**
- 8 IMPLEMENTATION AND REVIEW.....29**
  
- SCHEDULE 1 - REGULATORY ENVIRONMENT .....30**
- SCHEDULE 2 - THE INDUSTRY.....35**
- SCHEDULE 3 - CONSULTATION WITH GOVERNMENT AGENCIES .....39**
- SCHEDULE 4 - COMPLIANCE PLAN FOR THE PRIMARY PRODUCTION AND  
PROCESSING STANDARD FOR MEAT AND MEAT PRODUCTS.....43**

## Tables

<b>Diagram 1</b>	<i>The present regulation and its coverage</i>	8
<b>Figure 1</b>	<i>Epidemic curve with hypothetical points of action</i>	16
<b>Table 1</b>	<i>Cost of the case study E. coli (STEC) outbreak of 400 cases</i>	17
<b>Table 2</b>	<i>Costs and Benefits of Regulatory Option</i>	19
<b>Table 3</b>	<i>Issues raised during the initial consultation</i>	23
<b>Table 4</b>	<i>Issues raised during the Consultation RIS stage</i>	27
<b>Table 5</b>	<i>Red Meat – 2011 Production in Australia</i>	35
<b>Table 6</b>	<i>Cattle and sheep by state in 2011 (in millions)</i>	35
<b>Table 7</b>	<i>Annual Production Volumes and Indicative Value of Minor Meats</i>	36
<b>Table 8</b>	<i>Australia’s Exports in 2011/12</i>	37
<b>Table 9</b>	<i>Beef and Live Cattle Export Destinations 2011/12</i>	37
<b>Table 10</b>	<i>Mutton, Lamb and Live Sheep Export Destinations 2011/12</i>	38



# EXECUTIVE SUMMARY

This regulation impact statement (RIS) examines the impacts of amending Standard 4.2.3 (Production and Processing Standard for Meat) of the Australia New Zealand Food Standards Code to include primary production requirements for traceability, inputs and management of waste for the major and minor meat species e.g. cattle, sheep, goats, pigs, buffalo, camels, alpacas, llamas, deer, horses, donkeys, rabbits, crocodiles, ostrich and emu (the Proposal).

Currently, food regulatory powers in the meat sector are limited to processing environments. The draft variation to Standard 4.2.3 provides food safety regulators with the legislative power to investigate throughout the entire meat supply chain, should a food safety incident or potential for an incident arise.

A Consultation RIS (OBPR Reference 10309), consistent with the Council of Australian Government's (COAG) best practice regulation requirements, was released for consultation from 8 October 2013 until 3 December 2013. Two options were presented:

Option 1 - Maintain the status quo

Option 2 - Regulatory option of a variation to Standard 4.2.3 (Production and Processing Standard for Meat) to include primary production requirements for traceability, inputs and management of waste.

Considerable consultation with key stakeholders on these options has been undertaken by FSANZ including the receipt of formal submissions against the consultation RIS and direct consultation with industry, state and territory regulatory agencies and the Department of Agriculture. No alternative options were identified. The results of consultation are reflected and presented in this Decision RIS. Overall, stakeholder comments supported the draft variation to Standard 4.2.3 to include requirements on primary producers in relation to traceability and managing inputs and waste.

Whilst providing qualitative information, submissions provided little by way of empirical evidence on the reduction in risk as a result of the variation to Standard 4.2.3. Due to this, and the inherent limitations of data and difficulties in quantifying the specific costs and benefits of the proposed standard, the overall impact of the variation to Standard 4.2.3 has not been quantified. However, the scope of the potential costs and benefits of the variation to Standard 4.2.3 has been detailed in this RIS.

Little cost will be incurred by industry as a result of this legislative change. This is because virtually all industry members are already in compliance with industry schemes which means they will already be in compliance with the proposed new regulation. However, the standard will provide regulators with a clearer and less qualified legislative basis to:

- more quickly manage incidents on a needs basis potentially avoiding significant costs for consumers and industry;
- mitigate risks; and
- allow more targeted regulatory action to be taken in some instances that will be less costly to industry.

Given that jurisdictions have indicated that there will be little change to their present day-to-day regulation of primary production, their improved *capacity* to more quickly manage incidents is likely to result in the bulk of the benefits flowing from this Proposal.

The current set of regulatory and voluntary measures largely serve to manage risks well, however there is a 'timing gap' which results in food enforcement agencies being unable to go on-farm to investigate identified or potential food safety risks without either the voluntary agreement of producers or the ability to trigger their Food Act emergency powers. The practical effects of this timing gap are that should a foodborne disease incident occur which had an on-farm origin, the ability to trace the source of the contamination back to a single farm may well result in fewer cases of illnesses and/or more a narrowly targeted disruption of the meat supply chain. While Australia has not had a large scale, severe outbreak of meat related foodborne illness with an on-farm origin in recent times, outbreaks of this kind have been experienced in other western countries and it is important that Australia has the regulatory and other arrangements in place to enable an outbreak to be traced and managed as quickly as possible. Therefore, if a large scale outbreak were to occur, the benefits of this regulation may greatly outweigh the costs but in the absence of any outbreaks, the costs are minimal and the benefits may also be small.

It has been concluded that, on the balance of probabilities, a net benefit most likely exists in proceeding with option 2. In the absence of a major incident, these benefits are expected to be very small. However, if a large incident were to occur and be managed earlier as a result of the proposed changes, substantial benefits may then be realised.

Option 2 is also consistent with the principles articulated in the Overarching Policy Guideline on Primary Production and Processing Standards that standards address food safety across the entire food chain where appropriate and deliver a consistent regulatory approach across the primary production and processing standards.

# 1 Introduction

At the request of the Council of Australian Governments (COAG) Legislative and Governance Forum on Food Regulation<sup>1</sup>, Food Standards Australia New Zealand (FSANZ) is considering the management of food safety risks for all parts of the food supply chain for all industry sectors. In this context, and in accordance with the [Overarching Policy Guideline on Primary Production and Processing Standards](#) (Ministerial Guidelines)<sup>2</sup>, FSANZ has most recently examined food safety risk management in the primary production and processing stages of the meat supply chain.

The meat supply chain consists of:

- production of animals (primary production)
- transport to saleyards, between properties and to the abattoir (primary production)
- holding the animals at the saleyards (primary production)
- processing – lairage, slaughter, dressing and boning (processing)
- further processing into products such as natural casings and rendered products (processing).

During the first round of consultation, FSANZ progressed the work under two separate proposals, P1005 (covering cattle, sheep, goats, pigs) and P1014 (covering other animals and wild game). These two Proposals were consolidated into the one Proposal, P1014 for the second round of public consultation. P1014 also considered rendered products for human consumption and natural casings. A Consultation RIS (OBPR Reference 10309), consistent with the Council of Australian Government's (COAG) best practice regulation requirements, was released for consultation from 8 October 2013 until 3 December 2013.

This Decision RIS has been prepared to assess the impacts of amending Standard 4.2.3 – Production and Processing Standard for Meat of the *Australia New Zealand Food Standards Code* (the Code) to include primary production requirements for traceability, inputs and management of waste for the major and minor meat species e.g. cattle, sheep, goats, pigs, buffalo, camels, alpacas, llamas, deer, horses, donkeys, rabbits, crocodiles, ostrich and emu.

The RIS is required to examine to aspects of the amended that have more than a minor regulatory impact. As such it examines the impact of the expansion in regulatory coverage and any change in costs to business.

This document, in accordance COAG best practice regulation requirements includes the following sections:

- A statement of the problem – explaining the need for government action
- A statement of the objectives of any intervention
- A statement of the possible options to address the problem
- An impact analysis of the options (costs and benefits)
- Details of the consultation undertaken
- A clear statement as to which is the preferred option and why
- Details of how the preferred option would be implemented monitored and reviewed.

Detailed information in relation to the present regulatory environment and the meat industry is also included in Schedules 1 and 2 of this document.

---

<sup>1</sup> Formerly known as the Australia and New Zealand Food Regulation Ministerial Council

<sup>2</sup> The Ministerial Guidelines are available at

<http://www.foodstandards.gov.au/foodstandards/legislativeandgovernanceforumonfoodregulation/policyguidelines.cfm>

## 2 The problem

The problem that this Proposal seeks to address is the small residual risk to human health and safety that remains in the meat production supply chain. These small risks would typically be as a result of chemical or microbiological contamination of meat for human consumption.

This residual risk is difficult to characterise or quantify due to the low probability of a food safety incident arising due to the regulatory and other protections already in place. However, due to the nature of the product and the scale of production, incidents may occur. This is demonstrated by the following examples:

- In 1995, South Australia experienced a serious outbreak of Haemolytic Uremic Syndrome (HUS). Twenty-three paediatric cases were confirmed with HUS with one 4 year old girl dying, others were left with long term serious complications including kidney failure, requiring lifelong dialysis or transplant. Around 120 others, including adults, were also affected, albeit less severely.
- In 1993, in the USA, an *Escherichia coli* O157:H7 outbreak was linked to the Jack in the Box hamburger chain which claimed the lives of four children. In total, this outbreak affected 732 people (the majority being children) and left long term health implications for 178 sufferers (including kidney failure and brain damage).
- In 1996–1997, an outbreak of *E. coli* O157 was seen in Lanarkshire, Scotland, leading to illnesses in 496 cases and causing the deaths of 17 elderly people. This outbreak was found to be due to cross contamination between raw and cooked meats.
- In 1997, in the USA, *E. coli* O157:H7 was isolated in ground beef sourced from the Hudson Foods Company of Rogers, Arkansas, a supplier to Burger King. The company recalled over 25 million pounds (equivalent to over 11 million kg) of ground beef that it had manufactured, and was the second largest recall in US history.
- In 2005, in the United Kingdom (South Wales), *E. coli* O157:H7 outbreak affected 157 people and led to a death of a 5 year old boy. The cause was found to be a vacuum packing machine at a single butcher (John Tudor & Son), used to package both raw meat and cooked meat, without being properly cleaned between batches resulting in cross-contamination. William Tudor, the proprietor, was eventually convicted after pleading guilty to food hygiene offences and he was sentenced to one year in prison.
- During 2011 in Japan there was a large *E. coli* O111 outbreak involving a grilled meat style chain restaurants. This outbreak was found to be due to the consumption of 'yukhoe' (a Korean dish of raw beef and egg yolk). This outbreak affected 181 cases, 34 developed HUS and five people died. *E. coli* O111:H8 was isolated from the raw beef distributed to the chain restaurants.

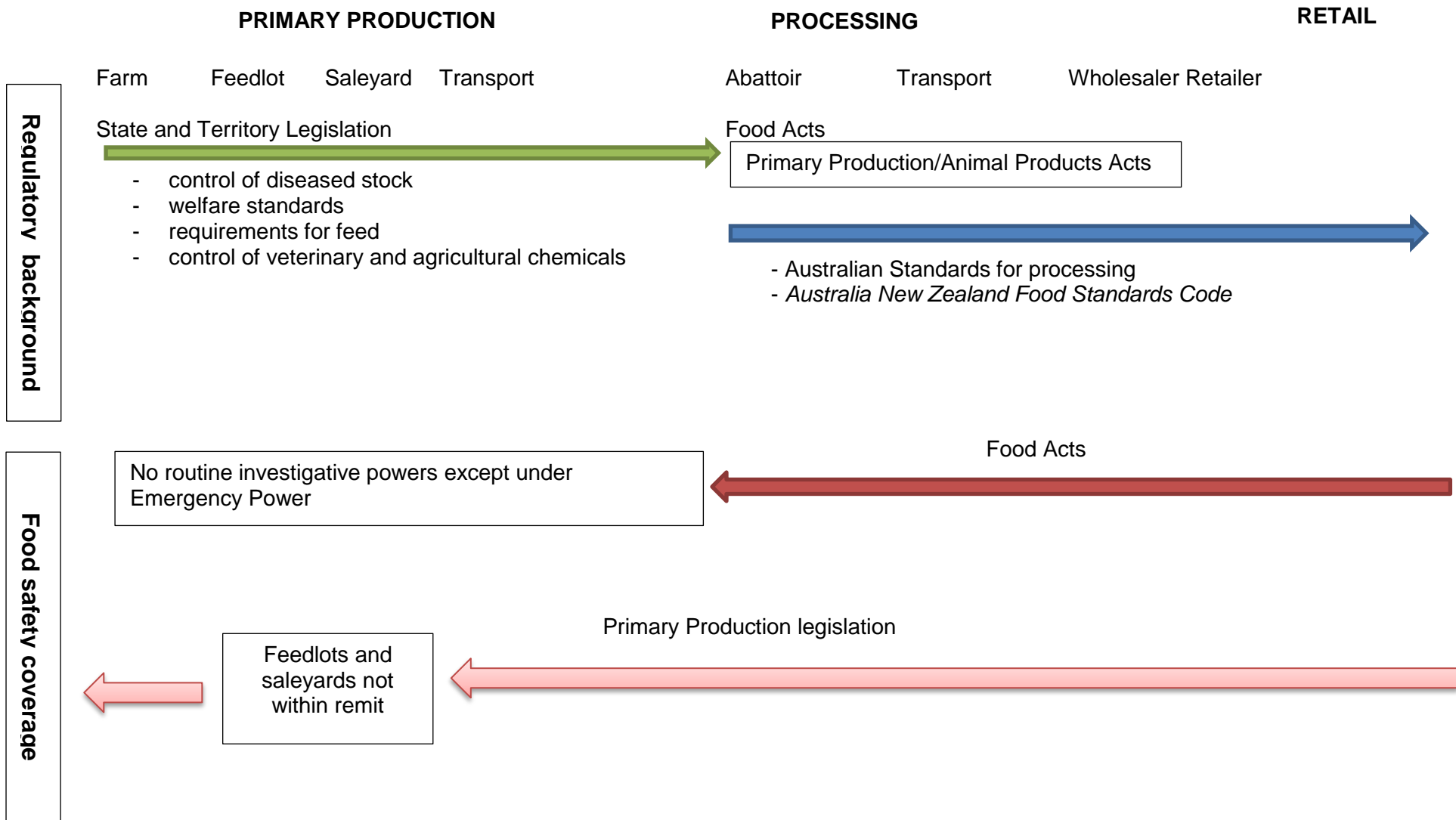
Regulatory and other measures are already in place to ensure Australian meat is safe to eat. The present regulation and its coverage is displayed diagram 1. A fuller explanation of the present regulatory regime is provided in Schedule 1.

However, a question exists as to whether Australia could manage risk even better in a cost effective manner. These questions are being asked because of the importance of the meat industry to Australia and the place of meat as a staple in the domestic diet. For example, the total value of Australia's off-farm beef and sheepmeat industry is \$16 billion (source: 2011 Meat & Livestock Australia estimate).

The domestic and international market is also extremely sensitive to food safety incidents with large falls in consumption and import restrictions often associated with major incidents (further details of the meat industry are provided in Schedule 2).

As a result of a closer analysis of the complete regulatory framework and the functionality of all of its parts, a gap in the current regulatory arrangements has been identified, namely the inability of food safety regulators to investigate food safety issues in the primary production sector without either the voluntary agreement of producers or activating emergency powers. A clearer and less qualified legislative basis for food regulators to go on-farm could allow the earlier mitigation of risks or the earlier management of incidents avoiding significant costs to consumers and industry. In the context of a major food safety incident, the difference of a few days in beginning to manage it can mean the avoidance of significant health costs (including deaths) and industry costs. The question that this RIS seeks to explore is whether the benefits of legislative change to allow the better management of risks in some instances are likely to outweigh the costs.

Diagram 1: The present regulation and its coverage



## 3 Objectives

In developing or varying a food standard, FSANZ is required by section 18 of the FSANZ Act to meet the following three primary objectives:

- the protection of public health and safety;
- the provision of adequate information relating to food to enable consumers to make informed choices; and
- the prevention of misleading or deceptive conduct.

In developing and varying standards, FSANZ must also have regard to:

- the need for standards to be based on risk analysis using the best available scientific evidence;
- the promotion of consistency between domestic and international food standards;
- the desirability of an efficient and internationally competitive food industry;
- the promotion of fair trading in food; and
- any written policy guidelines formulated by the COAG Legislative and Governance Forum on Food Regulation.

The principal objective of this proposal is to enhance the ability of state and territory food regulators to respond to risk and limit harm of food safety incident in the future. Even small reductions in risk are likely to be worthwhile if they can be achieved cost effectively given the importance of this industry and its sensitivity to food safety incidents. This Proposal seeks to optimise the regulatory framework by ensuring that health risks are managed at the point in the food chain where the risk is located, consistent with the 'whole of chain' approach outlined in the Inter-Governmental Food Regulation Agreement (July 2008).

## 4 Options

In order to decide on the most cost-effective approach to achieving these objectives, two options were considered in relation to this Proposal. The two options considered are the *status quo* and a regulatory option. In this instance, the consideration of only two options is considered appropriate because only a very specific potential change that has been identified to a regulatory regime that is in general considered to be working very well.

### 4.1 Option 1 – Maintain the status quo

Under the *status quo*, processors will continue to need to comply with the Australian Standards pursuant to State and Territory legislation. They will be responsible for accepting suitable animals from producers. The Australian Standards impose obligations relating to on-farm activities on processors but there are no corresponding obligations on producers in food safety legislation. The Code currently does not contain requirements that address hazards and traceability during primary production of the major and minor meat species. This means that food regulators have an inability to go on-farm to investigate or deal with food safety issues unless emergency powers are triggered.

### 4.2 Option 2 – Regulatory option

The regulatory option involves a variation to Standard 4.2.3 (Production and Processing Standard for Meat) to include primary production requirements for traceability, inputs and management of waste.

Standard 4.2.3 would not duplicate or incorporate the Australian Standards for processing (i.e. no additional meat processing requirements would be included in Standard 4.2.3) but would include an editorial note stating that processors are required to comply with specified Australian Standards under state/territory law and list the relevant standards. These primary production requirements would not apply to wild caught game animals.

There would be three requirements for the primary production of meat:

- a meat producer must take all reasonable measures to ensure that inputs do not adversely affect the safety or suitability of meat or meat products;
- a meat producer must store, handle and dispose of waste in a manner that will not adversely affect the safety or suitability of meat or meat products; and
- a meat producer must have a system to identify the persons:
  - (a) from whom animals were received; and
  - (b) to whom animals were supplied.

A meat producer is defined as a business, enterprise or activity that involves the growing, supply or transportation of animals for human consumption. This definition is intended to encompass businesses, enterprises and activities involved: in the rearing of animals for human consumption; the operation of feedlots and sale yards for such animals; and the transportation of such animals to and from sale yards, between properties, or to an abattoir.

The animals covered by these requirements include cattle, sheep, goats, pigs, buffalo, camels, alpacas, llamas, deer, horses, donkeys, rabbits, crocodiles, ostrich and emu. These animals are the same as those covered under the existing Australian Standards.

State and territory regulatory agencies and the Department of Agriculture will be responsible for implementing the proposed Standard. The Meat Implementation Working Group, a national working group with membership from these agencies, has developed a national compliance plan for the draft variation to Standard 4.2.3. The key principle underpinning the compliance arrangements for the Standard is that if businesses are currently complying with existing legal requirements, and continue to do so, they will comply with the future meat standard. In this respect, regulators will monitor compliance with the primary production requirements through evidence provided through existing industry arrangements (i.e. state and territory regulatory agencies advised, that as a matter of course, they would not be undertaking on-farm audits). The Compliance Plan is at Schedule 4.

Whilst it is not envisaged that the regulatory change will result in additional cost to industry members already complying with existing requirements, the change will provide food regulators with a clearer basis to go on-farm to better manage risk and limit harm as discussed further below.

## **5 Impact analysis**

### **5.1 Affected parties**

Parties that have been identified as potentially being affected by this Proposal include:

- industry (including those involved in production of animals, transporting animals, processing of meat and meat products and retail)



- consumers of meat products
- government.

## 5.2 Option 1 – Maintain the status quo

The present arrangements are managing risk well. Maintenance of the status quo will obviously mean no additional costs will be incurred by industry, government or consumers.

However, this option does not provide the means for state and territory regulators to address, in a nationally consistent manner<sup>3</sup>, the gap in statutory powers to investigate food safety issues in primary production in a timely and preventative manner. Examples of investigations that presently could be problematic include the investigation of the suspected, repeated incorrect filling out of documentation provided to an abattoir despite there being no immediate or clearly established risk to human health; or the investigation of the on-farm source of a number of reported cases of foodborne illnesses which at this stage are insufficient to trigger the emergency powers but which may unpredictably increase.

This option is inconsistent with the principles articulated in the *Overarching Policy Guideline on Primary Production and Processing Standards* that standards address food safety across the entire food chain where appropriate and deliver a consistent regulatory approach across the primary production and processing standards.

The status quo represents the base case against which option 2 below is compared against.

## 5.3 Option 2 – Limited regulatory requirements

The proposed variation to Standard 4.2.3 to include primary production requirements for managing inputs and waste and traceability would establish through-chain oversight of the production and processing of meat for domestic consumption. Under this option, regulators could act on non-compliance by a primary producer and continue to act on non-compliance by processors as per the current arrangements.

The direct costs and benefits are presented in section 5.3.2 and 5.3.3 of this paper for each party and the possible wider full equilibrium costs of a major food incident are considered in sections 5.3.4. However, before considering costs and benefits, the following section discusses the regulatory gap that the Proposal is aimed at addressing.

### 5.3.1 Regulatory gap

In all States and Territories legislation exists:

- to control of diseased stock including notification of diseases, quarantine and movement restrictions
- relating to welfare standards to be either adopted by reference or included in Regulations. Model Codes of Practice for the welfare of animals have been developed by government in consultation with industry and endorsed by the Standing Council on Primary Industries (or predecessor)

---

<sup>3</sup>National consistency is important in the area of food regulation: firstly because it reduces the costs of businesses that operate across multiple jurisdictions; and secondly, food is a highly traded commodity across Australia. Therefore food produced in one state or territory should be considered to have been produced in a safe way in all jurisdictions.

- providing requirements for feed i.e. manufactured feed, licks and supplements and fodder (including silage), for example implementing the ruminant feed ban. These requirements cover labelling, feed content and feeding prohibitions such as on feed that will spread diseases
- controlling veterinary and agricultural chemicals, including in feed and water.

The Food Acts in the states and territories also contain offences for the production of unsafe and unsuitable food, require compliance with the Code and contain provisions to improve safety and manage non-compliance. However, generally speaking, these Acts are not designed to manage hazards that potentially occur in live animals. Although primary production businesses are not exempt from the general provisions to produce safe food ('food' includes live animals intended for food), primary production is exempt from certain provisions for example, improvement notices, registration and approval of premises and auditing requirements. Further, for primary production, powers of officers are limited to reactive situations (i.e. where an offence is likely to have occurred or enforcing emergency orders).

These differences in the regulatory powers available to regulate primary food production and other food production are being progressively removed with the introduction of the Primary Production and Processing Standards. This reflects a recognised need to regulate through chain. Primary production and processing standards have been introduced for seafood, egg, poultry, dairy and seed sprouts industries, providing powers to food regulators to investigate food safety matters in primary production as they arise.

In the absence of a clear offence having been committed, at this point in time food regulators need to rely on emergency powers to enter a farm to undertake regulatory activities in relation to meat production to attempt to limit harm. However, an order under the emergency power provisions may only be made by a relevant authority if the relevant authority has reasonable grounds to believe that the making of the order is necessary to prevent or reduce the possibility of a serious danger to public health or to mitigate the adverse consequences of a serious danger to public health. Advice from regulators is that they take the need to establish a reasonable belief and the existence of sufficiently serious danger extremely seriously. The decision to exercise emergency powers is typically only made by senior public servants after being presented with clear evidence that an emergency situation exists.

The types of orders that can be made under emergency powers include:

- requiring the publication of warnings, in a form approved by the relevant authority, that a particular food or type of food is unsafe
- prohibiting the cultivation, taking, harvesting or obtaining, from a specified area, of a particular food or type of food or other primary produce intended to be used for human consumption
- prohibiting a particular food or type of food from being advertised or sold
- directing that a particular food or type of food consigned or distributed for sale or sold be recalled and specify the manner in which, and the period within which, the recall is to be conducted
- directing that a particular food or type of food or other primary produce intended to be used for human consumption be impounded, isolated, destroyed or otherwise disposed of and specify the manner in which the impounding, isolation, destruction or disposal is to be conducted
- prohibiting absolutely the carrying on of an activity in relation to a particular food or type of food, or permit the carrying on of the activity in accordance with conditions specified in the order;

These types of orders are clearly designed for emergency situations and their use has serious economic and reputational consequences for business. For the majority of situations, food regulators prefer to use more subtle powers and approaches to encourage compliance. A person bound by an order made pursuant to the emergency powers who suffers loss as a result of the making of the order may apply to the relevant authority who made the order for compensation if the person considers that there were insufficient grounds for the making of the order. If there were insufficient grounds for the making of the order, the relevant authority who made the order is to pay such compensation to the applicant as is just and reasonable. The existence of this right to compensation is clearly intended to ensure their appropriate and limited use of emergency powers.

The reliance on emergency powers presents three risks:

- (1) regulators don't take action or delay taking action which would have prevented harm to consumers and industry;
- (2) the regulatory solutions available may damage the business and the industry in a way that would have been unnecessary had a wider set of regulatory solutions been available; and
- (3) The need for appropriate small mitigations of risk on farm cannot be addressed which may have, in the long term, prevented a food safety incident.

Microbiological foodborne illness incidents can arise if contaminated food enters the food supply and is consumed without steps that adequately destroy the hazard (such as processing or adequate in-home cooking). Generally, consumers will be unable to tell if a food is contaminated by a pathogen. If the contaminated product is widely distributed and consumed by large numbers of people, reports will start emerging from healthcare professionals of diagnoses of particular foodborne illnesses. If the number of cases exceeds the expected levels or are of a rare illness, investigations will immediately commence. It can often take time to establish that unexpected levels of illness are being reported, to interview the affected cases, to identify the possible food sources of the illness, to collect food samples to test for the hazard and to identify the probable food implicated in the outbreak. The amount of time taken is highly variable and the number of illnesses and the severity of the illness can also vary considerably. Any reductions in the time needed to identify the source of an outbreak can result in many fewer cases and may enable more targeted removals of product from the food supply with the resulting reductions in costs to both consumers and the affected industry.

Australia has not had a meat-related large scale outbreak, the examples of outbreaks in other western countries indicates that although outbreaks of this nature might be unlikely, the consequences can be very large both in terms of impacts on human health and safety and on the implicated industry.

Although there are no recent Australian meat-related outbreaks to draw on to identify the costs associated with the 'timing gap' in regulatory coverage, a case study scenario is presented below to consider the possible effect of a delay in a regulator taking action at the beginning of a major event.

### **Case Study**

The following case study is hypothetical, based on overlaying the epidemic curve seen in the 2011 German *E. coli* outbreak. This outbreak, which occurred in sprouts, resulted in nearly 3000 cases of illness, 53 fatalities and costs to industry in excess of 812 million Euro, illustrating both the difficulty of quickly containing an outbreak and the potential severity of the consequences of a large scale outbreak.<sup>4</sup>

<sup>4</sup> [http://ec.europa.eu/food/food/biosafety/salmonella/docs/cswd\\_lessons\\_learned\\_en.pdf](http://ec.europa.eu/food/food/biosafety/salmonella/docs/cswd_lessons_learned_en.pdf)

A hypothetical case study scenario is presented below to allow consideration of the possible effects of a delay in authorities taking action at the beginning of a major food safety event.

An *E. coli* 0157 outbreak is depicted (linked to a hypothetical issue on farm leading to *E. coli* contamination of frozen minced meat distributed to a major distribution centres via a single meat works, servicing national supermarkets and thereby supplying product to an estimated population of around 15,000,000). Whilst unlikely in reality, in this scenario we are assuming the outbreak has the potential to affect equivalent numbers to that shown in German outbreak outlined below. This scenario is intended to be illustrative of the worst case scenario – a large outbreak due to a wide geographical distribution, crossing numerous jurisdictional borders with a long shelf-life product (which could be subject to undercooking or cross contamination).

### **What is an epidemic curve?**

An epidemic curve is the visual display of cases over time and in this case it is an example of a point or common source outbreak. A point source outbreak is when all cases acquire the infection from the same source (e.g. a contaminated food) and all exposures occur within one incubation period. In this hypothetical case study we will also assume a median 8-day incubation period as reported in the German outbreak.

### **Scenario assumptions**

Estimated time to between illnesses to human testing = 1 week

Estimated time taken between human testing and confirmation of STEC = 1 week

Estimated length of investigation = 10 days

Estimated time from notification of illness to traceback investigation = 1 week

Mean length of illness (STEC) = 1 week

Median incubation period = 8 days (note: for *E. coli* 0157 this is estimated at closer to 3-4 days)

Proportion of HUS cases = 20% (note: for *E. coli* 0157 this is estimated at between 2 and 7%)

### **Epidemiological evidence**

An epidemiological investigation will focus on three key areas for clues; time, place and person:

Time – an increase in unexpected illnesses being noticed over a short period of time

Place – illnesses and/or food samples being confirmed with STEC in different jurisdictions/nations, increased illnesses being noticed in different jurisdictions; and

Person – who is affected - gender, age distribution (young, old, immunocompromised)

Using these observations together with knowledge of relevant foodborne disease characteristics - it may be possible for investigators to develop a hypothesis (i.e. consumption of contaminated frozen minced meat patties is leading to increased infections with STEC *E. coli*). Studies can then be designed to test the hypothesis.

The initial epidemiological investigations raised suspicion that meat originating from a single meat processing facility was the suspected cause. This finding lends to extensive screenings of meat and cattle originating from multiple farms.

### **Microbiological evidence**

Testing of case faecal samples/food samples = culture testing approx. 6 days, rapid screen approx. 1 day

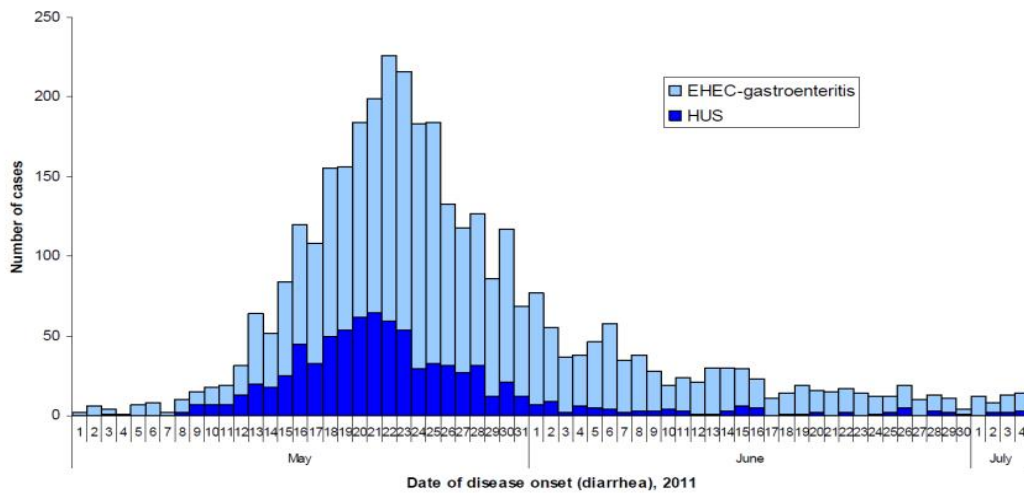
Testing of food samples at processing/retail (i.e. a butcher shop/supermarket) = culture testing 6 days/ screen approx. 1 day

Testing of meat/cattle samples on farm = culture testing 6 days/ approx. screen 1 day

**Figure C1 - German 2011 *E. coli* outbreak linked to fenugreek sprouts**

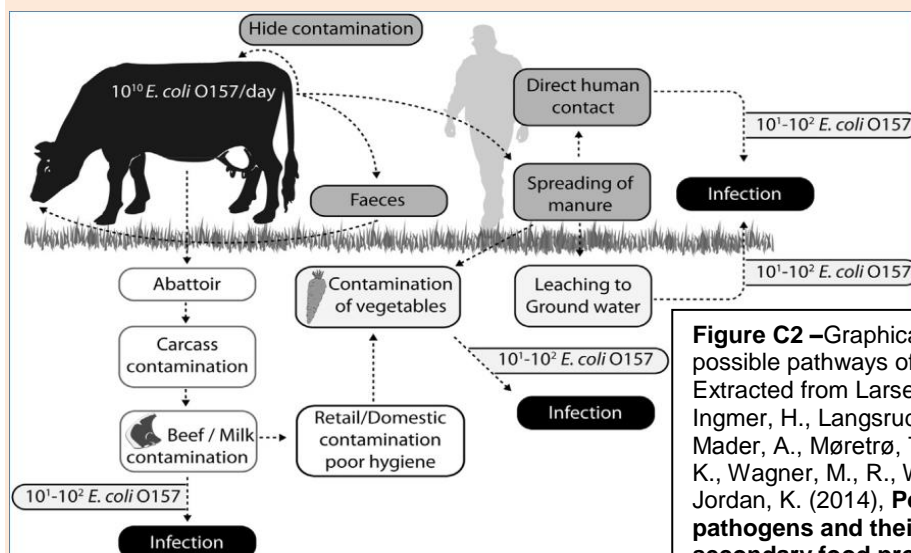
In 2011, a large geographically diverse, outbreak of *E. coli* serotype O104:H4 causing bloody diarrhoea/gastroenteritis and HUS occurred across Germany along with 15 other countries (affecting countries across Europe and the US and Canada). The outbreak resulted in 4000 cases with 50 deaths reported. Seed sprouts (due to faecal contamination of imported fenugreek seeds) were found to be the vehicle of infection.

Extracted from [http://www.rki.de/EN/Home/EHEC\\_final\\_report.pdf?\\_blob=publicationFile](http://www.rki.de/EN/Home/EHEC_final_report.pdf?_blob=publicationFile)



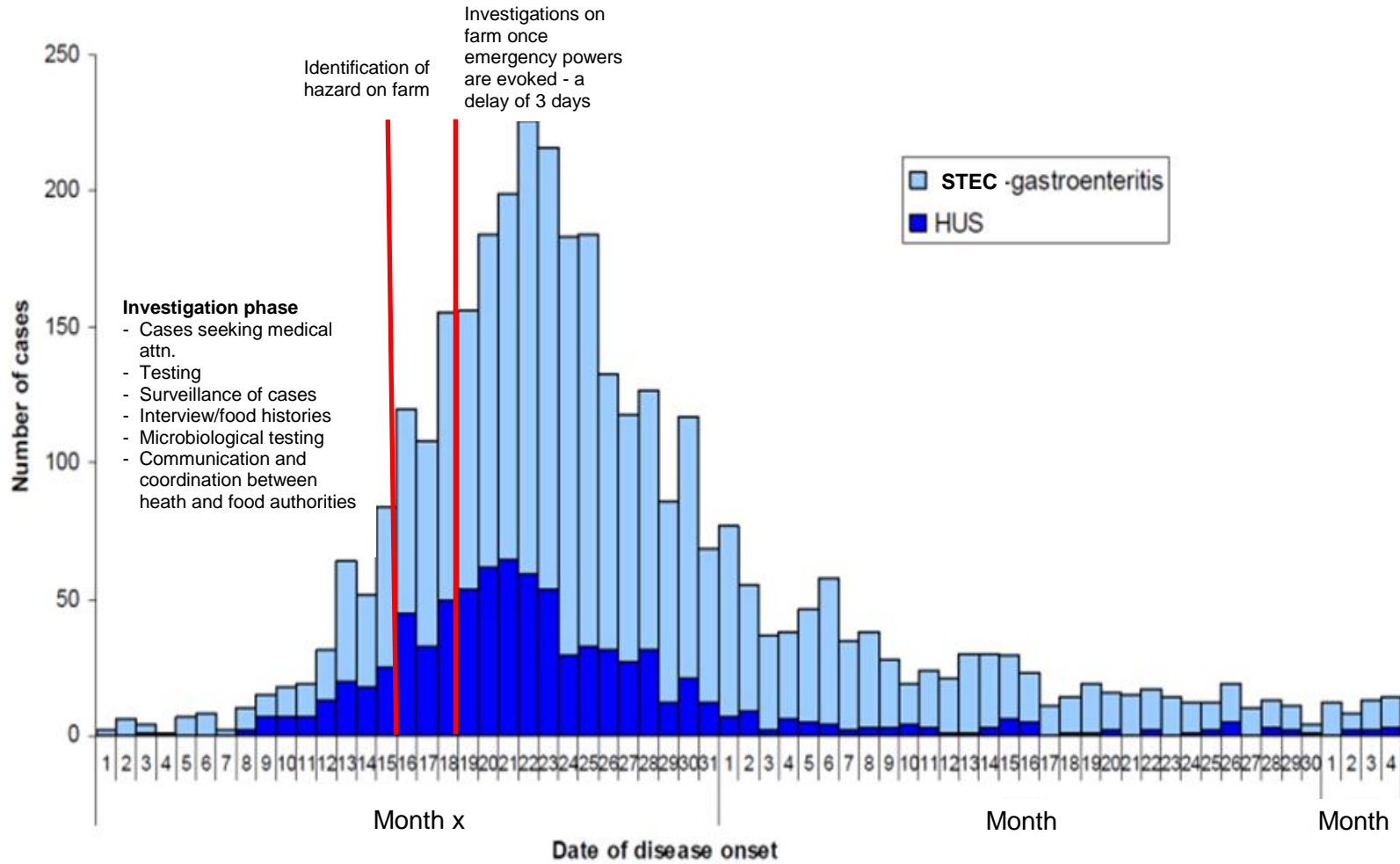
Assuming good traceability, if on farm access was readily available to investigators; we are suggesting testing on farm found *E. coli* (rapid screening) with culture results confirming the causative *E. coli* O157. This would result in a national recall of the meat originating from the affected farm instead of the entire production of all meat originating from the meat processing facility (less cost).

If on-farm access was restricted and required by emergency enforcement powers, a delay of around 3 days is estimated until on-farm access is readily available. This may lead to expedited testing of the meat processing facility finding the causative *E. coli* O157 and initiating a larger recall with associated larger impact on the industry as a whole, including potential damages to industry reputation. This delay could also result in a further 400 cases of illness in the community (3 days with cases (per day no. of around day 20 ≈150)).



**Figure C2 –Graphical representation of possible pathways of infection of *E. coli* O157,** Extracted from Larsen, M.H, Dalmaso, M., Ingmer, H., Langsrud, S., Malakauskas, M., Mader, A., Møretro, T., Možina S.S., Rychli, K., Wagner, M., R., Wallace, J., Zentek, J., Jordan, K. (2014), **Persistence of foodborne pathogens and their control in primary and secondary food production chains,** Food Control 44 (pg. 92-109)).

Figure 1: Epidemic curve with hypothetical points of action



A conservative estimated of the differences between investigators being able to test on farm and finding the original source of contamination vs. not having access (assuming numbers the same as in the German STEC outbreak averaged over an estimated 3 day period following the peak of the outbreak and allowing for reasonable estimation of investigation/testing time) = **around 400 cases**

**Table 1: Cost of the case study E. coli (STEC) outbreak of 400 cases<sup>5</sup>**

E. coli	Short term costs					Long term costs	TOTAL	%
	Non-GP	GP	Hospital	Fatal	Total	HUS		
Health care costs	1,600	54,262	30,958	-	86,820	528,080	614,900	3.8%
Loss of output	21,259	393,836	15,537	2,600,035	3,030,668	3,754,522	6,785,190	42%
WTP Proxy	11,772	498,522	23,889	-	534,183	8,113,096	8,647,280	54%
<b>Total</b>	<b>34,631</b>	<b>946,620</b>	<b>70,385</b>	<b>2,600,035</b>	<b>3,651,671</b>	<b>12,395,698</b>	<b>16,047,369</b>	
<b>%</b>	<b>0.2%</b>	<b>6%</b>	<b>0.4%</b>	<b>16%</b>	<b>23%</b>	<b>77.2%</b>		

The medical and loss of output costs plus individuals willingness to pay to avoid illness value saved from 400 avoided illnesses are estimated to exceed \$16 million as a result of investigating on farm three days earlier. However, this only represents a fraction of the cost likely to be saved due to the recalls being able to be limited and market and reputational damage also being avoided.

### 5.3.2 Costs

#### 5.3.2.1 Industry

Compliance with proposed requirements is already required by law and by meat processors before they can process an animal. If producers and processors are currently complying with existing legal requirements, they will be already compliant with the variation to Standard 4.2.3. No licensing or inspection fees are proposed as part of the implementation of the standard. Meat processors should already be requiring written assurances of compliance through NVDs or other documentation. Most, if not all, producers have systems in place that allow them to provide these assurances and to comply with existing legislation covering traceability, agricultural and veterinary chemical use and animal welfare requirements. Industry representative bodies estimate that 99.99% of producers are compliant with the voluntary requirements.

State and territory regulatory agencies advised they would not be undertaking on-farm audits as a matter of course. There will be little change to their present day-to-day regulation of primary production and therefore their improved *capacity* to more quickly manage incidents is likely to result in the bulk of the benefits flowing from this Proposal. Further details of states and territories approach to compliance is provided in Schedule 4.

The compliance plan potentially includes a small compliance cost on primary producers by advising them to contact their local regulator for advice on meeting the proposed Standard. This small communication cost may be further reduced by the various producer bodies communicating the requirements to their members.

#### 5.3.2.2 Consumers

Consumers are very unlikely to face any additional costs.

<sup>5</sup> FSANZ Cost of Illness Model – Unpublished (2014)

### **5.3.2.3 Government**

While providing jurisdictions with the authority to go on-farm in the event of a food safety incident which is not of sufficient scale to trigger the use of emergency powers, the variation to Standard 4.2.3 is not expected to impose additional costs on jurisdictions. Jurisdictions have indicated that they will not be undertaking on-farm audits as a matter of course. However, if there is a food safety issue, and there are compelling reasons, they will now have the ability to go back on-farm to investigate. A full statement of state and territories approach to compliance is set out at Schedule 4. The costs of any additional regulatory activity will be borne by regulators.

Discussions with jurisdictions indicate that any cost associated with amending regulations for adopting the variations to Standard 4.2.3 would be minimal - some states can automatically implement without any change to Regulations, (e.g. Western Australia and South Australia; Tasmania's draft regulations will include the draft variations); others are still determining their mechanism to incorporate these machinery in nature changes.

## **5.3.3 Benefits**

### **5.3.3.1 Industry**

Industry would benefit from a small reduction in the risk of a food safety incident occurring and also potentially benefit for regulators increased *capacity* to limit harm if an incident were to occur.

The introduction of a through-chain standard, the enhancement of traceability and the provision for regulators to go on-farm may increase the level of consumer confidence in both the domestic and export markets. It may also reduce the cost of regulatory action in some instances where a more appropriate regulatory solution could be chosen than those available under the emergency powers.

The proposed regulation may also potentially reduce difficulty in ensuring the correct paperwork and procedures are followed by meat producers as a result of the threat of a regulatory sanction. This will reduce costs for meat processors.

As stated above, given that jurisdictions have indicated that there will be little change to their present day-to-day regulation of primary production, their improved *capacity* to more quickly manage incidents is likely to result in the bulk of the benefits flowing from this Proposal.

### **5.3.3.2 Consumers**

Consumers will experience a small reduction in risk of becoming ill as result of eating unsafe meat. The majority of a possible benefit is contingent on a major food safety incident being avoided or limited.

### **5.3.3.3 Government**

The variation to Standard 4.2.3 will provide state and territory regulators with the ability to investigate primary production food safety matters. Punitive measures may only require consideration once clear evidence of unacceptable practice is established (e.g. feeding of prohibited antibiotics to meat animals). However, the fact that regulators would have the statutory power to conduct such investigations may play some role in facilitating compliance at the primary production level.



Jurisdictions will be working within a clear regulatory framework ensuring timely investigation and response providing the public and industry with assurance that the regulator can investigate, where appropriate, food safety matters at any point and time in the meat supply chain.

**5.3.4 Costs other than direct costs (full equilibrium costs)**

Professor James Butler from the Australian National University prepared a research paper for FSANZ exploring the cost of major food safety incidents.<sup>6</sup> His paper concludes that we have considered costs too narrowly in the past and they may, in fact, be much larger than we have previously thought. The report argues that many studies of the cost of illness associated with foodborne illness have neglected two potentially important categories of cost:

- **Averting behaviour:** This refers to the behaviour of individuals who seek self-protection from the risks of foodborne disease by changing their behaviour to achieve this. An example is the rearrangement of consumption patterns to avoid exposure to foodborne diseases. While studies of this behaviour in the context of foodborne disease are lacking, studies of behaviour in response to other similar risks (such as waterborne disease) suggest averting behaviour costs can be substantial.
- **Macroeconomic effects:** When behavioural change to achieve self-protection from disease risk becomes widespread in a community, it can have measurable effects on the economic well-being of the community in terms of GDP, employment and exports. These economic impacts can give rise to economic costs that are magnitudes greater than the direct and indirect costs for those who fall ill. The report demonstrates this by reference to the SARS outbreak and to analyses of the effects of pandemic influenza. The SARS outbreak is particularly instructive as the numbers of cases and deaths were modest but led to a disproportionate economic impact. No work of this type has yet been done with respect to foodborne disease.

This wider conception of costs supports the value of seeking to achieve further, albeit smaller reductions in risk, providing the cost is likewise small. Avoidance of this wider set of costs is contingent on a potentially major incident either being avoided or limited in size.

**5.4 Comparison of options**

The following Table presents the cost and benefits of option 2 compared to option 1 which is the status quo.

**Table 2: Costs and Benefits of Regulatory Option**

Social Group	Impacts
<b>Meat Industry</b>	
<i>Meat Producers</i>	
Costs	All meat producers should be in compliance with industry schemes if they hope to sell meat. Compliance with the schemes is sufficient to ensure compliance with the proposed standard.  No licensing or inspection fees are proposed as part of the implementation of the standard.

<sup>6</sup> J RG Butler, *Developing an RIS for Meat: Extending the measurement of benefits from increased government regulations*, Australian Centre for Economic Research on Health (2012) Unpublished – Attachment 3 to the Consultation RIS

Social Group	Impacts
Benefits	A small reduction in the risk of a food safety incident with its associated costs to industry, a potential decreases in the cost of regulatory action and the avoided cost associated with the earlier management of an incident.
<i>Meat Processors</i>	
Costs	No foreseeable costs.
Benefits	A small reduction in the risk of a food safety incident with its associated costs to industry.  Potentially reduced difficulty in ensuring the correct paperwork and procedures are followed by meat producers as a result of the threat of a regulatory sanction.
<b>Consumers</b>	
Cost	Consumers are unlikely to incur any additional costs
Benefit	A small reduction in the risk of a food related illness and associated costs to them and their employer.
<b>Government</b>	
<i>Food Regulators</i>	
Costs	Whilst food regulators may bear some costs undertaking a small number of inspections in response to specific issues, as experienced risk managers they will not expend resources unless they believe the benefits of the reduced risk is likely to exceed the costs.
Benefits	Improved <i>capacity</i> to regulate the industry across the entire production chain. This will potentially reduce the risk of an incident and reduce the cost of an incident if it were to occur. Resources would determine these situations and jurisdictions have indicated that actions would only be on a reactive basis.  A small reduction in the risk of a food related incident and its associated cost to food regulators. Additionally if investigations can be conducted more rapidly cost may be reduced for an incident.
<i>General</i>	
Costs	No foreseeable costs.
Benefits	A small reduction in the cost of health care associated with food related illness not borne directly by the consumer or their employer.

The uncertainty in the level of risk reduction from amending Standard 4.2.3 to cover on-farm activities makes benefits extremely difficult to quantify. Likewise, the reported high rates of compliance with existing regulatory controls means there will be no increase in costs for the vast majority of farmers. However, given the significant value of the industry and its sensitivity to food safety related issues, this small adjustment to the regulatory system appears a reasonable step and one that is likely to yield a net positive benefit to economy as a whole. In the absence of a major incident, these benefits are expected to be quite small. However, if a large incident were to be managed earlier as result of the proposed changes substantial benefits may be realised.

## 6 Consultation

### 6.1 Consultation process

FSANZ has sought to engage with the industry concerned, state and territory government agencies, and consumers from the commencement of this Proposal. FSANZ utilised public and targeted consultation throughout the development of the variation to Standard 4.2.3 to identify and understand potential problems and develop better regulation.

FSANZ also established the Meat Standard Development Committee and the Meat Minor Species and Wild Game Working Group to provide scientific, technical, regulatory/enforcement, benefit and cost analysis and other relevant advice and input.

Members of the Meat Standard Development Committee include major industry associations for the cattle, sheep, goat and pig industries, meat processors, the rendering industry, feedlot industry, stock feed manufacturers, Department of Agriculture, state and territory meat regulators and the Country Women's Association of Australia. The Meat Minor Species and Wild Game Working Group included representatives from the relevant minor meat species and wild game industry sectors and state and territory government agencies.

FSANZ also undertook a number of industry visits to better understand the current production and processing practices for the animals being assessed and to identify any specific issues with this Proposal particularly for the minor meat species and wild game industries.

The 1<sup>st</sup> Assessment Report for the major meat species was released for public comment from 23 September 2009 to 11 November 2009. Twenty-two submissions were received from:

- The Victorian Government
- The Board of Safe Food Production, Queensland
- Health Protection Directorate, Queensland Health as the lead agency for the Queensland
- Department of Health Western Australia
- New South Wales Food Authority
- Australian Quarantine and Inspection Service (AQIS)
- Department of Agriculture- Food Regulation Policy Branch
- New Zealand Food Safety Authority
- AMIC - Australian Processor Council on behalf of domestic and export meat processor sectors of AMIC (Gary Burrige)
- Australian Meat Industry Council –independent and meat retailing and smallgoods manufacturing sectors of AMIC
- Food Technology Association of Australia
- Australian Pork Limited
- Australian Lot Feeders' Association
- Stock Feed Manufacturers' Council of Australia
- New South Wales Farmers' Association
- Cattle Council of Australia and Sheepmeat Council of Australia
- Professional Food and Pharmaceutical Services
- Meat and Livestock Australia
- Tasmanian Farmers & Graziers Association
- Greg Bachmann, Jemalong Pastoral Company, Queensland.
- Australian Dairy Industry Council and Dairy Australia
- SAFEMEAT

The 1<sup>st</sup> Call for Submissions report for the minor meat species and wild game was released for public consultation from 26 March 2012 to 4 June 2012. Eleven submissions were received from:

- South Australia Health
- New South Wales Farmers' Association
- Queensland Health
- NSW Food Authority
- Australian Crocodile Traders
- Tasmanian Farmers & Graziers Association
- New Zealand Ministry for Primary Industries
- Crocodile Farmers Association of Northern Territory
- Wildflower Alpacas
- Food Technology Association of Australia
- Deer Industry Association of Australia

A range of issues were raised in these submissions not all of which are relevant to this RIS. However, a number of submissions stated that the current controls along the meat supply chain are working well and questioned the cost-benefit of introducing additional regulatory measures for producers and processors. Specifically, the potential increase in regulatory burden and impact on the viability of the kangaroo meat industry was raised noting that there are existing regulatory requirements for processing. The preferred option proposes no additional regulatory requirements for processing i.e. it would retain the current Australian Standard. In regard to kangaroos, the existing Australian Standard AS 4464:2007 – Hygienic Production of Wild Game Meat for Human Consumption contains requirements for managing inputs and traceability at the primary production stage such as the sourcing of wild game animals and identification of field harvester and place of harvest. Table 3 summarises issues and responses during this initial consultation.

Further consultation was also undertaken with government agencies as part of the process of developing the evidence base for the Consultation RIS and the results are included in Schedule 3

**Table 3: Summary of issues**

Issue	Issue raised	FSANZ Response
<p><b>Scope of the Standard</b></p>	<p>The scope should be broadened to cover all meat for human consumption, other than wild game. Developing standards over time for major and minor meat species is undesirable as such an ad hoc approach could lead to unintended gaps and overlaps between standards.</p> <p>Quality and animal welfare should be included, in addition to food safety, into any standard.</p>	<p>The work on the major species (cattle, sheep, goats and pigs) was put on hold while work commenced in 2011 on the remaining meat species and wild game. These two proposals have been combined so that the 2<sup>nd</sup> Call for Submissions report for P1014 will consider meat and meat products from all meat species and wild game and consult on a draft national standard for meat and meat products.</p> <p>Animal welfare is not within FSANZ's legislative responsibilities. States and territories have legislation that enables welfare standards to be either adopted by reference or included in regulations. Quality attributes or specific production methodologies that do not relate to food safety will, in general, be handled through industry mechanisms and not a primary production and processing standard.</p>
<p><b>Inclusion of primary production requirements for major meat producers</b></p>	<p>The use of agricultural, chemicals and veterinary medicines, herd health and animal traceability are adequately addressed by requirements in existing legislation.</p> <p>Supported that the standard reflect the obligations that farmers supplying animals for slaughter for human consumption must be able to meet (e.g. managing inputs, traceability).</p>	<p>FSANZ's evaluation of hazards and current management practices in Australia indicates there are no identified unmanaged food safety risks for the major meat sectors (cattle, sheep, goats, pigs) the Meat Standard Development Committee supported a draft primary production standard requiring traceability, control of inputs (e.g. feed, water, supplements, agricultural and veterinary chemicals) and managing waste to underpin the current systems in place and to provide uniformity and certainty in the food safety requirements on primary producers.</p>

Issue	Issue raised	FSANZ Response
<b>Cost-benefit analysis</b>	Current controls along the meat supply chain are working well and questioned the cost-benefit of introducing additional regulatory measures for producers and processors. The potential increase in regulatory burden and impact on the viability of the kangaroo meat industry was raised noting that there are existing regulatory requirements for processing.	<p>The preferred option proposes no additional regulatory requirements for processing i.e. retain the current Australian Standard. In regard to kangaroos, the existing Australian Standard AS 4464:2007 - <i>Hygienic Production of Wild Game Meat for Human Consumption</i> contains requirements for managing inputs and traceability at the primary production stage such as the sourcing of wild game animals and identification of field harvester and place of harvest.</p> <p>Section 3.2.5 addresses the cost-benefit analysis.</p>
<b>Mechanism to review Existing Australian Standards</b>	Supported a mechanism for review and to ensure currency of the existing Australian Standards for processing.	The jurisdictions are progressing this issue.
<b>Maintenance of non-food safety issues in the existing Australian Standards</b>	The on-going maintenance of animal welfare and quality aspects in the existing Australian Standards.	These are addressed in the current Australian Standards for processing. The preferred option is to retain these Australian Standards for processing.
<b>Traceability</b>	The need for minimum requirements for traceability of minor meat species and wild game products to assist with foodborne illness investigations and the recall of food.	The <i>Australian Standard for the Hygienic Production of Wild Game Meat for Human Consumption (AS4464-2007)</i> contains requirements for ensuring carcasses have approved tags and accurate records kept of product received (Clauses 9.2 – 9.3); maintaining identification system and records to identify product to the processing premise (Clause 11.12) and that wild game meat businesses have a documented system that provides for the accurate identification, and the ability to trace and recall meat and meat products (Clauses 12.1 – 12.9).

Issue	Issue raised	FSANZ Response
		<p>In regard to the minor species, the relevant Australian Standard contains requirements for meat businesses to have a documented system that provides for the accurate identification, and the ability to trace and recall meat and meat products.</p> <p>FSANZ is proposing minimal primary production requirements covering traceability, inputs and managing waste for major and minor species. The traceability requirement is intended to trace animal movement one step back and one step forward. This will enable animals to be traced in the event of a food safety problem.</p>
<b>Inconsistent Requirements</b>	The absence of a national standard covering the entire meat supply chain could lead to inconsistency in regulatory requirements.	The preferred option is a draft national standard containing minimal primary production requirement for traceability, inputs and managing waste. The existing Australian Standards for processing would remain in state and territory legislation.
<b>Potential chemical contamination of wild deer</b>	The potential chemical contamination of wild deer as they are not subject to the National Residue Survey.	The <i>Australian Standard for the Hygienic Production of Wild Game Meat for Human Consumption (AS4464-2007)</i> states that wild game animals shall not be harvested from areas where the presence of potentially harmful substances such as pesticides, fungicides, heavy metals or poisons could lead to unacceptable levels of such substances in the wild game meat.

Further consultation through the 2<sup>nd</sup> Call for Submissions for P1014 occurred from 8 October 2013 to 3 December 2013. Eleven submissions were received from:

- Private individual
- Department of Health Western Australia
- Queensland Health
- New Zealand Ministry for Primary Industries
- New South Wales Food Authority
- Woolworths Limited
- Department of Agriculture
- Accord Australia
- GS1 Australia
- Department of Environment & Primary Industries Victoria
- Australian Pork Limited

Where relevant, the submissions and responses have been discussed in the body of this report and a summary of all the submissions and the response to these submissions is provided in Table 4.

## **6.2 Issues raised by stakeholders in Submissions**

The majority of submissions during the consultation on the draft variation to Standard 4.2.3 (nine of the eleven submissions received) supported the draft variation to Standard 4.2.3 to include requirements on primary producers in relation to traceability and managing inputs and waste.

One submission (the Victorian Departments of Environment and Primary Industries and Health) did not support and questioned the value of the proposed variation as there were no legal obligations on processors and considered that the introduction of on-farm requirements would deliver little, if any improved food safety outcomes. Meat regulators, through the Implementation Sub-Committee for Food Regulation Meat Implementation Working Group advised FSANZ that incidents still occur, and will occur in future, which warrant follow up back to the primary production level. They identified that there is a jurisdictional gap in the food regulatory coverage with respect to agencies with public health functions under the Food Act, back to primary production level in the event of an incident. Further issues raised in this submission are included in Table 4.

The remaining submission raised the issue of halal labelling of meat products which is not relevant to this Proposal.

Stakeholder submissions received during the consultation RIS process highlighted:

- support for regulatory requirements for primary production noting that the current system manages risk and that industry programs are effective;
- the opportunity to improve the system such as integrating producer and processor;
- support for the standard to reflect the obligations that farmers supplying animals for slaughter for human consumption must be able to meet (e.g. managing inputs, traceability); and
- the importance to industry and government stakeholders that implementation of the standard would impose little or no new costs on farmers.

The consultation process indicated that the majority of stakeholders supported the proposed regulatory changes (Option2).



**Table 4: Summary of issues**

Issue	Raised by	FSANZ response
<p><b>Definition of “meat” and “meat product”.</b></p>	<p>A submission noted that the proposed variation to Standard 4.2.3 introduces a definition of “meat product” and a definition of “meat” that is different to that in Standard 2.2.1.</p>	<p>A definition of meat product was included in Standard 4.2.3 to clarify the scope of the Standard and provide consistency with the Current Australian Standards for meat processing.</p> <p>Clause 1 of Standard 2.2.1 provides that the term ‘meat’ as used in that Standard means “the whole or part of the carcass of”:</p> <ul style="list-style-type: none"> <li>(a) any of the following animals slaughtered other than in a wild state: buffalo, camel, cattle, deer, goat, hare, pig, poultry, rabbit or sheep:</li> <li>(b) <i>any other animal</i> that is permitted for human consumption under a law of a State, Territory or New Zealand. (emphasis added)</li> </ul> <p>The above definition would also include the animals covered under the definition of ‘meat’ in Standard 4.2.3:</p> <ul style="list-style-type: none"> <li>(a) animals covered under P1014 (e.g. deer, camel, buffalo, emu, ostrich, crocodile, rabbit horse)</li> <li>(b) wild game that is permitted for human consumption under and in accordance with a law of a state/territory.</li> </ul>
<p><b>Introduction of requirements for primary production</b></p>	<p>A submitter raised that existing obligations on farmers to provide information on National Vendor Declarations are sufficient.</p>	<p>It is established industry practice for meat producers to provide declarations of evidence to meat processors on animals provided for processing regarding acceptability, e.g. withholding periods followed for any agricultural/veterinary chemicals administered to animals so that unacceptable levels of contaminants do not occur in the resultant meat. However regulators do not have statutory powers to investigate arrangements implemented by meat producers to substantiate statements made on such declarations should meat processors be concerned with animals received. This is a long standard concern of meat processors and raised during the consultation process. The Meat Implementation Working Group advised FSANZ that the primary production requirements in Standard 4.2.3 adds further legislative requirements behind what meat producers claim on National Vendor Declarations, which is fundamental in enabling meat processors or abattoirs to comply with their requirements.</p>

Issue	Raised by	FSANZ response
<b>Implications for meat exports</b>	A submitter questioned whether the absence of legal requirements on processors in Standard 4.2.3 (i.e. duplicating the existing regulatory processing requirements embodied in Australian Standards) would have implications for exporting meat.	The safety of meat and meat products in Australia is currently implemented through reference to Australian Standards. All states and territories have legislation that requires businesses operating abattoirs/meat slaughtering facilities to be licensed or accredited and to operate in accordance with approved systems to manage meat safety and suitability. The Department of Agriculture, responsible for the export and import of meat products, provided a submission supporting the variation to Standard 4.2.3.
<b>Responding to food safety Incidents</b>	A submitter questioned whether there was any gap in existing arrangements for responding to food safety incidents.	There have been incidents over the years where events have occurred in the meat supply chains that have been traced back to primary production environments. Information provided by state and territory meat regulators advise that only those incidents that have activated emergency powers have provided the means for state and territory regulators to investigate. These include nitrofurans in pork and nicarbazines in poultry feed. These incidents related to inputs provided to meat animals in primary production environments and caused significant threat to established export markets. Regulators were not able to investigate these matters until routine testing results from export markets revealed positive detections. Standard 4.2.3 will provide state and territory regulators with the ability to investigate primary production food safety matters with a view to facilitating industry compliance on an educative basis.
<b>Regulation Impact Statement (RIS)</b>	A submitter raised that the RIS: <ul style="list-style-type: none"> <li>• is not based on evidence of a food safety risk</li> <li>• includes invalidated nor internationally agreed theoretical costs (“averting costs” and “macroeconomic costs”)</li> </ul>	FSANZ’s evaluation of the hazards and current management practices in Australia indicate there are no identified unmanaged food safety risks for the meat sectors. The problem being addressed is the inability to investigate food safety issues in the primary production sector without activating emergency powers and the consequential extensive government resources required to establish the burden of proof under these existing powers and subsequent cost to both industry and government.

## 7 Conclusion

Having reviewed the two possibilities, the regulatory option (option 2) is the preferred option. A draft variation to Standard 4.2.3 appears to be very low cost. These changes will not alter the regulatory costs for the vast majority of farmers nor substantially reduce risks, although it could be expected that there would be a small reduction in risk. However, the minor adjustment to the regulatory arrangements that would be delivered through this Standard would improve the *capacity* of food safety regulators to regulate proactively across the entire meat supply chain and maximise the opportunity to avert and limit the potential significant economic consequences for industry and the broader Australian community that may arise from food safety incidents associated with meat. If a large scale outbreak were to occur, the benefits of this regulation may greatly outweigh the costs but in the absence of any outbreaks, the costs are minimal and the benefits may also be small. Option 2 is also consistent with the principles articulated in the Overarching Policy Guideline on Primary Production and Processing Standards that standards address food safety across the entire food chain where appropriate and deliver a consistent regulatory approach across the primary production and processing standards.

## 8 Implementation and review

If regulatory changes are made, they will come into effect twelve months after the date of gazettal.

State and territory regulatory agencies and the Department of Agriculture would be responsible for implementing any standard. The Meat Implementation Working Group, a national working group with membership from these agencies has developed a national compliance plan for the draft variation to Standard 4.2.3. The key principle underpinning the compliance arrangements for the Standard is that if businesses are currently complying with existing legal requirements, and continue to do so, they will comply with the future meat standard.

## Schedule 1 – Regulatory environment

The production of meat is presently regulated by a variety of instruments. There is presently legislation that covers both the primary production and processing of meat. There are also a range of voluntary schemes in place to promote food safety.

### Primary production

There is existing legislation in all States and Territories for:

- control of diseased stock including notification of diseases and quarantine and restrictions on moving diseased stock
- welfare standards to be either adopted by reference or included in regulations. Model Codes of Practice for the welfare of animals have been developed by government in consultation with industry and endorsed by the Standing Council on Primary Industries (or predecessor)
- requirements for feed i.e. manufactured feed, licks and supplements and fodder (including silage), for example implementing the ruminant feed ban. The requirements cover labelling, feed content and feeding prohibitions such as on feed that will spread diseases
- controlling veterinary and agricultural chemicals including in feed and water.

Animal/property identification is mandated in legislation and State and Territory governments are progressively extending the scope of the animals that must be identified.

Industry/government partnerships are promoting identification systems particularly electronic traceability systems which record information about the animal not only for traceability but also to provide a history of the husbandry the animal has received.

The AS4696-2007 *Hygienic Production and Transportation of Meat and Meat Products for Human Consumption* requires animals to be sourced from holdings that have a system identify the places of production or saleyards of the animals in the consignment (for sheep, goats, camels, alpacas and llamas) and for other animals, the place of production.

There are no requirements in the Code applying to on-farm production of meat animals but there are requirements applying to dairy cows through the measures to ensure safe dairy products under Standard 4.2.4 – Primary Production and Processing Standard for Dairy Products. The current Production and Processing Standard for Meat in Chapter 4 (Standard 4.2.3) includes requirements for producing ready-to-eat meat only and does not include primary production requirements.

The Food Acts in the states and territories contain offences for the production of unsafe and unsuitable food, require compliance with the Code and contain provisions to improve safety and manage non-compliance. However, generally speaking, these Acts are not designed to manage hazards that potentially occur in live animals. Although primary production businesses are not exempt from the general provisions to produce safe food ('food' includes live animals intended for food), primary production is exempt from certain provisions for example, improvement notices, registration and approval of premises and auditing requirements. Also, for primary production, powers of officers are limited to reactive situations i.e. where an offence is likely to have occurred or enforcing emergency orders.

## Processing

The safety of meat and meat products in Australia is currently implemented through reference to Australian Standards<sup>7</sup>. All States and Territories have legislation that requires businesses operating abattoirs/meat slaughtering facilities to be licensed or accredited and to operate in accordance with approved systems to manage meat safety and suitability. The processing of the major and minor meat species is covered by the following Australian Standards:

*AS4696-2007 Hygienic Production and Transportation of Meat and Meat Products for Human Consumption* (scope includes buffalo, camels, alpacas, llamas, deer, horses, donkeys)

*AS 4466 – 1998 Hygienic Production of Rabbit Meat for Human Consumption*

*AS 4467 – 1998 Hygienic Production of Crocodile Meat for Human Consumption*

*AS5010 – 2001 Hygienic Production of Ratite Meat for Human Consumption*

The harvesting and primary processing of wild game animals is addressed by a specific Australian Standard; *AS 4464-2007 Hygienic Production of Wild Game Meat for Human Consumption*. This Standard contains the minimum requirements of hygiene in harvesting and processing to assure a safe and wholesome product.

State and territory laws require persons involved in the slaughter and processing of animals for human consumption, including of animals in the wild, and in the preparation, packing, transportation or storage of meat or meat products, to comply with the Australian Standards. These standards contain the controls to manage hazards that could potentially occur and play a significant role in ensuring the safety of meat and meat products in Australia. It was highlighted during consultation on this work that the implementation by all jurisdictions of the Australian Standards provisions has facilitated effective market access and ensured food safety and provided an acceptable level of national consistency

## Industry schemes and programs

Producers' participation in industry quality assurance or food safety schemes is voluntary. However, implementation of a program that provides assurance that food safety, or specific components of food safety, may be required to produce for supply to certain markets and to meet processor obligations.

Industry programs/schemes for cattle, sheep, goats and pigs include:

### ***Livestock Production Assurance (LPA)***

The scope of the LPA program is cattle (including dairy cattle) sheep and goats production. The LPA Level 1 provides a set of guidelines and checklists including a National Vendor Declaration (NVD) to help producers declare the food safety status of their livestock. The LPA guidelines present producers with very basic animal production and record keeping requirements designed to ensure the production of safe food. The respective species NVDs require accurate declaration of livestock integrity, chemical treatments and feeding regimes.

---

<sup>7</sup> Productivity Commission Research Report December 2009. Performance Benchmarking of Australian and New Zealand Business Regulation: Food Safety.

Livestock producers fully accredited in LPA Level 1 may participate in LPA Quality Assurance (LPA Level 2). This on-farm quality assurance program, incorporating the Cattlecare and Flockcare programs, enables producers to be able to readily adopt quality assurance systems on their properties.

Currently, LPA is the largest on-farm food safety initiative in Australia with an estimated 99.9% of livestock production farms being covered by the system. The drivers for LPA adoption are the processors and feedlot operators.

### ***Cattlecare***

The Cattlecare system is an on-farm quality assurance program for producers raising cattle now incorporated in LPA. Cattlecare places particular importance on minimising risk of chemical contamination through the safe, responsible use of chemicals; minimising bruising and hide damage and more effective management and herd improvement through better record keeping.

### ***Flockcare***

The Flockcare system is an on-farm quality assurance program for producers raising lambs and sheep now incorporated in LPA. Flockcare addresses food safety, chemicals and residues; animal health, husbandry and welfare; preparation, presentation and transport.

### ***Australian Pork Industry Quality (APIQ) Program***

APIQ is the Australian pork industry's on-farm auditable quality assurance program that enables producers to demonstrate that their on-farm practices reflect good farming practice for management, animal welfare, food safety, biosecurity and traceability. This program, developed by Australian Pork Limited (APL), is part of the Pork Supply Chain Integrity Program (PSCIP). Australian Pork Limited (APL), as the national representative body for pig producers, is the owner and managing agent of the APIQ<sup>®</sup> program. APL has stewardship of the APIQ<sup>®</sup> program on behalf of the industry. The aim of the food safety component is to ensure that production and transport practices reduce or prevent carcass contamination by microorganisms that cause food-borne illness. In its submission to P1005, APL advised that, at that time, approximately 93% of the entire Australian pig breeding herd was covered by APIQ and PigPass QA (which only included food safety standards). Following the review of the APIQ standards in 2010, APIQ<sup>ü</sup> was released in 2011.

### ***National Feedlot Accreditation Scheme***

The National Feedlot Accreditation Scheme (NFAS) is an industry self-regulatory, quality assurance scheme covering the grain-fed cattle feedlot industry. It was initiated by the Australian Lot Feeders Association (ALFA) and managed by the Feedlot Industry Accreditation Committee. It is an industry funded and managed quality assurance scheme that includes compliance with food safety and integrity legislation.

Therefore, all feedlots which produce cattle intended for the export markets are accredited'. Whilst accreditation is not compulsory for grain fed beef directed towards the domestic market, the vast majority of domestic beef is sourced from larger accredited feedlots given that 30% of feedlots produce 90% of grain fed cattle.

### ***FeedSafe***

'FeedSafe', operated by the Stock Feed Manufacturers' Council of Australia, aims to mitigate risks to food safety in the manufacture and use of animal feeds. Members are required to comply with the *Code of Good Manufacturing Practice for the Feed Milling Industry* to

maintain their membership and undergo annual site audits by third party auditors. Livestock producers are recommended to purchase feed from 'FeedSafe' accredited suppliers.

The Australian Fodder Industry Association Inc (AFIA) has produced a Product Code of Practice which involves an annual declaration by the fodder producer/supplier, certifying that conditions of product safety and quality have been met. In regard to safety, the Product Code of Practice requires sellers of hay and silage to apply any chemicals to the crop during production in accordance with the respective label and comply with any withholding periods and supply a vendor declaration forms with each lot of fodder.

### ***TruckCare***

TruckCare is a voluntary quality assurance program aimed at delivering good animal welfare, biosecurity, animal traceability and resultant food safety outcomes whilst transporting livestock. It is administered by the Australian Livestock Transporters Association.

### ***The National Saleyards Quality Assurance Program (NSQA)***

The NSQA Program was developed to underpin the *National Standard for the Operation of Australian Saleyards*. The program focuses on six areas that impact on quality; animal welfare, residue status, food safety, meat quality, traceability and stakeholder satisfaction. AUS-MEAT Limited has been appointed by NSQA Ltd as auditors.

### ***Australian Code of Practice for the Selling of Livestock<sup>8</sup>***

The Code of Practice has been developed by the Saleyard Operators Australia as a guide to aid saleyard operators comply with requirements for health, safety and welfare of all classes of livestock for sale at saleyards. The Code of Practice covers several meat safety factors mainly aimed at preventing stress, including provision of feed and water of suitable quality. There are also provisions for animal identification, emergency disease response, and guidelines for biosecurity.

In regard to other species, there are specific industry codes of practice and guidelines:

### ***The Australian Deer Industry Code of Practice for the Welfare of Deer***

This Code of Practice requires production records enabling animals to be identified to the property of origin, ensuring feed is free of spoilage and stored appropriately to reduce growth of moulds and contamination from insects, birds and rodents and measures are implemented to minimise faecal contamination of water sources.

### ***The Deer Farming Best Practice Manual***

The manual includes HACCP analysis to endure that deer sold or moved from properties comply with all legislative requirements of the industry. The analysis covers land selection, animal purchase, animal reproduction and management, marking and identification of animals, animal medication, pasture management, pasture feed and water, supplementary feeding, velvet harvesting, sale of animals and transport of animals.

The Deer Transport Best Practice Manual

The manual focuses on best practices in handling deer during farming and transport to minimise stress or injury.

---

<sup>8</sup> Saleyards Operators Australia, *Australian Code of Practice for the Selling of Livestock 2007*

### ***The Deer Industry Quality Assurance Manual***

These guidelines apply across the deer supply chain to ensure safe and wholesome product. For example, specifications for animal selection include evidence that animals have expired the recommended withholding period following any drug administration, animals have not grazed on contaminated pastures or been fed contaminated feed supplements, preferentially source deer from properties accredited by the Australian Deer Industry Quality Assessment Program and check animal or mob identification status,

### ***The Australian Ratite Industry On-farm Surveillance Plan***

This guideline, developed to facilitate the export of Australian ratite meat to the European Union, contains biosecurity requirements to manage ratite health and disease issues on farms.

In regard to cattle, sheep, goats and pigs, a detailed summary of regulatory and non-regulatory (industry) measures that include requirements to control hazards at primary production (on-farm, transport and at the saleyards) was provided in Supporting Document 4 for the P1005 1<sup>st</sup> Assessment Report ([link](#)) and, in conjunction with the minor meat species and wild game, Supporting Document 5 for the P1014 2<sup>nd</sup> Call for Submissions report.



## Schedule 2 – The industry

Meat production is a large, high value industry in Australia which is intensely and extensively monitored and regulated. The total value of Australia's off-farm beef and sheepmeat industry is \$16 billion (source: 2011 Meat & Livestock Australia estimate).

The meat industry includes farmers, abattoirs, transporters, meat packing and freezing, animal oil and fat production, the manufacture of products such as bacon, hams, hamburgers, sausages and pate, exporters, live exporters and retailers.

### Production Volume – cattle, sheep, goats, pigs

Current production of meat in Australia is around 3 million tonnes annually.<sup>9</sup> According to the Australian Productivity Commission, there are around 190,000 farms in Australia that produce animals for meat, about 70 per cent of them supplying red meat. There are about 2,000 meat businesses at the pre-retail stage of the production chain and according to MLA estimates, about 3,000 independent butchers.

**Table 5: Red Meat – 2011 Production**<sup>10</sup>

Red Meat	Production (kilotonne)	2,981
	Exports (kt)	1,750
	Domestic consumption (kt)	1,508

### Cattle and Sheep

In Australia, there are currently about 28 million cattle and 73 million sheep, and the production and consumption of red meat is as follows:

**Table 6: Cattle and sheep by state in 2011 (in millions)**<sup>11</sup>

	Cattle	Sheep
New South Wales	5.710	26.825
Victoria	3.97	15.212
Queensland	12.612	3.653
South Australia	1.252	11.009
Western Australia	2.067	14.0
Tasmania	0.689	2.344
Northern Territory	2.197	-
Australian Capital Territory	0.009	0.054
<b>Total</b>	<b>28.506</b>	<b>73.009</b>

### Goats

The majority of goats slaughtered in Australia are derived from harvesting operations. Feral goats are present over much of Australia, with the largest numbers found in the semi-arid pastoral areas of Western Australia, western New South Wales, southern South Australia, and central and south-western Queensland.

<sup>9</sup> ABS *Livestock and Meat, Australia*, Report 7218.0.55.001 (Mar 2013)

<sup>10</sup> ABARES Agricultural Commodity Statistics 2012 Canberra

<sup>11</sup> ABARES 2012

Around 1.6 million goats are slaughtered a year in Australia. Though not a significant producer (ranking 43<sup>rd</sup> in the world for herd size), Australia is the largest exporter of goat meat. In 2011–12, 24 kt of goat meat, valued at \$114 million was exported. The USA and Taiwan are the main importers. Live goats to the value of \$10 million were exported in the same period, mainly to Malaysia, Singapore and Brunei.<sup>12</sup>

### **Pigs**

Pig production occurs predominantly in the grain belts of Australia reflecting the reliance on grain as the major source of pig feed.

The Australian pork industry employs more than 20,000 people in Australia and contributes \$2.8 billion in gross domestic product to the Australian economy. The pork industry contributes approximately 2.13% of total Australian farm production with roughly 1,500 pig producers producing 4.7 million pigs annually<sup>13</sup>. On a state basis, South Australia slaughters the greatest number of pigs (1,233,000) followed by Queensland (1,089,000), New South Wales (942,000), Victoria (924,000), Western Australia (510,000) and Tasmania (35,000). Australia produces about 356 kilotonnes carcass weight and exports about 34 kt of pig meat a year. Exports are valued at about \$100 million (Source: Australian Pig Annual 2011-12).

### **Production Volume – minor species**

The volume of meat produced from minor species is much lower than that of the major meat species. A summary of industry is provided in the following tables. These figures were sourced directly from industry participants.

**Table 7: Annual Production Volumes and Indicative Value of Minor Meats**

<b>Meat Species</b>	<b>Total annual production (tonnes)</b>	<b>Export volume (tonnes)</b>	<b>Domestic volume (tonnes)</b>	<b>Retail value/Kg</b>
<b>Kangaroo</b>	21,000 (for humans)	15,000	6,000	\$6
<b>Rabbit</b>	260	0	260	\$14.50
<b>Deer</b>	288	200	88	\$35.00 - \$65.00
<b>Ostrich</b>	30	29.3	0.3	\$16.50 \$30.00 (premium fillets)
<b>Buffalo</b>	35	8	27	\$2.70 (manufacturing carcass) \$3.60 - \$4.00 (restaurant trade carcass)
<b>Camel</b>	250	250		
<b>Crocodile</b>	100	60	40	\$10.00 - \$20.00
<b>Emu</b>	88.7	18.6	70.1	\$5 - \$30

<sup>12</sup> Meat & Livestock Australia 2013

<sup>13</sup> Information supplied in Australian Pork Limited's submission to the 2nd Call for Submissions on P1014.

## Exports

Australia's meat industry is heavily dependent on exports, which account for around 65 per cent of the country's beef, 45 per cent of lamb and 80 per cent of mutton production. Export markets are very sensitive to food safety issues. Between 2010–11 and 2015–16, beef production is projected to increase by around 10 per cent, sheep meat production by 12 per cent and pig meat production by 7 per cent.

**Table 8: Australia's Exports in 2011–12<sup>14</sup>**

Meat	Weight/numbers	Value (\$m)
Beef & veal	948 kt	4,466
Mutton	89 kt	362
Lamb	174 kt	1,061
Live animals		
Sheep	2.562 million	345
Cattle	0.579 million	412

The main destinations of Australia's beef, veal and live cattle exports in 2011/12 are displayed in Table 9.<sup>15</sup>

**Table 9: Beef, Veal and Live Cattle Export Destinations 2011–12**

Meat Exports	Destination	Volume (kt)
	USA	205
	Japan	326
	Republic of Korea	123
	<b>Total</b>	<b>948</b>
<b>Live Animals</b>		<b>Numbers (thousands)</b>
	Indonesia	376
	Israel	60
	Turkey	37
	Egypt	32
	Philippines	24
	<b>Total</b>	<b>578</b>

The main destinations of Australia's of sheep and sheep meat exports in 2011–12 are displayed in Table 10.<sup>16</sup>

**Table 10: Mutton, Lamb and Live Sheep Export Destinations 2011–12**

	Destination	Volume (kt)
<b>Mutton</b>		
	Middle East	42.7
	<b>Total</b>	<b>89.1</b>
<b>Lamb</b>		

<sup>14</sup> ibid

<sup>15</sup> ibid

<sup>16</sup> ibid

Middle East	42.7
USA	35.0
China	24.6
<b>Total</b>	<b>173.8</b>
<b>Live Sheep</b>	
	Numbers (millions)
Middle East	2.232
Turkey	0.293
<b>Total</b>	<b>2.562</b>

## Schedule 3 – Consultation with Government Agencies<sup>17</sup>

Questions	NSW	Vic	Qld	SA	AGRICULTURE
<b>A General Questions</b>					
<b>1 (a) What issues if any have been raised at abattoir level regarding matters that should be addressed on farm (ie. incorrect completion on NVDs)?</b>	<p>The following issues have been raised during abattoir audit:</p> <ul style="list-style-type: none"> <li>• NVDs being completed incorrectly</li> <li>• Lost or missing ear tags on cattle</li> <li>• In - correct details for non-vendor bred animals</li> </ul> <p>All abattoirs have contacts with LHPA and DPI compliance officers to investigate non-compliance with these issues.</p>	<p>Incidental amount of incorrectly completed Vendor Declarations (ovine), Misread or missing NLIS Tags (Cattle).</p>	<p>Yes – Incomplete NVDs Instances of non-compliance with NLIS Smaller plants failed to have the provisions for NLIS</p>		<p>Incorrect completion of NVDs including, traceability (use of depots), withholding periods and sourcing location to prevent residue breaches. Animal welfare issues regarding fit to load.</p>
<b>1(b) Indicate the numbers or percentages affected?</b>	<p>NSW Food Authority would not be able to provide exact percentage</p>	<p>Low in percentage terms, too low to approximate for ovine. For NLIS Tags on cattle compliance is around 99% accuracy.</p>	<p>Less than 5% noncompliance in this area</p>		<p>NVD issues have been picked up at a random audit and treated as systemic issues and address by both industry and Agriculture. Animal welfare issues are raised directly to the appropriate state authority.</p>

<sup>17</sup> Please note that all relevant regulators were forwarded questionnaires to complete but only five provided a response.

Questions	NSW	Vic	Qld	SA	AGRICULTURE
<b>2. How and to what extent will the requirements for producers in the draft Standard make things easier for the abattoirs?</b>	If it will allow NSWFA to take action against primary producers and/or sale yards for breaches which cause issues at abattoir, this may have most benefit to abattoirs.	No change, other than have potential to include all required information in one declaration etc.	May assist in identifying the problems about stock being farmed on contaminated areas. E.g Dee River – Coal Seam Gas etc		Ensures that the responsibility for provision of animals meeting the requirements can be enforced by state and territory jurisdictions. Agriculture require the abattoir to source appropriately to meet the requirements.
<b>3. Can this be expressed in monetary terms?</b>	NSW Food authority would not be able to provide this information	No	No		Unknown monetary advantage.
<b>B Costs</b>					
<b>1 (a) Will the adoption of the draft Standard impose any compliance costs on Producers?</b>	No as it formalises what producers should currently be doing to comply with Primary Industry requirements	There will be some costs to the individual producers who have not already installed appropriate on farm management practices.	No additional costs	No	Producers are not in Agriculture's jurisdiction
<b>1 (b) Will the adoption of the draft Standard impose any compliance costs on a processor?</b>	Processor already licensed and paying levies to industry and Government. No further costs	No. Processors already have substantial requirements in place for identifying the place of purchase of animals (refer to A 2 above)	Status Quo	No	Agriculture does not expect any addition compliance costs
<b>2. Will jurisdictions incur additional costs (excluding responses to food incidents)</b>	If it is used for on-going non compliances (instead of current DPI/LHPA system), then yes. If excluding incidents, then no.	Not anticipated.	This should provide greater efficiencies "through chain"	No	Agriculture does not expect any addition compliance costs

Questions	NSW	Vic	Qld	SA	AGRICULTURE
<b>C. When compared with the status quo, how will the draft Standard make it easier/quicker/more efficient/more effective to respond on farm to a food incident?</b>	There are currently systems in place to provide adequate response back to farm through NLIS if there is an incident occurring. System could be challenged more frequently and permit more efficient and effective response to incidents	No difference. It is rare for food incidents to be created on farm. Most issues will be animal welfare and bio-security regarding disease control/traceability. Note, given the current state of health of national herd zoonotic disease outbreaks are rare in Australia. Further MRLs do not contribute to food incidents.	As stated above	It will provide the basis for full investigation of all potential sources related to an incident under the Primary Produce (Food Safety Schemes) Act. Whereas previously this was restricted to action under the Food Act, and limited to situations where the evidence was not refutable. Producers will now be included in the meat food safety scheme.	Producers are not in Agriculture's jurisdiction, standard potentially allows state and territory jurisdiction to additional provisions to manage/trace food incidents at the producer level.
<b>D. When compared with the status quo, how will the draft Standard make it easier/quicker/more efficient/more effective to contain/manage a food incident?</b>	Only marginal gains to be had.	No difference. Identification of place of purchase/delivery is a current requirement. Further it is extremely rare for on farm cause of food safety incidents (refer to C above)	Should provide a more rapid response through chain to go back on farm if required.	See above	Producers are not in Agriculture's jurisdiction, standard potentially allows state and territory jurisdiction to additional provisions to manage/trace food incidents at the producer level.
<b>E. When compared with the status quo, how will the draft Standard make it easier/quicker/more efficient/more effective to introduce better practices industry/state-wide in the wake of a serious food incident?</b>	If a single agency is able to regulate across producer, sale yard, processor and retailer, then consistent policies, practices and enforcement actions can aid to obtain a better compliance outcome.	Response: No difference (refer to response to C & D above)	First we need to identify them. Once identified through PICs or a register it should make it easier to disseminate information through the peak bodies eg Safe Meat.	Producers will now be included in the Meat Food Safety Scheme.	Producers are not in Agriculture's jurisdiction, standard potentially allows state and territory jurisdiction to additional provisions to manage/trace food incidents at the producer level.

Questions	NSW	Vic	Qld	SA	AGRICULTURE
<b>F. In the event of a major food safety incident, will the draft Standard adequately empower jurisdictions to respond effectively?</b>	Powers reside under individual food acts and should be sufficient.	No difference (refer to C/D/E above).	Yes – We will be able to go back on farm	Yes	Producers are not in Agriculture’s jurisdiction, standard potentially allows state and territory jurisdiction to additional provisions to manage/trace food incidents at the producer level.



## **Schedule 4 – Compliance Plan for the Primary Production and Processing Standard for Meat and Meat Products**

### **Proposal P1014**

State and Territory regulatory agencies and the Department of Agriculture are responsible for implementing the standard. The Meat Implementation Working Group, a national working group with membership from these agencies have developed a national compliance plan for the draft variation to Standard 4.2.3. The key principle underpinning the compliance arrangements for the Standard is that if businesses are currently complying with existing legal requirements, and continue to do so, they will comply with the future meat standard.

## Compliance plan for the Primary Production and Processing Standard for Meat and Meat Products

The Primary Production and Processing Standard for Meat and Meat Products identifies a Meat Producer. A compliance plan for a meat producer is provided.

1. Meat Producer: means a business, enterprise or activity that involves growing, supply or transportation of animals for human consumption.
2. Animals: the following animal species are covered by this Standard: *Bovine, Caprine, Ovine, Porcine, Bubaline, Camelidae, Cervidae, Crocodylidae, Lagomorph, Ratite, Soliped.*

References to animals in this document means animals as covered by the Primary Production and Processing Standard for Meat and Meat Products, unless otherwise specified

**In all instances, meat businesses are advised to contact the relevant food regulator within their jurisdiction for further advice concerning an acceptable means of compliance with the Primary Production and Processing Standard for Meat and Meat Products before adopting matters described in these Compliance Plans into their businesses.**

**Compliance plan for meat producer (includes growing, supply or transportation of animals for human consumption).**

***Inherent risk:*** The FSANZ risk assessment has identified no unmanaged risks in the meat supply chain.

***Potential introduced risk:*** All animals to be slaughtered must be traceable and must not contain contaminants or residues in excess of prescribed limits.

Compliance requirement - Industry	Monitoring requirements - Government	Current Industry arrangements
<p>Meat producers are required to comply with any relevant state/territory legislation for primary production (e.g. Ag/Vet Chemicals, swill feeding).</p> <p>An individual, business, enterprise or activity authorised to undertake slaughtering of animals by the competent state/territory regulatory authority must have evidence that animals supplied and received are fit for purpose (i.e.do not adversely affect safety and suitability of meat or meat products)..</p> <p>Such evidence should have due consideration to the following issues:</p> <p><i>Inputs:</i> any feed, water, chemicals or other substances used in, or in connection with the primary production activity.</p>	<p>Government will monitor compliance through evidence provided through existing industry arrangements.</p>	<p>Confirming compliance using:</p> <ul style="list-style-type: none"> <li>- LPA program (livestock production assurance),</li> <li>- NVD (National Vendor Declaration),</li> <li>- Piggpass,</li> <li>- NLIS (National Livestock Identification Scheme).</li> </ul>

<p><i>Waste disposal:</i> solid and liquid waste generated during primary production such as sewage, waste water, animal carcasses and garbage.</p> <p><i>Traceability:</i> Animals are identified in accordance with State animal identification systems, and systems are in place that allow animals to be traced from the holding of origin and to the holding of consignment.</p>		
---	--	--

### **Slaughter and processing of animals**<sup>18</sup>

State and Territory laws govern meat processors whose activities involve the slaughter and processing of animals for human consumption, including of animals in the wild and the preparation, packing, transportation, or storage of meat or meat products. These laws require persons involved in such activities to comply with specified Australian Standards.

<b>Compliance requirement - Industry</b>	<b>Monitoring requirements - Government</b>	<b>Current Industry arrangements</b>
<p>An individual, business, enterprise or activity undertaking slaughtering of animals must be approved by the competent state/territory regulatory authority to undertake such activity.</p> <p>All individuals, business, enterprises or activities undertaking slaughtering of all animals covered by the Primary Production and Processing Standard for Meat and Meat Products must comply with the following Australian Standards:</p> <ul style="list-style-type: none"> <li>- AS4466:1998 Hygienic Production of Rabbit Meat for Human Consumption</li> <li>- AS4467:1998 Hygienic Production of Crocodile Meat for Human Consumption</li> <li>- AS4696: 2007 Hygienic Production and Transportation of Meat and Meat Products for Human Consumption</li> <li>- AS5008: 2007 Hygienic rendering of animal products</li> <li>- AS5010: 2001 Hygienic Production of Ratite Meat for Human Consumption</li> <li>- AS5011: 2011 Hygienic productions of natural casings for human consumption.</li> <li>- AS4464:2007 Hygienic Production of Wild Game Meat for Human Consumption.</li> </ul>	<p>Regulator to continue with current monitoring arrangements.</p> <p>e.g. may include inspection or audit, or other monitoring arrangement depending on regulator's legislation.</p> <p>The frequency of monitoring will be based on risk and performance.</p> <p>Check business's evidence to confirm that animals received or supplied for processing are traceable, as well as meat and/or meat products produced by the business.</p>	<p>Confirming compliance using:</p> <ul style="list-style-type: none"> <li>- LPA program (livestock production assurance),</li> <li>- NVD (National Vendor Declaration),</li> <li>- Pigpass,</li> <li>- NORM (National organochlorine residue monitoring),</li> <li>- NARM (National antibacterial residue monitoring),</li> <li>- START (Sheep targeted antibacterial residue testing).</li> <li>- TART (targeted antibacterial residue testing).</li> <li>- NLIS (National Livestock Identification Scheme).</li> </ul>

<sup>18</sup> Animals in this context are taken to mean animals as covered by the FSANZ Primary Production and Processing Standard plus animals from the following species: *Macropod* (Kangaroo, Wallaby), *Phalangeridae* (Possum), *Puffinus tenuirostris* (muttonbird).