



9 November 2009

Mr John Hawkins  
Senate Standing Committee on Economics  
Department of the Senate  
PO Box 6100  
Parliament House  
Canberra ACT 2600

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Dear Mr Hawkins,

**Re. Food Standards Amendment (Truth in Labelling Laws) Bill 2009**

Further to my appearance before the Senate Economics Legislation Committee on Friday 30<sup>th</sup> October in Canberra, and as requested by the committee members in attendance, over the past week I have investigated further, matters put to me on notice throughout that hearing.

Please find below AUSVEG's responses to those questions put to me on notice before the committee last Friday.

**Matter 1:** How rigorous are inspections of imported food products, and what percentage/ratio of imported products is actually being tested?

As AUSVEG understands it the Imported Food Inspection Scheme (IFIS) is jointly run by the Australian Quarantine and Inspection Service (AQIS), which has operational responsibility for inspection and sampling of food as it reaches the border, and Food Standards Australia New Zealand (FSANZ), which develops the food risk assessment policy for the program.

Authorised officers within the Imported Foods department of AQIS action the Food Standards Code which comprises the standards applied, while FSANZ is responsible for developing and maintaining the code under the Australia New Zealand Food Authority Act 1991. The legal basis for the inspection of imported food in Australia is the Imported Food Control Act 1992.

In reference to the rigour with which inspections of imported foods are carried out, AUSVEG understands that foods are currently divided into two groups – 'risk foods' and 'random (surveillance) foods', while a third category called 'active surveillance food' has had no food products placed in it by FSANZ since March 2007.

According to AQIS, the Australian Customs Service refers 100% of 'risk' category foods to AQIS for inspection and testing against a published list of potential hazards determined by

FSANZ. Potential hazards might include elements or contaminants such as illegal or high levels of preservatives or artificial sweeteners, foreign matter, moulds, infections (e.g. salmonella), higher than permitted levels of agricultural chemical residues, or labelling defects, amongst others.

All other food not in the 'risk' or 'active surveillance' categories is classified as 'random surveillance' category food. Food in the 'random surveillance' category is referred to AQIS by Customs at the rate of 5% of all shipments by tariff classification for inspection, versus the 100% referral rate for 'risk' foods.

With regard to the vegetable industry specifically AUSVEG notes that according to AQIS documentation only pepper, paprika, chilli and capsicums (that are dried) are considered to be in that risk category (excluding cases where these products are mixed), while all other vegetable and potato imports are presumably only subject to a 5% referral and testing rate as they would be grouped under the random surveillance category.

This means that the majority of vegetable and potato products being imported into Australia are only being tested at a very low ratio of 5%. As discussed before the committee this low ratio is of significant concern in relation to the potential for problems with these products not being picked up before they reach the consumer. AUSVEG has concerns that there exists a significant risk and that in fact there may be what we call MRLs of chemicals and the like, or other particular problems that may not be picked up before these products are consumed.

While AUSVEG understands that it is not practical to inspect every food product that is imported for all potential non-compliance issues, it considers that the existing testing ratio of 5% as it applies to the majority of vegetable and potato products is too low, and that not enough is being done to ensure that imported products meet the standards to which Australian primary producers must themselves adhere to in a domestic setting. Indeed, AUSVEG notes in this context the concerns drawn from its members who feel that it is unfair that they as Australian producers are being required to meet numerous standards and regulations at home while imported vegetable and potato producers fly under the radar.

**Matter 2:** What sanctions are in place should a food product be found to be contaminated in some way? At what rate are follow-up tests conducted? And how are the sanctions enforced?

As AUSVEG understands, risk category foods are *initially* inspected and tested at a rate of 100%, however, once five consecutive consignments have passed inspection, the rate is reduced to 25%; after a further 20 consecutive passes, the rate is further reduced to 5%. Any consignments which return a fail result from testing are returned to a 100% testing level until a history of compliance is re-established for that particular producer. Apart from product seizures where products that fail testing are 'held', AUSVEG is unaware of any

additional sanctions which may be imposed on companies and manufacturers who have a history of non-compliance.

**Matter 3:** Has Western Australia's country of origin labelling had any appreciable impact on demand or consumer behaviour?

AUSVEG has consulted our Western Australian member association, Vegetables WA, on this matter and we are unaware of any appreciable impact on demand or consumer behaviour with regard to Western Australia's own state-based country of origin regulations. According to Vegetables WA, current Commonwealth legislation has led to some minor improvements in the labelling situation in WA, but country of origin labelling with regard to the 'made in Australia' and 'product of Australia' system still has a very long way to go in resolving the ambiguity and confusion which exists for consumers and producers alike.

As the peak industry body representing thousands of vegetable and potato growers around Australia, AUSVEG thanks the committee once again for the opportunity to represent our constituents and member associations in this forum. We consider this issue a tremendously important one for our industry and we hope that the additional material we have provided will be of some utility.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Richard J Mulcahy". The signature is fluid and cursive, with a prominent initial 'R'.

Richard J Mulcahy  
Chief Executive Officer  
AUSVEG