

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2014

Agriculture

Question: 112

Division/Agency: Food Division

Topic: Correspondence describing the Australian Export Meat Inspection System to the European Union

Proof Hansard page: 37

Senator O'SULLIVAN asked:

Senator O'SULLIVAN: Later on I am going to ask you to take it on notice to produce the documents that would show us that we made those changes in the honest but now mistaken belief that the EU had agreed that that was an approved process that met their standards.

Mr Glyde: Yes, and I am happy to take those questions on notice. But I would draw your attention to the EU audit report, which did not question the ability of the Australian Export Meat Inspection System to meet either the food safety outcomes or the product suitability requirements, nor did it question the competence of the people involved in doing the authorisation and assessments.

Answer:

A summary of exchanges between the Department of Agriculture and the European Commission regarding the implementation of the Australian Export Meat Inspection System (AEMIS) is attached. Extracts and summaries of letters have been provided, rather than full copies of the correspondence, as publication of official government to government correspondence is considered to have the potential to affect trading relationships.

Summary of exchanges between the Department of Agriculture and the European Union on implementation of AEMIS

20 May 2010 – Letter from the Department to the European Union’s Directorate General for Health and Consumer Protection (DG Sanco), providing details on implementation of the Australian Export Meat Inspection System. This letter included a detailed attachment outlining Australia’s proposed inspection model. It also advised that:

“Full-time AQIS on-plant veterinarians will maintain all official control tasks as specified in Commission Regulation 854/2004, and continue to be assisted by appropriately qualified inspectors who are authorised under the Export Control Act 1982, and assessed as competent before being approved to act as official auxiliaries. Details of inspector responsibilities and accountabilities at each establishment will be included in the establishment’s Approved Arrangement which is enforceable through legislation.”

28 June 2010 – Meeting with representatives from DG Sanco at the bilateral EU-Australia Sanitary and Phytosanitary Dialogue. The department provided an update on progress on AEMIS.

16-18 November 2010 – Meeting with EU officials (including DG Sanco and the EU’s Food and Veterinary Office – FVO). An overview of Australia’s meat export reforms was provided, which included discussion clarifying the roles and responsibilities of Australian Government Authorised Officers (AAOs), including that AAOs were not government employed.

28 March 2011 – Meeting with representatives from DG Sanco at the bilateral EU-Australia Sanitary and Phytosanitary Dialogue. A detailed presentation outlining progress on the development of AEMIS was provided.

29 March 2011 – Visit to Australia by officials from DG Sanco. The delegation visited the only Australian export meat establishment operating under AEMIS as a trial arrangement. This plant was inspected by trading partners including the EU, the US and Japan to demonstrate AEMIS in operation. Feedback from the delegation at the time of the visit was positive, with no significant concerns raised about AAO inspection arrangements, specifically the direct employment of meat inspectors by the company.

8 April 2011 – Letter from the Department to DG Sanco, advising that AEMIS was progressively being implemented at Australian meat establishments. The letter also extended an invitation to EU officials for a pre-implementation visit. The letter included an analysis of Australia’s official controls, against requirements of EU regulations.

It also attached a detailed description of official controls and inspection arrangements under AEMIS, including a description of employment arrangements for AAOs (i.e. “engaged but not employed by AQIS”). A copy of this document is attached.

The letter also noted previous communication between the department and the EU on AEMIS. An extract is as follows:

“Over the last eighteen months, during meetings with officials from XXX of DG-SANCO, I have taken the opportunity to keep your department informed on progress with the development of AEMIS. Most recently, we provided a detailed presentation of AEMIS at the annual SPS bilateral discussion between Australia and the EU on 28 March 2011. We also demonstrated AEMIS at a pilot establishment to XXX, XXX and XXX of DG SANCO on 29 March 2011. These officials were strongly supportive of AEMIS as it provides a system for ensuring strong food safety outcomes and is in compliance with all relevant EU regulations.

“AEMIS has been developed specifically to ensure that official control of slaughter establishments listed for export to the European Union is in full compliance with Regulation (EC) No 854/2004. I have included an analysis that outlines the details of these official controls”.

5 September 2011 – Media release from the then Minister for Agriculture, Fisheries and Forestry Senator the Hon. Joe Ludwig announcing implementation of AEMIS from 1 October 2011.

23 March 2012 – Letter from the department to DG Sanco providing an update on progress on the implementation of AEMIS. The letter included an updated, detailed analysis of official controls under AEMIS against EU regulations. It also included information on the use of microbiological and macroscopic performance indicators, and data comparing the effectiveness of AEMIS to the traditional inspection model.

17 July 2012 – Letter from DG Sanco to the department (received under cover letter from the EC Delegation to Australia, dated 1 August 2012). The letter acknowledged receipt of the submission provided by the department on 23 March 2012, and noted the EU’s interest in Australia’s meat export reforms. The letter advised that DG Sanco was reviewing the information provided by Australia, to determine compliance with EU requirements. DG Sanco also advised that it was undertaking its own review of meat inspection arrangements in the EU, commencing with pig meat, and Australia would be kept informed of progress on this.

2 August 2012 – Letter from the department to DG Sanco, providing a final report on the comparison of beef and sheep carcass inspection outcomes between AEMIS and pre-reform inspection processes. The comparison demonstrated that the use of AAOs provided equivalent inspection outcomes as for more traditional inspection models.

12 – 24 October 2012 – Audit of Australia’s systems for the export of ovine, horse and game meat to the EU. This included the inspection of seven sheep slaughter establishments, two horse slaughter establishments, four game meat establishments (two operating and two non-operating), and one independent cold store. The audit also included a review of the department, as the central competent authority.

19 February 2013 – Letter from the FVO to the department, which provided a copy of the FVO’s draft audit report from the October 2012 audit of Australia’s meat inspection system. Key findings within the report were that current employment arrangements for AAOs did not comply with EU regulations (Regulation (EC) No 854/2004), and that Australia’s certification system was not fully compliant with EU regulations (Regulation (EC) No 206/2010). The department was provided with the opportunity to submit comments on the draft report and was requested to develop an action plan to address recommendations in the draft report.

1 March 2013 – Letter from DG Sanco to the department. The letter acknowledged correspondence provided by the department (letters dated 23 March and 2 August 2012), and the FVO’s letter of 17 July 2012. It also noted that, following the EU’s October 2012 audit of AEMIS, the EU had determined that employment arrangements for AAO’s were non-compliant with EU legislation. Australia was requested to address these non-compliances within two months of the date of the letter (addressed in Australia’s 10 April 2013 letter, and further discussions with the EU in May 2013).

10 April 2013 – Letter from the Department to the FVO, providing a response to the draft audit report. The letter presented Australia’s view that arrangements for AAOs were compliant with EU regulations. In supporting this position, the department highlighted the legal obligations for AAOs, verification activities for inspection work undertaken AAOs, measures for managing conflict of interest, and data supporting the effectiveness of AAOs. The letter also included a detailed action plan, outlining Australia’s response to recommendations of the EU audit report.

30 – 31 May 2013 – Meeting between Australia (the department and representatives from the Australian Meat Industry Council) and the EU (FVO, DG Sanco) in Brussels and in Grange, Ireland. The meeting included detailed discussion on findings within the EU’s draft audit report, particularly the use of AAOs. The EU acknowledged receipt of previous, written correspondence from the department advising of the development and implementation of AEMIS. The EU also advised that, following discussions with Member States, it was now in a position to clearly articulate its legal definition of “official auxiliaries”. This definition did not provide for the employment of AAOs directly by the food business operator.

8 July 2013 – Letter from the FVO to the department, providing an updated draft audit report (“pre-final” report). The draft report included some revisions to reflect comments provided in the department’s April 2013 response.

1 August 2013 – Letter from the department to the FVO, providing a response to the “pre-final” audit report. The response responded to findings within the pre-final report including an updated action plan, and advised of actions taken to ensure the use of AAOs met the EU’s specific legislative requirements. It also outlined existing measures within AEMIS to address and manage conflict of interest, as follows:

“The transparency of identifying and managing conflict of interest within our regulatory system provides confidence that inspectors exercise their authority impartially. Further information about this process is provided in our response to the pre-final report (Attachment 1). From our meeting, I understand that if implemented as intended, the FVO is satisfied with the arrangements within AEMIS for managing conflict of interest.”

9 September 2013 – Letter from the department to the FVO, providing additional information on implementation of Australia’s measures for addressing the EU’s audit findings. The letter provided a draft Meat Notice, which outlined requirements for the engagement of AAOs at EU-listed establishments through a third party provider.

17 October 2013 – Letter from FVO to the department, acknowledging receipt of the department’s 1 August and 13 September 2013 letters. The letter noted the EU had commenced evaluating the information provided in the department’s correspondence, and provided a list of additional questions about Australia’s proposed arrangements for employment of AAOs through a third party provider. The letter also advised that the FVO’s final audit report would be provided to the department over the coming days.

18 October 2013 – Letter from FVO to the department, providing a copy of the final audit report. The letter also attached a table outlining how Australia’s comments had been taken into account in preparation of the final report. The letter acknowledged receipt of the department’s 10 April and 1 August 2013 letters. It also noted the FVO was considering the information provided in the department’s letter of 9 September 2013, and foreshadowed a separate letter requesting clarification on a number of issues surrounding post-mortem inspection and certification procedures (FVO letter dated 17 October 2013).

31 October 2013 – Letter from the department to the FVO, providing detailed responses to questions contained in the FVO’s letters of 17 and 18 October 2013. The letter attached information clarifying the proposed employment arrangements for AAOs, details on revised certification systems for meat exported to the EU, and responses to other (unrelated) issues raised within the EU audit report. It also suggested a meeting in Brussels between the department and EU officials to further clarify Australia’s response, if required.

6 November 2013 – The EU’s final report was published on the FVO’s website (http://ec.europa.eu/food/fvo/rep_details_en.cfm?rep_id=3174). Australia’s response, including its action plan for addressing audit findings, was published alongside the report.

21 November 2013 – Meeting between Australia (the department and representatives from the Australian Meat Industry Council) and the EU (FVO and DG Sanco) in Brussels. Australia’s response to the EU’s audit findings were discussed in detail, including progress on arrangements for the employment of AAOs through a third party provider.

29 November 2013 – Letter from the department to the FVO. The letter provided an updated action table outlining actions taken by Australia in response to the EU’s audit findings, reflecting the current status of Australia’s actions. The letter also referenced agreement, reached during the 21 November meeting, that Australia’s updated action table would be formally agreed by the EU and published on the FVO website.

Attachments:

1. Official Controls on Slaughter Establishments Under the Australian Export Meat Inspection System

OFFICIAL CONTROLS ON SLAUGHTER ESTABLISHMENTS UNDER THE AUSTRALIAN EXPORT MEAT INSPECTION SYSTEM (AEMIS)

Australian Quarantine and Inspection Service (AQIS) operates as the competent authority responsible for the export of meat to the European Union. At each abattoir, there is an AQIS On-Plant Veterinarian (OPV) present on a continuous basis and monthly visits by an Area Technical Manager (ATM). OPVs and ATMs operate as official veterinarians.

In accordance with the requirements specified in Regulation (EC) No 854/2004, OPVs and ATMs must have appropriate qualifications, including a veterinary degree from a recognised institution, and food safety auditor competencies.

The role of these official veterinarians is not changed in AEMIS. OPVs will continue to maintain a full time presence at abattoirs during all slaughter shifts and to take primary responsibility for verifying that production in these establishments is in compliance with EU regulations, and the *Australian Standard for the Hygienic Production and Transportation of Meat and Meat Products for Human Consumption*.

In accordance with Article 5 of Regulation (EC) No 854/2004, these OPVs are responsible for the following official control activities:

- checking food chain information (checking a sample of national vendor declarations and/or post-sale summaries that accompany each group of animals delivered to the establishment);
- undertaking ante-mortem inspections;
- assessing animal welfare outcomes from the time of arrival on plant until the point of sticking slaughter (except for wild game);
- overseeing post-mortem inspections;
- undertaking disposition decisions on suspect animals;
- taking samples for residue analysis and overseeing taking of microbiological samples;
- overseeing application of health marks and identification marks;
- responsible for the security of health marks so they cannot be applied if the OPV is not present.

In addition, the OPV is responsible for auditing on a daily, weekly, monthly and annual basis, the following in accordance with Regulation (EC) No 854/2004:

- the permanent application of good hygiene practice (maintenance of plant structure and equipment, plant hygiene, staff hygiene, training, processing of animal by-products not intended for human consumption, etc.);
- the procedures based on the HACCP (Hazard Analysis and Critical Control Point) system, notably in the following areas: compliance of products of animal

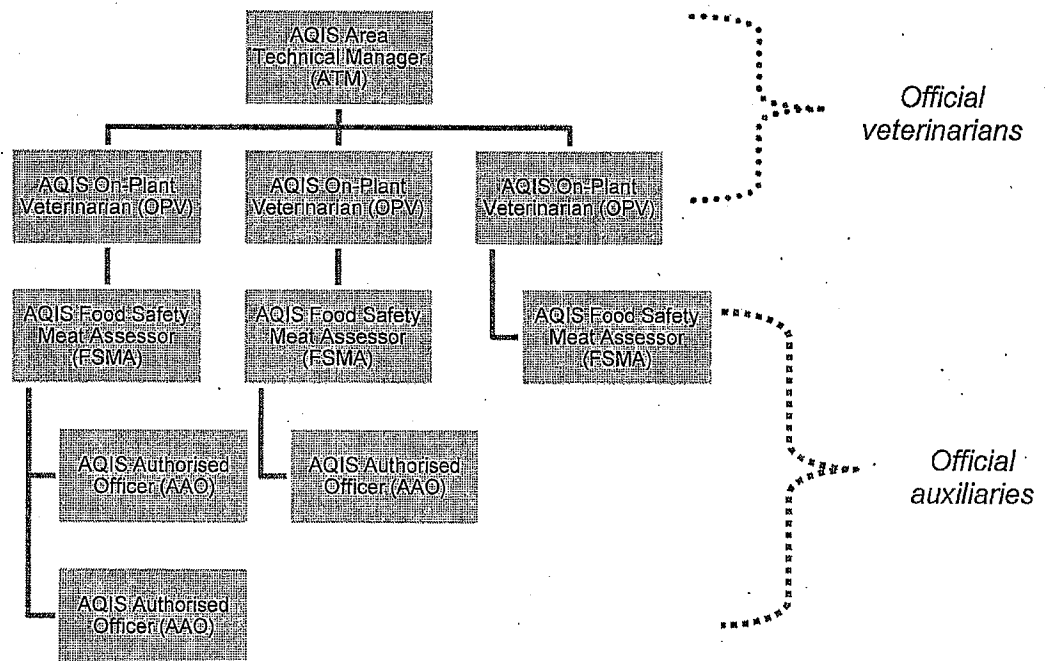
origin with microbiological criteria, absence of excessive quantities of prohibited substances, contaminants or chemical residues, absence of physical hazards, such as foreign bodies, absence of patho-physiological abnormalities or changes, absence of contamination; and

- supply chain integrity.

Each OPV is under the direct authority of an ATM who visits the establishment on a monthly basis to conduct additional audits. The frequency of these monthly audits may change in AEMIS once AQIS has implemented its national Audit Management System (AMS) and has information in terms of key performance indicators about the performance of individual establishments.

These official veterinarians will continue to be responsible for official auxiliaries. Assisting the OPV are two forms of AQIS official auxiliaries – the AQIS Food Safety Meat Assessor (FSMA) at the end of each slaughter chain, an additional (full or part time) roving FSMA (if required), and AQIS Authorised Officers (AAOs). All of these personnel are appointed and trained in accordance with the requirements in Regulation (EC) No 854/2004 so that they can fulfill official inspection activities on behalf of AQIS.

Figure 1: Lines of reporting and responsibility for each slaughter establishment.



AQIS FSMA must have appropriate qualifications, including a Certificate 4 in meat processing - meat safety (national qualifications) and food safety auditor competencies.

The roles of the FSMA are:

- to perform all inspection procedures on 1 inspector chains
- carcase-by-carcase assessment to identify food safety pathology and obvious contamination

- to assist the government veterinarian with post-mortem verification
- where a roving FSMA is present, to undertake post-mortem verification rotating with FSMA on end of chain.

AAOs must have appropriate qualifications, including a Certificate 4 in meat processing - meat safety (national qualifications). The AAO's are authorised under the *Export Control Act 1982* specifically to undertake post-mortem inspection. AAO's can only be authorised once the AAO's have been assessed as competent, and a Deed of Obligation with AQIS signed. The Deed of Obligation defines obligations on the AAO to meet professional and ethical standards and disclose potential conflicts of interest. The roles of the AAOs are to conduct post-mortem inspection and make dispositions under AQIS veterinary supervision. AAOs must be identified and wear a uniform when performing inspection tasks. Each establishment must have procedures written in their establishment manual (also known as an approved arrangement) to ensure that there is no interference between the food business operator and AAOs.

Figure 2: Changes in Requirements of Pre-AEMIS Meat Inspectors and AEMIS AAOs

Model	Pre-AEMIS	Post-AEMIS
Type of inspectors	AQIS meat inspectors (AQIS MIs)	FSMAs (same arrangement as AQIS MIs in pre AEMIS model) AAOs (engaged but not employed by AQIS)
Required competencies	Certificate IV in Meat processing (Meat safety)	Certificate IV in Meat processing (Meat safety)
Official controls	Veterinary supervision Obligations under the Public Service Act (professional/ethical; fit and proper person)	Veterinary supervision for both FSMAs and AAOs Same obligations for FSMAs as AQIS MIs AAOs – same obligations under a deed of obligation with AQIS (professional/ethical; fit and proper person)
Verification	Veterinary oversight Meat hygiene assessment Product hygiene index (since July 2010)	Veterinary oversight Meat hygiene assessment Product hygiene index (since July 2010) Product verification by FSMA of post-mortem inspection by AAOs Process verification by FSMA of post-mortem inspection by AAOs

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2014

Agriculture

Question: 113

Division/Agency: Food Division

Topic: Port of entry issues.

Proof Hansard page: 51

Senator FARRELL asked:

Senator FARRELL: Are there any current ones that you are aware of?

Mr Read: I would say there probably are, but the incidents are quite sparse in the last year. So we have not had that many. All up there are probably 10 or 11 in terms of about 1.8 million tonnes of product exported.

Senator FARRELL: So, a very small percentage?

Mr Read: Very, very small.

Senator FARRELL: Are you able to get us some information on that? Is that information available?

Mr Read: Yes, we can provide that.

Answer:

Importing countries have the right to set their own requirements for microscopic and macroscopic contaminants in meat, should they wish to do so. This may include arrangements for port-of-entry testing and the methodologies to be used. The following table shows the total number microbiological and macroscopic detections in Australian meat exports reported to the Department of Agriculture by overseas government authorities for the previous six months.

Question: 113 (continued)

	1 September 2013 – 28 February 2014	
	Microbiological	Macroscopic
Russia	7	0
United Kingdom	0	1
United States of America	2	4
Total	9	5
Grand total	14	

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2014

Agriculture

Question: 114

Division/Agency: Food Division

Topic: Correspondence describing the Australian Export Meat Inspection System to the European Union.

Proof Hansard page: 89

Senator O'SULLIVAN asked:

Senator O'SULLIVAN: You will need to take this on notice. Do we have correspondence from them or between us and them on that issue?

Mr Read: We have correspondence of us describing that system to the European Union. The key point—

Senator O'SULLIVAN: I am sorry, Mr Read. On the very question of governance with respect to—

Mr Read: Company meat inspections is the reference you are making. Connected with company meat inspection, can they fulfil official auxiliary roles? That has to be in the context of conflict of interest.

Senator O'SULLIVAN: Yes.

Mr Read: We designed that system to mitigate that risk of conflict of interest over those years of discussion with the EU to bring about a range of deeds, checks and balances in our system to ensure that it stood up to scrutiny against our and their current—expressed in meetings—overview of their directives. As I said, even at the exit meeting that certainly was not even expressed as a concern. What has transpired is a policy interpretation within the EU of what is considered to be an official auxiliary. That is what happened in March 2013, and that interpretation has caused us difficulties with the current company employed inspectors being able to continue to provide inspection into the European Union.

ACTING CHAIR: This is the last one, Senator O'Sullivan, and I would ask that the answer be nice and brief and to the point, if I may.

Senator O'SULLIVAN: Would you take it on notice to provide us with any correspondence between yourself and them in relation to this particular issue?

Mr Read: We will have to look at that as well.

Mr Glyde: We will have to check with the Europeans.

Dr Grimes: We can take it on notice and then consider what issues there may be.

Question: 114 (continued)

Answer:

Please refer to the answer to Question on Notice 112 from the Additional Estimates February 2014.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2014

Agriculture

Question: 115

Division/Agency: Food Division

Topic: Port of entry issues

Proof Hansard page: Written

Senator STERLE asked:

Are there any current reports on port of entry issues with detections of microbiological contamination and macroscopic contamination?

Answer:

The department does not routinely produce reports on port-of-entry issues. Some countries publish some of their detections on their websites. In response to Question on Notice no. 113 from Additional Estimates February 2014, the department reviewed data received from Australia's trading partners who reported nine microbiological detections and five macroscopic detections for the period 1 September 2013 to 28 February 2014.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2014

Agriculture

Question: 116

Division/Agency: Food Division

Topic: Export certification reform

Proof Hansard page: written

Senator STERLE asked:

1. The Government's pre-election Policy for a Competitive Agriculture Sector, August 2013, states "to support export growth, we will commit \$15 million to provide rebates to small exporters for Export Certification registration costs?"
2. Has this money been made available?
3. What is the average cost for a Food Export Certification for a small exporter?
4. What constitutes a small exporter?
5. Will this be on-going funding?
6. Is the Department currently working on changing the legislative requirement for food export certification?

Answer:

1. The government committed \$15 million over four years to support small exporters. This commitment will provide rebates to small exporters for export certification registration costs.
2. The implementation date of this commitment is part of the government's consideration regarding this matter. It is expected the program will start on 1 July 2014.
3. Export registration fees vary between export commodities, ranging from \$1223 per annum for live fish establishments to \$15 000 per annum for meat processors. A number of industry participants handle more than one commodity (e.g. storage facilities) and therefore pay more than one registration fee. All fees and charges are available from the departmental website, refer to <http://www.daff.gov.au/fees/biosecurityfees-charges/export>.
4. An appropriate definition for small exporters is part of the government's consideration regarding this matter.
5. The government committed \$15 million over four years for this program.
6. The implementation of this commitment is not expected to require any changes to the legislation covering food export certification.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2014

Agriculture

Question: 117

Division/Agency: Food Division

Topic: European Commission

Proof Hansard page: Written

Senator STERLE asked:

The European Commission released a report on 5 November 2013 that stated that Australian Export Meat Inspection System did not meet the European Union food safety regulations. The report particularly criticised the practice of company-paid inspectors examining animal carcasses, as this was seen to give rise to the potential for conflicts of interest.

- a. What work has the department undertaken to address this issue
- b. Which markets for Australia could this impact on?

Answer:

- a. In consultation with Industry the department developed a scheme, the “Independent employer of Australian Government Authorised Officers (AAOs) Scheme” to accredit employment providers as sources of inspectors for Australian export slaughter establishments. Under the scheme independent providers of AAOs must be accredited to ISO/IEC 17020 and approved by the department. The independent employment provider must pay the AAO and food business operators using the services of the independent provider may not hold a management position within the Independent employer management structure.
- b. The European Union is the only affected market.