



Australian Government

Department of Agriculture, Fisheries and Forestry

**Andrew Metcalfe AO
SECRETARY**

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Mr Stephen Palethorpe
Secretary
Senate Rural and Regional Affairs and Transport References Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Mr Palethorpe

Thank you for your email of 13 March 2013 on behalf of the committee, inviting the Department to make a submission to the inquiry into beef imports into Australia.

Your email advised that the Department should provide a briefing addressing all or some of the issues identified in the terms of reference. Accordingly, please find attached the department's submission to the inquiry which addresses the terms of reference from a portfolio perspective and also provides information of a more general nature concerning the importation of beef into Australia.

I trust that the information in the submission will assist the committee with its inquiry.

Yours sincerely

(Andrew Metcalfe)

Attachment



Australian Government

Department of Agriculture, Fisheries and Forestry

SENATE RURAL AND REGIONAL AFFAIRS
AND TRANSPORT REFERENCES COMMITTEE

Inquiry into beef imports into Australia

SUBMISSION
FROM
THE DEPARTMENT OF AGRICULTURE, FISHERIES AND
FORESTRY

APRIL 2013

SUMMARY

Multilayered regulatory systems are in place in Australia governing the production, handling, import and export of food. Animal and human health and food safety considerations all come into play in Australia's biosecurity and imported food regulatory systems. Our science-based policies reflect world's best practice and are consistent with our international rights and obligations as a World Trade Organization (WTO) member. In relation to imports, responsibilities for food policy and regulation extend across the agriculture, fisheries and forestry, health and ageing, and competition and consumer responsibilities of the Australian government. In the domestic context, the Australian government operates in partnership with state and territory governments. This submission recognises these interrelationships, while focusing on the issues of direct relevance to the Department of Agriculture, Fisheries and Forestry.

Almost all beef consumed by Australians is produced and processed in Australia. The volume of imports has been, and remains, extremely low relative to domestic production. Imported beef is subject to Australia's strict food safety and biosecurity requirements that manage human health and animal disease risks, including bovine spongiform encephalopathy (BSE) and foot-and-mouth disease (FMD).

The Australian government revised its BSE food safety policy in 2010 to take into account the findings of an independent scientific review in 2009 that reported a strengthening of international BSE controls and that the risk of future variant Creutzfeldt-Jakob disease (vCJD) food-borne transmissions is very low. The revised policy requires exporting countries, irrespective of whether they have had a case of BSE, to demonstrate they have acceptable controls in place and that these controls are monitored. This includes controls on food safety, animal health, traceability, surveillance, animal feeding and slaughter practices. The revised BSE food safety policy, administered by FSANZ, has not resulted in a proliferation in the number of countries permitted to export beef to Australia. At present, 12 countries are approved for this purpose. Only two countries that were not already approved to export beef to Australia have applied to FSANZ for assessment. FSANZ-approved countries that wish to export fresh (chilled or frozen) beef to Australia must also meet biosecurity requirements which may require a risk assessment to be undertaken.

The importation of beef and beef products into Australia is regulated by DAFF under the *Quarantine Act 1908* (the Act). All beef and beef products from countries other than New Zealand that are imported for commercial use require an import permit issued by DAFF. The granting of an import permit is subject to a satisfactory assessment of the animal disease risk associated with the import. There is a range of cattle diseases that are exotic to Australia, the most serious being FMD. Fresh (chilled or frozen) beef represents a potential biosecurity risk from FMD and other pathogens as no heat processing is involved. DAFF has in place a robust system for determining the FMD status of countries, including a list of 'DAFF approved' FMD-free countries. This list is subject to immediate amendment if disease intelligence indicates a country's FMD status has materially changed. Products that have undergone high heat treatment such as retorting represent a lower animal biosecurity risk as the treatment would effectively destroy all disease agents of concern other than the agents responsible for transmissible spongiform encephalopathies, for example BSE.

The Australian government (DAFF and the Department of Health and Ageing - DoHA) works collaboratively with the New Zealand and state and territory governments, through the COAG

Legislative and Governance Forum on Food Regulation, to develop food regulation policy. FSANZ develops agreed national food standards, having regard to policy guidance from the forum. State and territory governments develop and administer food legislation, which gives effect to the requirements of the Australia New Zealand Food Standards Code (FSC).

The Imported Food Inspection Scheme (IFIS), administered by DAFF under the *Imported Food Control Act 1992*, is a risk based inspection scheme that aims to ensure that imported foods comply with the FSC. If unsafe or non-compliant imported food is identified, it is re-exported or destroyed or, in some cases, treated in order to bring it into compliance.

State and territory governments, together with local governments, are responsible for monitoring compliance of food within their jurisdiction and responding to food safety incidents. Responses include instigating food recalls if required, and triggering the National Food Incident Response Protocol if the food safety incident crosses into other jurisdictions.

The Australian Consumer Law (ACL) includes a broad prohibition against misleading or deceptive conduct. Products with incorrectly labelled meat ingredients, such as those recently found in the European supply chain, would be illegal under the ACL. The Australian Competition and Consumer Commission (ACCC) is engaged in both compliance and enforcement efforts on labelling claims. Requirements for country of origin labelling of food are included in the FSC, administered by FSANZ.

DAFF has not issued any import permits for goods implicated in the recent European horse meat incident. DAFF, along with FSANZ and DoHA, will continue to monitor the situation to determine if further action is warranted.

Introduction

Australia maintains comprehensive controls that protect Australians from exposure to unsafe food through the national standards agency, Food Standards Australia New Zealand (FSANZ), the responsibilities of the Department of Agriculture, Fisheries and Forestry (DAFF) for biosecurity, and state and territory food authorities. Together, Australia's strict food safety and biosecurity requirements manage pest and disease risks associated with imported beef products, including BSE and FMD.

This submission is intended to provide clarification to the Senate Rural and Regional Affairs and Transport References Committee about the Australian regulatory systems underpinning beef imports. It outlines the effectiveness of these systems in meeting Australia's food safety standards and protecting our animal health status.

Existing food safety policy on BSE – the role of FSANZ

Countries wishing to export beef to Australia must apply to FSANZ for a BSE food safety assessment. A favourable assessment is required for the importation of fresh (chilled or frozen) and heat treated beef and beef products.

The Australian government's current policy on food safety in relation to BSE was announced on 20 October 2009 and came into effect on 1 March 2010. The policy is outlined in the document - *Bovine spongiform encephalopathy (BSE): requirements for the importation of beef and beef products for human consumption – effective 1 March 2010* and available at <http://www.foodstandards.gov.au/consumerinformation/bovinespongiformencephalopathy/bse/requirementsfortheim4751.cfm>.

The policy is in line with current scientific evidence and international moves to protect consumers from exposure to BSE. The policy was underpinned by an independent scientific review in 2009 that concluded *inter alia* that “over the last five years the evidence for more effective control of the global BSE epidemic has strengthened”; “the risk of future food-borne transmissions leading to human vCJD [variant Creutzfeldt–Jakob disease] is very small, if not negligible, even in the UK, where previously the risk was greatest”; and “it is possible to import beef from countries that have reported cases of BSE with a negligible effect on the high level of protection for the Australian public provided the appropriate risk mitigation mechanisms are put in place”. Worldwide surveillance data since this time, showing continuing marked declines in the incidence of BSE in cattle and vCJD in people, have reinforced the 2009 review's findings.

The policy takes into account the requirements of the World Organisation for Animal Health (OIE) Terrestrial Animal Health Code for BSE. The OIE is recognised by the World Trade Organization (WTO) as the relevant standards setting body in this area, and the WTO Agreement on Sanitary and Phytosanitary Measures (SPS) requires member countries to adopt the relevant international standard unless otherwise justified by risk assessment.

Countries must demonstrate they have in place, and appropriately monitor, controls necessary to ensure that their beef and beef products meet Australia's legal requirement in the Australia New Zealand Food Standards Code (FSC).

Upon advice from the FSANZ Chief Executive Officer to the Secretary of DAFF of the decision on a country's BSE risk assessment, DAFF will establish certification arrangements under the *Imported Food Control Act 1992* with the competent authority of the country. The Secretary of DAFF is also the Director of Animal and Plant Quarantine pursuant to the *Quarantine Act 1908*.

Once FSANZ has completed a BSE food safety assessment for a particular country, the biosecurity requirements for the importation of beef and beef products for human consumption from that country can then be considered by DAFF.

Existing biosecurity framework – the role of DAFF

In considering animal biosecurity risk, there are two distinct categories of beef products for human consumption: (i) heat-treated, shelf-stable beef and beef products; and (ii) fresh (chilled or frozen) beef.

For heat-treated, shelf-stable beef and beef products, the process of retorting typically achieves temperatures equivalent to 121°C for 3 minutes or higher. This process effectively inactivates all microorganisms of concern such as bacteria and viruses. The only disease agents capable of withstanding extreme temperature treatments such as retorting are the agents responsible for transmissible spongiform encephalopathies (e.g. BSE). Therefore, heat-treated shelf-stable beef and beef products may only be imported into Australia from countries approved by FSANZ through a BSE food safety risk assessment process. The assessment by DAFF of import permit applications for heat-treated, shelf-stable beef and beef products must identify that the products have been appropriately heat treated and sourced from a country approved by FSANZ as either a Category 1 or Category 2 country (i.e. posing a negligible risk to public health) before an import permit may be granted. These products can then be exported to Australia, subject to meeting certification requirements and required quarantine measures on heat processing.

Fresh (chilled or frozen) beef represents a significant potential biosecurity risk as no heat processing is involved. There are a number of exotic animal diseases including FMD that could be introduced into Australia via fresh beef imports. A biosecurity import risk assessment of the country of origin of the beef is therefore undertaken by DAFF prior to approving imports of fresh (chilled or frozen) beef from that country. The animal health status and veterinary systems in the country of origin are important considerations in such a risk assessment. The importation of beef and beef products into Australia is regulated under the *Quarantine Act 1908* (the Act). The Act enables restrictions to be placed on the importation of goods that may present an unacceptable level of biosecurity risk. Where restrictions are in place they are specified in the *Quarantine Proclamation 1998* (the Proclamation) and may require an import permit to be granted before importation may occur.

The Proclamation allows for the importation of specified beef and beef products that have been assessed and determined to present a very low biosecurity risk when imported in accordance with the specified restrictions.

In accordance with the *Quarantine Proclamation 1998*, beef and beef products from countries other than New Zealand that are imported for commercial use require an import permit. Prospective importers may apply for an import permit by submitting an application to DAFF.

The department will assess the application and on the basis of that assessment may decide to grant an import permit subject to any conditions deemed necessary. In deciding whether to grant an import permit, the Director of Animal and Plant Quarantine (the Director) or his delegate must consider, among other things, the level of biosecurity risk if the permit were granted and whether conditions should be imposed to limit the biosecurity risk to a very low level. In considering the level of biosecurity risk and the conditions that may be required, the Director or his delegate has regard to any relevant biosecurity risk assessment and policy guidance in place.

If the Director or his delegate decides that the level of biosecurity risk cannot be reduced to a very low level the granting of an import permit is refused and the prospective importer advised in writing of the reasons for refusal. Import permit decisions may be reviewed under the *Administrative Decisions (Judicial Review) Act 1977*.

The Act allows for an import permit to be varied, suspended or revoked, enabling the department to respond to changes in biosecurity risk that may affect existing trade. An import permit may also be revoked if the person to whom the import permit was granted has breached a condition of the import permit.

Current status of applications

The BSE food safety policy that came into operation in 2010 has not resulted in a proliferation in the number of countries permitted to export beef to Australia. Only two countries have applied to FSANZ for assessment under the new policy that were not already approved by FSANZ to export beef to Australia. These are the Netherlands and the United States.

FSANZ's BSE food safety policy outlines the transitional arrangements that have applied to countries that were approved to export beef to Australia under the previous policy. Countries that have been permitted to continue trading under the transitional arrangements are New Zealand and Vanuatu (which continue to have fresh (chilled or frozen) beef access), and Argentina, Brazil, Chile, Croatia, Latvia, Lebanon, Lithuania, Mexico, and Turkey (which have been permitted to export heat-treated shelf stable beef and beef products only, for example retorted meat products).

Final assessments of New Zealand and Vanuatu have been released by FSANZ. In accordance with the *Quarantine Proclamation 1998*, an import permit is not required for imports of beef (fresh or processed) from New Zealand. This reflects the administrative arrangements under the Trans-Tasman Mutual Recognition Arrangement. Even though New Zealand beef and beef products can be exported to Australia without an import permit, they must still meet import requirements stipulated in the Proclamation, which takes into account New Zealand's favourable health status and our acceptance of the inspection and controls systems of its certifying authority. Beef sourced and exported from Vanuatu must be accompanied by a valid import permit. Currently there are no valid import permits for beef from Vanuatu.

FSANZ recently released BSE food safety assessments of the Netherlands and Croatia. The FSANZ assessment of the Netherlands will facilitate import into Australia of heat-treated shelf stable beef and beef products from the Netherlands. The Netherlands has requested access for fresh (chilled or frozen) beef to Australia, which requires a biosecurity risk assessment to be undertaken by DAFF.

The FSANZ assessment of Croatia maintains existing access for heat-treated shelf stable beef and beef products from Croatia. Croatia has not requested that DAFF conduct an assessment for fresh beef.

The former Minister for Agriculture, Fisheries and Forestry asked DAFF to undertake beef import risk analyses (IRAs) for Japan, Canada, and the United States that were commenced in 2010. Those analyses are paused under the 'stop the clock' provision of the *Quarantine Regulations 2000* while DAFF waits for information requested from these countries.

Australia's food regulatory system

The Australian food regulatory system comprises three levels of government: the Australian government through DAFF, the Department of Health and Ageing (DoHA) and FSANZ; state and territory governments; and local governments.

Each level has a role in the protection of public health and safety through the regulation of food for human consumption, including imported food.

The Australian government (DAFF and DoHA) works collaboratively with the New Zealand and state and territory governments, through the COAG Legislative and Governance Forum on Food Regulation, to develop food regulation policy. FSANZ then develops food standards in line with this policy. These food standards are then published in the Australia New Zealand Food Standards Code (FSC).

DAFF administers the relevant legislation (the *Quarantine Act 1908* and the *Imported Food Control Act 1992* (IFC Act)), which includes conducting inspections at the border. All imported food must meet biosecurity requirements first, and then is subject to the requirements of the IFC Act.

State and territory governments develop and administer legislation in their jurisdictions, which gives legal force to the requirements of the FSC.

The state and territory governments, together with local governments, are responsible for monitoring compliance of food with legal requirements within their jurisdiction and responding to food safety incidents. Responses include instigating food recalls if required, and triggering the National Food Incident Response Protocol if the food safety issues crosses into other jurisdictions. DAFF, DoHA and FSANZ are involved in the National Food Incident Response Protocol process.

The Imported Food Inspection Scheme

Strict biosecurity requirements are enforced at the Australian border in order to protect plant, animal and human health by reducing the risk of unwanted pests and diseases arriving and establishing in the country. If food does not meet these requirements, it will not be permitted entry.

The IFC Act gives effect to the risk based Imported Food Inspection Scheme. Once food has met the biosecurity requirements, it will then be subject to the Imported Food Inspection Scheme (IFIS).

The IFC Act makes importers of food legally responsible for ensuring they source and import food that is safe and complies with Australia's food standards. The IFIS monitors importer compliance with this legal requirement.

FSANZ provides risk assessment advice to DAFF about the food safety risk posed by certain foods. Different levels of inspection are applied by DAFF depending on the risk category of the imported food.

'Risk' category foods are initially inspected at a rate of 100 per cent of consignments. Once five consecutive consignments have passed inspection, the inspection rate is reduced to 25 per cent; after a further 20 consecutive successful passes, the inspection rate is reduced to five per cent. If a consignment of risk category food fails inspection, the inspection rate returns to 100 per cent of consignments and the process starts again.

Beef and beef products are classified as 'risk' category foods. BSE is considered a hazard of medium to high risk to human health and safety. Compliance with Australia's BSE policy is verified through provision of consignment specific government certification attesting to the country of origin for the beef in the product. At inspection under the IFIS, the labelling of the food is also assessed for compliance with Australia's labelling requirements detailed in the FSC, including requirements for country of origin labelling.

All other types of food fall into the 'surveillance' category, which is inspected at a rate of 5 per cent, increasing to 100 per cent on consignment failures.

If unsafe or non-compliant imported food is identified, it will be re-exported or destroyed; or in some cases treated in order to bring into compliance (i.e. minor labelling non-compliances). These activities are performed under DAFF supervision. If the food has already entered the country and is on sale to consumers, the relevant state or territory government authority will investigate and consider enforcement action under its food legislation (including recall options).

Collaboration between governments in Australia

As the IFIS is one part of the Australian food regulatory system, DAFF engages with other Australian government agencies and state and territory governments on imported food issues regularly. This engagement includes participation in meetings on food monitoring and food standard implementation.

The collaborative approach is highlighted by the National Food Incident Response Protocol process in which DAFF, DoHA and FSANZ are involved.

Relevant information on imported food is shared rapidly when a food safety incident has been identified and food recalls may be needed. The IFIS is able to target and place identified food on hold pending inspection and testing. Such legislated powers enable governments to

respond quickly to food safety incidents either at the border or on the domestic market, with removal of unsafe food from the food chain.

It is this inter-governmental collaboration and common goal of assuring safe food that provides confidence in the Australian food regulatory system. This confidence is further supported by surveillance activities that each Australian, state and territory government undertakes and the responsiveness where unsafe food has been identified.

Existing biosecurity policy in relation to FMD and the importation of beef

FMD, a highly contagious viral disease that affects cloven-hoofed animals such as cattle, sheep and pigs, is considered the most significant biosecurity threat to Australia's livestock industries. The disease can cause serious production losses and have severe effects on international trade. In response to the increasing animal biosecurity risks associated with market globalisation and increasing international movement of humans and animal products, the Secretary of DAFF commissioned a review (*Foot-and-mouth Disease: A Review of Australia's Preparedness*) by Mr Ken Matthews AO of the biosecurity continuum to assess Australia's current level of preparedness and capacity to prevent and respond to an outbreak of FMD.

An ABARES analysis carried out on behalf of the review summarised the economic effects associated with a possible FMD outbreak in Australia:

Based on data in 2000-01, the Productivity Commission estimated that over a ten year period there would be severe direct economic losses to the livestock and meat processing sector from an outbreak of FMD. These losses ranged from \$7.1 billion for a small three month outbreak, to \$16.0 billion for a large 12 month outbreak (expressed in current dollar terms). The Productivity Commission also estimated the economy-wide effects of a large outbreak, as an alternative measure. Economy-wide effects were estimated to reduce Australian GDP by between \$10.3 billion and \$16.7 billion (in current dollars) over ten years, which is equivalent to a one to two per cent decline in GDP in one year. Control and compensation costs were estimated to range between \$25 million for the small outbreak, and \$600 million for the large outbreak. Reflecting international experience, the economic impact of trade restrictions (export markets closures) would be far greater than the cost of controlling the disease.

In addition to economic impacts, international experience has shown that there can be significant social and community impacts during and following an outbreak, and significant flow-on effects to other industries, particularly those associated with rural economies and communities, and tourism.

Recommended policy directions from the Matthews review include: continuously improving preparedness through the use of foresighting and horizon-scanning, and strategic intelligence; and focussing more resources and effort towards the earlier elements of the emergency management continuum, i.e. anticipation, prevention and preparedness. DAFF actively monitors conditions in exporting countries with regard to FMD, and their reliability in certification, and takes action in response to changing risk.

Prior to 2010, DAFF took into consideration the OIE classification of a country's FMD freedom when considering the granting of an import permit. However, DAFF had concerns that the OIE

FMD recognition system does not provide sufficient rigor to meet Australia's appropriate level of protection (ALOP). In February 2010, DAFF implemented an improved system for determining the FMD status of countries, including a list of 'DAFF approved' FMD-free countries.

In the event of an outbreak in an approved country, DAFF removes that country from its 'approved' list and stops trade in products where FMD freedom is required. Similarly, the list is updated whenever a country has satisfied Australia's evaluation process. When conducting an assessment of a country's FMD status, DAFF takes into account recognition of FMD freedom by the OIE, and conducts its own evaluation because of the extreme consequences that would result from an outbreak of FMD in Australia. This evaluation includes a desk assessment and an in-country verification visit. For example, DAFF recently recognised Japan's return to FMD-free status. This was subsequent to the OIE recognition, and followed DAFF's own evaluation. DAFF's recognition of Japan's FMD freedom allowed the recommencement of exports to Australia of affected commodities such as dairy and biological products.

The 'DAFF approved' FMD-free country list that was revised after the reinstatement of Japan's FMD status is available on the DAFF website (in the ICON – Import Conditions Database): http://www.aqis.gov.au/icon32/asp/ex_topiccontent.asp?TopicType=Quarantine+Alert&TopicID=25089.

Australia's biosecurity import requirements have not changed in relation to beef and beef products and FMD.

Likely effects of the new policy on Australia's export markets

No negative effects on Australia's market access for its beef exports have occurred to date as a result of the government's BSE food safety policy.

The policy does not affect Australia's official status as a 'negligible BSE risk' country as assessed by the OIE and equivalent statuses recognised by our major trading partners such as the European Union, New Zealand, the United States, Canada, the Republic of Korea, Taiwan and Japan. Imports of beef for human food that comply with the recommendations of the OIE are not a risk factor that is considered in national or international BSE risk assessments.

New Zealand has had policies in place for a number of years that allow beef imports for human food from countries that have reported indigenous BSE cases. These policies have not affected New Zealand's beef and beef product exports or that country's 'negligible BSE risk' status as recognised by the OIE and equivalent statuses recognised by their major trading partners, including Australia.

With regard to animal health issues, BSE is not a contagious disease and has a very different route of transmission from viral diseases of livestock such as foot-and-mouth disease. It does not spread directly between cattle. The only important route of transmission is by feeding cattle with meat and bone meal made by rendering BSE risk materials, such as brain and spinal cord, from cattle that are infected with BSE. As noted above, Australia currently has in place comprehensive regulatory controls that prohibit the feeding of meat and bone meal to cattle and other ruminant animals. Therefore, there is no plausible route by which this non-

contagious disease could be transmitted to Australian cattle via safe, imported beef, which, in the case of Category 2 countries, has already had BSE risk materials removed in the country of origin.

The policy has not affected Australia's existing stringent biosecurity safeguards to address the risk of Australian cattle being exposed to the BSE agent via other imported products such as stock feeds, pet food and veterinary therapeutics and vaccines. There has been no change to the animal health policy banning meat and bone meal imports from all countries except New Zealand, which has an equivalent BSE status to Australia. Additionally, states and territories have existing BSE-related statutory controls that inter alia prohibit feeding cattle and other ruminants with meat and bone meal. This further minimises the risk that the BSE agent could be circulated within the Australian cattle herd. These preventative measures and BSE surveillance in Australian cattle are nationally coordinated through the Transmissible Spongiform Encephalopathy Freedom Assurance Program. Further details on the program are available from the Animal Health Australia website.

DAFF has long-standing, rigorous measures in place at Australian establishments that produce meat for export to ensure that imported meat, if present, is segregated from meat derived from Australian animals. These measures are based on approved segregation programs developed by the management of individual establishments and approved and audited by DAFF.

The policy has not significantly influenced arrangements negotiated between other countries on beef market access to the potential detriment of Australian beef exports. This is because:

- the policy is more conservative than the applicable OIE standard
- it is more conservative than the equivalent New Zealand policy
- market access has largely been re-established for US and Canadian beef to key export beef markets, particularly in Asia.

The former 2001 policy was largely inconsistent with the current science and, without revisiting the policy, Australia was vulnerable to retaliatory trade action. The trend in key trading partners has been to align BSE import food safety policies for beef more closely to the OIE's international BSE standard, including permitting beef imports from some countries that have reported BSE cases. In addition to reflecting current science, the revised policy reduces the risk of a challenge to Australia's approach to BSE through WTO processes. Australia's earnings from agricultural, fisheries and forestry exports, forecast at around \$40 billion in 2012-13, rely on world markets accepting our science based approach to import requirements. The policy reflects Australia's position as a major agricultural exporter.

Likely effects of the policy if BSE occurred in Australian cattle

The Australian beef industry was estimated by the Australian Bureau of Agricultural and Resource Economics (ABARE) to be \$7.1 billion gross value of production in 2008-09, with about 60 per cent exported.

The negligible risk of a case of BSE in Australian cattle will not change under the Australian BSE food safety policy. The change in policy will reassure producers and exporters that, in the unlikely event of a case of BSE in Australian cattle, there will be no automatic blanket requirement to remove Australian beef from butcher and supermarket shelves. Such an

approach would have been necessary for consistency with international obligations under the previous policy. The new policy allows for a more rational, risk-based approach to be taken to guarantee domestic food safety.

The national economic impacts of a BSE case in Australia could be larger than that seen in the US, Canada and Japan. This is because of the Australian beef industry's reliance on exports to a relatively small number of markets that are very sensitive to food safety matters. The experiences of Japan, Canada and the US have shown that there are long and costly delays in re-negotiating access to overseas markets when an indigenous BSE case is reported. In the face of Australia's long history of excluding beef from a country reporting BSE, it would be highly likely that importing countries would behave in a like manner towards their imports of Australian beef. Australian exporters would be faced with long term exclusions from markets and large-scale product recalls. Should Australia experience a BSE case, the current policy puts Australian officials in a much stronger position to negotiate on-going access to our export beef markets.

The number of cases of BSE continues to steadily decline worldwide to the point where it has virtually disappeared from a number of previously affected countries. Atypical BSE is a different and rare neurological condition that is considered to occur spontaneously in older cattle. Atypical BSE could theoretically occur in any country including Australia. Trade restrictions of the type typically applied to classical BSE cases have followed reported cases of atypical BSE. Currently agreed international animal health standards do not differentiate between measures for atypical and classical BSE.

Based on the above points, the current policy helps to protect Australia's beef export industry and rural and regional Australia against damage should a case of BSE be identified in Australian cattle.

The animal health aspects of a response to a BSE case in Australia are comprehensively covered by existing contingency plans. These include:

- . the Australian Veterinary Emergency Plan or AUSVETPLAN
- . the Government and Livestock Industry Cost Sharing Deed in Respect of Emergency Animal Disease Responses
- . the Australian Government Agricultural Emergency Plan, which describes how Australian government agencies will work together to manage the response to nationally significant agricultural emergencies.

Horse Meat Substitution in Europe – the implications for Australian consumers and industry

DAFF has been monitoring events in Europe involving the fraudulent use of horse meat in processed beef products. DAFF has not issued any import permits for the goods named in the recent European horse meat incident.

The governments of the European countries currently approved to export heat-treated shelf-stable beef products to Australia have been contacted by DAFF seeking clarification on investigations carried out into the horse meat substitution and assurances on the integrity of the beef supply chain and systems underlying official certification for very small amount of beef products currently being imported in to Australia. Replies received to date indicate that

products eligible under current import permits are not implicated in the European horse meat substitution issue. The department will continue to monitor the situation with FSANZ and DoHA to determine whether further action is warranted.

On 21 March 2013 representatives from retailers, food production industries and regulators met to discuss the horse meat substitution issue in Europe. All participants agreed that horse meat substitution is highly unlikely to occur in Australia because of the stringent regulations, standards and processes applied across the supply chain, and the combined role that retailers, industry and government play in assuring the quality and accuracy in labelling of the meat available to consumers in Australia. Participants discussed the importance of consumer awareness and confidence in meat production, food regulations and processes, truth in labelling, food standards and community access to information.

Meat that is incorrectly labelled in relation to the species of origin, as identified in the recent European substitution incident, is illegal under the Australian Consumer Law (ACL).

In considering the possibility of European horse meat being used in domestic beef products, a review of ABARES data (as of February 2013) from 2005 confirms there have been no imports of horse meat, except for returning Australian product that was legally exported. In the event that Australian product is rejected by the authorities in the destination country or for commercial reasons, it may be returned to Australia. There is very little likelihood (if any) therefore that the substitution activities carried out in Europe pose any risk to Australian consumers.

With respect to horse meat production and use in Australia, the sale of horse meat in Australia is not prohibited by the Food Standards Code. State and Territory laws govern whether horse meat can be sold for human consumption as outlined in Table 1 below.

Table 1: The sale of horse meat for human consumption in Australia

State	Sale of horse meat for human consumption	Processing of horse meat for human consumption	Species testing of meat for domestic sale required
TAS	Allowed	No	No
QLD	Allowed	Yes but only for export***	No
NSW	Allowed	No	Yes
VIC	Not allowed	No	No
SA	Not allowed	Yes but only export***	No
WA	Allowed	Yes – one abattoir processing small numbers for the domestic market	No
NT	Allowed – one restaurant that sources from WA (labelled that it is horse meat)	No	No

*** None of the horse meat is sold on the domestic market for human consumption.

The NSW Food Authority is the only domestic authority conducting random species testing of meat for sale in its jurisdiction. Testing is restricted to meats sold at butchers' shops in NSW and there has been no detection of horse meat.

Australia exports small quantities of horse meat (approximately 2 kilotonnes in 2011-12) mainly to the Russian Federation, Switzerland, Belgium, France, and Reunion Island. Horses are processed for export at two DAFF registered export establishments. Both establishments operate under DAFF Approved Arrangements, which include requirements for correct product identification and labelling. DAFF also conducts routine species testing at all export registered meat establishments to verify the integrity of red meat exports. These tests ensure that species descriptions are accurate and minimise the risk of meat substitution. Australian export registered establishments are subject to product species testing multiple times each year.

Food labelling

Country of origin labelling of food is a mandatory requirement under the Australia New Zealand Food Standards Code (FSC) and serves primarily to inform consumer choice in making purchasing decisions. Under Standard 1.2.11—Country of origin requirements—country of origin labelling is required at the point of retail sale for all packaged food, including meat, and for unpackaged fresh and processed fruit, vegetables, seafood and pork sold in Australia.

In 2008, the Council of Australian Governments and the Legislative and Governance Forum on Food Regulation (the forum—formerly the Australia and New Zealand Food Regulation Ministerial Council) agreed to a comprehensive review of food labelling law and policy (the Blewett review). The final report of the review committee, 'Labelling Logic', was released in January 2011. Country of origin labelling was considered as part of this review.

The review panel recommended that Australia's existing mandatory country of origin labelling requirements for food be maintained and be extended to cover all primary food products for retail sale, recognising that there were some inconsistencies in country of origin labelling across unpackaged foods.

In December 2012, the forum agreed to extend the country of origin labelling requirements in Standard 1.2.11 to include unpackaged beef (including veal), sheep and chicken meat. These requirements will come into effect from July 2013 and will ensure that consumers are able to readily identify the country of origin of unpackaged meats.

There are also provisions in the Australian Consumer Law, Schedule 2 of the *Competition and Consumer Act 2010*, which prohibit misleading and deceptive conduct, and false or misleading representations about the standard, quality, value, grade or composition of goods. Therefore, meat cannot be labelled as 'Product of Australia' if it is not of Australian origin.

In regard to imported food, under the *Commerce (Trade Descriptions) Act 1905* and the *Commerce (Import) Regulations 1940*, it is illegal for food imported to Australia to bear a false trade description.

The Treasury has portfolio responsibility for consumer law, and the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education has primary responsibility for the country of origin labelling provision in the Australian Consumer Law. Country of origin food labelling issues are primarily the responsibility of the Forum on Food

Regulation, with DAFF and DoHA sharing responsibility for Australian government policy input into the work of the forum.

Department of Agriculture, Fisheries and Forestry
9 April 2013

Attachment 1: Beef imports Q & A fact sheet (DAFF website)
Attachment 2: Horse meat in Australia Q & A fact sheet (DAFF website)
Attachment 3: Imported Food Inspection Scheme fact sheet (DAFF website)



FACT SHEET

Questions and answers on Australia's imports of Beef

On 1 March 2010, the Australian Government implemented a new policy for beef imports. The new policy allows all countries, including those which have experienced cases of bovine spongiform encephalopathy (BSE) to apply to export beef to Australia.

Why were the import conditions changed? Isn't our health at risk?

No. Australia's human health authorities have clearly stated that food safety standards are unchanged by this new policy.

The 2010 policy change was made because the science has moved on since the original 2001 BSE food safety policy was introduced. We now know there is no scientific justification for a blanket ban on beef imports based on whether a country had reported cases of BSE — providing acceptable BSE control programs are in place.

The Australian review on the science and control measures for BSE in support of Australia's policy can be found at the Department of Health and Aging website.

The BSE food safety policy requires exporting countries — irrespective of whether they have had a case of BSE — to demonstrate they have acceptable controls in place and that those controls are monitored. This includes controls on food safety, animal health, traceability, surveillance, and feeding and slaughter practices.

How does a country get to export beef to Australia?

Under the policy countries wishing to export beef to Australia must apply for a country BSE food safety assessment. The BSE food safety assessment is conducted by Food Standards Australia New Zealand (FSANZ). Once FSANZ completes the BSE food safety risk assessment certain heat-treated beef products for human consumption from that country may then be eligible for importation into Australia. This is because the heat treatment applied to them would also satisfy Australia's biosecurity requirements (i.e. retorting – cooking of the beef in a sealed container for a stipulated time and temperature).

FSANZ publishes updates and reports on the status of their [BSE food safety assessments on the FSANZ website](#).

If a country wants to export fresh beef (i.e. chilled or frozen) to Australia they must complete an additional step in the process. The Department of Agriculture, Fisheries and Forestry (DAFF) must complete a risk analysis of that country's animal health and production systems for fresh beef. This will determine what biosecurity conditions need to be met to reduce any biosecurity risk associated with import of fresh meat from that country to an acceptable level.

Information on these processes is [available from the Food Standards Australia New Zealand website](#) and the [Beef and Beef Products for Human Consumption page of the DAFF website](#).

The Department of Agriculture, Fisheries and Forestry administers the BSE food safety and biosecurity policy at the border to verify that imports of beef and beef products comply with Australia's requirements. Beef and beef products imported into Australia are subject to strict government certification verifying the country of origin of the beef.

Is imported beef tested at the border for BSE?

No. There is no test available for the BSE agent in beef or processed beef products. Instead, countries rely upon official government documents about the origin of the beef.

Where does the beef come from that's in our supermarkets and butcher shops now?

Imported canned products that contain heat-treated beef are available in Australian supermarkets. This beef must be sourced from cattle raised and slaughtered in countries that have been approved by FSANZ. The heat-treated products must also meet DAFF's heat processing requirements before they can be imported into Australia.

A product can be manufactured in a country that is not approved by FSANZ, if the beef comes from an approved country. This is the case with a number of canned and ready to eat meals that are imported from the United States (US) for example. Most of the beef used in these products actually comes from Australia and New Zealand.

Most fresh beef sold in Australia is meat from Australian cattle. A small amount of fresh beef has been imported from New Zealand and Vanuatu. These are the only two countries that are approved to export fresh beef meat to Australia. That is because they meet Australia's food safety and animal quarantine requirements.

Other countries may be able to meet these requirements in the future.

How are imported beef products labelled? Who checks the labelling?

Australia requires that the country of origin is clearly marked on labels of domestic and imported packaged processed foods. This is a requirement under the Food Standards Code.

Labels are monitored for compliance with Australian food standards by DAFF and by state and territory food safety authorities within Australia.

What about other food safety tests?

FSANZ is responsible for developing and maintaining the Australia New Zealand Food Standards Code which applies to all food whether imported or produced here. FSANZ provides advice to DAFF on monitoring and testing of imported food.

DAFF Imported Food Program operates a risk based inspection scheme to assess imported food against Australia's food standards. Information on the operation of the scheme and the tests applied to food is available on the DAFF website Imported Food Inspection Scheme page.

DAFF monitors consignments of fresh beef and processed beef products for compliance with biosecurity requirements, labelling standards and suitability of the product for human consumption. Samples may also be taken for testing.

Which countries have applied to DAFF to export fresh beef to Australia?

Canada, the US, Japan and the Netherlands have all applied to DAFF to export fresh beef to Australia. The import risk analyses (IRAs) for beef from the US, Canada and Japan was announced on 8 April 2010. FSANZ has recently completed its BSE food safety assessment of the Netherlands. The DAFF assessment for beef from the Netherlands has not commenced.

What is happening with the IRAs? Why have they stopped?

The IRAs for beef from the US, Canada and Japan were paused as a result of DAFF invoking the 'stop the clock' provision of the Quarantine Regulations 2000. DAFF can pause an IRA in certain situations, for example when further information is needed to complete an IRA and is not provided by the other country. The Beef IRA has been paused for all three countries for the following reasons:

- Japan had a foot-and-mouth disease outbreak, which was considered a significant international quarantine circumstance that limited DAFF's ability to complete the import risk analysis within the regulated timeframe
- The US and Canada advised that they were not in a position to provide further information essential for the completion of the import risk analysis, but may be able to do so in the future.

When will the IRAs restart?

DAFF will consider restarting the import risk analyses when the US, Canada and Japan are in a position to meet our requirements. This includes submitting complete information on their cattle health status, beef production, inspection and certification systems to DAFF for consideration.

Will there be opportunity for consultation in the risk analysis process?

DAFF will consult with stakeholders at key points through the process. Stakeholders should register with DAFF so they are informed of any developments.



FACT SHEET

Questions and answers on horse meat in Australia

Does Australia import red meat from other countries? What types and from where?

Yes. In the last twelve months, imports of beef products have come from New Zealand, Croatia, Netherlands, Bosnia and Herzegovina, Italy, Latvia, Portugal, Slovenia, Estonia, Germany, Brazil and the United States of America.

The types of products imported from New Zealand include frozen beef (whether raw or cooked) or beef products such as meat pies, beef patties and beef jerky.

For all other countries, due to biosecurity requirements, only canned or shelf stable beef products may be imported. These products include foods such as beef goulash, beef pate, corned beef, luncheon meat, beef with various vegetables (such as beef stew) and canned beef.

For beef products that have a highly processed beef component such as in beef flavoured noodles or soups, the beef component, while quite small, must still comply with Australian BSE requirements. These types of foods come from some of the previously mentioned countries but also others such as Thailand, China and the Republic of Korea.

How do we know it doesn't have BSE and where can I find information on BSE?

Information on bovine spongiform encephalopathy (BSE), including questions and answers on [beef imports is available on the DAFF website](#). The import process for Australia to managing the risk of BSE is the same for any red meat.

How do we know it isn't horse meat?

To date, there is no indication that affected products in Europe have been exported to Australia or that horse meat has been sold as beef in Australia.

Australia does not import hamburger patties from the United Kingdom or Ireland and does not import lasagne-style meals from France (or other European Union countries).

Imported beef and beef products must comply with strict government certification and endorsement, including the country of origin of the beef.

[Food Standards Australia New Zealand](#) and the Department of Agriculture, Fisheries and Forestry will continue to monitor the situation to determine whether further action is warranted.

Who checks what's coming in? What are you looking for?

All imported food must first comply with Australia's strict biosecurity requirements. The Department of Agriculture, Fisheries and Forestry (DAFF) administer the Quarantine Act and

ensure these requirements are met. This includes verification before the goods arrive in Australia, at the border and when the goods are in Australia.

Once these requirements have been met, imported food is subject to the requirements of the DAFF administered Imported Food Inspection Scheme. This is a risk based inspection scheme to monitor imported food for compliance with Australian food standards and public health and safety. For beef products, the rate of inspection starts at 100 per cent of consignments.

At inspection, departmental food inspectors will visually inspect the food to assess suitability and cross reference the government certificate with the goods imported to ensure they match. A label assessment is also completed which includes country of origin labeling requirements. Analytical tests may also be required depending on the specific beef product.

Once the food has passed the border checks it will be subject to the food requirements of the state or territory government authority where that food is distributed and sold. Each state and territory government have responsibility for monitoring the food within their jurisdiction and have legislated powers to remove unsafe food from sale when identified.

Can you buy horsemeat in Australia? Is it safe to eat?

Horse meat is not prohibited for human consumption by the Australia New Zealand Food Standards Code. Each state and territory government have determined whether they will permit horse meat to be sold for human consumption, with some jurisdictions allowing it whilst others do not.

The production and processing of food in Australia is subject to food legislation. Where horse meat is processed and sold for human consumption, it is subject to the same requirements as any other food and is safe to eat.

How do we know meat in Australia is not horsemeat?

Due to the regulations in place in Australia, and measures implemented by industry, it is unlikely meat substitution is occurring in Australia. However, the Australian and state and territory governments are continuing to monitor this issue and liaise with industry and international food enforcement agencies to ensure there is no horse meat substitution occurring here.

In addition, food labelling laws require food to be truthfully labelled. Under the Australia New Zealand Food Standards Code, the label on a package of food must include a name or a description of the food sufficient to indicate the true nature of the food. Therefore, if a product is labelled as 'Beef Lasagne', then it must contain beef.

There is also Australian Consumer Law which prohibits misleading and deceptive conduct, and false or misleading representations about the standard, quality, value, grade or composition of goods. Meat substitution is misleading and deceptive conduct and where proven to have been a deliberate act, this legislation enables prosecution of the offender.

How do I know if I am buying Australian meat or meat from overseas?

The Australia New Zealand Food Standards Code mandates country of origin labelling for packaged food and unpackaged fresh and processed fruit, vegetables, seafood and pork sold in Australia.

At an imported food inspection under the **Imported Food Inspection Scheme**, the food labelling is assessed for compliance with these requirements. Typically this equates to in excess of 31,000 label assessments per year.

The Australian Government is taking further action to improve the clarity of food labels for consumers while supporting suppliers and the Australian industry. The government is committed to ensuring that food labels are clear and accurate to enable consumers to make informed choices about the food they buy.

As part of these improvements, mandatory country of origin labelling requirements for unpackaged beef, sheep and chicken meat will come into effect this year.

What happens with imported meat once it has cleared the border inspection requirements?

In addition to the monitoring of imported food under the Imported Food Inspection Scheme, state and territory government authorities administer food legislation which applies to all food, including imported food. These authorities also implement monitoring programs for food available for sale and have requirements in place which food businesses must comply with when handling and selling food.

Where can I find more information about the Imported Food Inspection Scheme?

More information is available from the department's web page on the **Imported Food Inspection Scheme**.



FACT SHEET

Imported Food Inspection Scheme

DAFF helps protect Australia's food producers by managing the risk of exotic pests and diseases entering the country.

It also inspects imported food to check it meets Australian requirements for public health and safety and compliance with Australian food standards as detailed in the [Australia New Zealand Food Standards Code](#) (the Code). The Code applies to all foods for sale including those manufactured in Australia.

The legal basis for the food safety inspection of imported food is the [Imported Food Control Act 1992](#) and the applicable standards under the Act are those set down in the Code. Under the Act, importers are responsible for ensuring that all food imported into Australia complies with relevant standards in the Code.

This legislation allows DAFF to run a food safety inspection program known as the Imported Food Inspection Scheme (IFIS). Foods are referred to DAFF for inspection under the IFIS by the Australian Customs and Border Protection Service (Customs) based on internationally agreed tariff codes.

[Summaries of data](#) from inspections, including the results of analytical testing, are publicly available.

In addition to DAFF's role in imported food testing, the state and territory jurisdictions also have responsibility for ensuring that all food, including imported food, meets the requirements of the Code at the point of sale. Foods failing to meet the requirements of the Code must be re-exported, destroyed, treated where possible or downgraded.

Risk foods

[Food Standards Australia New Zealand](#) (FSANZ) provides advice to DAFF on the foods that pose a medium to high risk to public health. DAFF classifies these foods as 'risk category foods' under the inspection scheme.

Risk food is referred to DAFF by Customs at a rate of 100 per cent of consignments. Risk food is initially inspected and tested at a rate of 100 per cent against a published list of potential hazards—including micro-organisms and contaminants. Once five consecutive consignments have passed inspection, the inspection rate is reduced to 25 per cent; after a further 20 consecutive passes, the inspection rate is reduced to 5 per cent.

Risk foods are subject to 'test and hold' direction and are not released for sale until test results are known. Consignments of risk food which fail inspection and therefore do not meet Australian standards cannot be imported. These foods must be brought into compliance otherwise the food will be re-exported or destroyed.

Any consignments that fail result in a return to 100 per cent testing of that product until a history of compliance is re-established for the producer of the food.

Surveillance foods

All other foods are considered to pose a low risk to human health and safety and are classified as 'surveillance foods'. Each consignment of surveillance food has a five per cent chance of being referred by Customs to DAFF for inspection to assess its compliance with Australian food standards.

The selection of surveillance food consignments is random and the referral of those consignments is done using electronic profiles in the Customs Integrated Cargo System. Information such as the importer, producer or the country of origin of the goods does not affect the random selection and referral of a surveillance food. There is the possibility that an importer who regularly imports similar consignments of surveillance foods (i.e. low risk food in the same tariff group) will increase the chance of these consignments being referred by the random profiling.

Samples of surveillance foods may be analysed for pesticides and antibiotics above accepted levels, microbiological contaminants, natural toxicants, metal contaminants and food additives.

As the surveillance foods are considered to be low risk, they are subject to a 'test and release' direction and can be distributed for sale before test results have been received. However, if DAFF receives adverse test results, the relevant state or territory food regulatory authority is advised so they can determine if a recall is required. Any action, such as a recall or withdrawal taken on goods released by an importer is at the importer's expense.

The inspection rate for surveillance food that fails inspection is also increased to 100 per cent until a history of compliance is established for the producer or importer of the food. The process for increasing inspection of surveillance food is referred to as applying a Holding Order. A holding order remains in place until favorable test results are received. Following five consecutive passes, the rate of referral returns to 5 per cent of consignments.

What happens during an inspection?

When a consignment of imported food has been referred to DAFF for inspection, the inspection will involve a visual/label assessment and may also include sampling the food for the application of analytical tests. For further details, please see [Imported Food Notices](#) for surveillance and risk category foods.

There are many standards in the Code, and it is not practicable to inspect against all standards, particularly for low risk foods. DAFF inspects imported foods against a selection of standards but not all standards.

The tests applied may change from year to year so that DAFF may inspect compliance against different standards over time. There are some exceptions where, following a risk assessment of the food, FSANZ advise DAFF of additional tests to be applied to specific risk category food.