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Senate Sanding Committee on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600

After 30 years in the Domestic meat industry, I feel qualified in making the accusations I will be making in this Submission to the Senate Standing Committee. As a livestock buyer, wholesaler and abattoir operator I feel well equipped to make these allegations in regards to the substitution of lambs with hogget, 4 tooth sheep and cast for age mutton. Almost all livestock buyers know who are perpetrating the integrity of the system and who isn't. Buyers have first hand knowledge of who is and who isn't as they see it when competing against these law breakers in the saleyard selling system.

It is common knowledge (without circumstantial evidence) who the industry cheats are. It is not uncommon for the Victorian companies to be in NSW buying all the hoggets, 4tooth and neater cast for age mutton competing with our exporters trying to buy them for export mutton. The Victorians have the advantage when buying, as they are selling 'lamb' not mutton as the end product. I can name four plants not far over the Victorian border that if audited properly, as we are in NSW, they would all be found to be in breach of the law. I see what they buy in the saleyards and I see the end product in supermarkets, retail butchers and in one of the major restaurant suppliers in Sydney. If you go to Brisbane or the Gold Coast and try and find 'lamb' as we like it, you'll have a very hard time sourcing the real deal, or anything other than 'mutton dressed as lamb' as the saying goes but in this case it's actually how it is.

If there isn't a change soon, there will be no NSW operators left in the Domestic industry. They just can't compete with a product that costs at least \$2.00kg less than there own product. There is very little margin in trading meat. If a processor gets .10c to .20c a kilo (\$2.00 to \$5.00 per head), they are really doing well. If a abattoir that cheats only kills 1300 lambs and say they cost \$4.55c kg landed Sydney but if he kills 1000 lambs + 300 mutton at say \$2.60c kg landed = 1300 costing \$3.97c kg as a average kill cost. A saving of .58c kg (\$13.00 per head) on what their competitor's meat is costing. That scenario is when they only kill 33% of cheating meat, if they kill 100% cheating meat they have a huge margin that no one can possibly compete with.

This affects the industry as a whole.

- *Producers are getting less for their quality lambs because the cheating meat in the system drags the whole market down.*
- *The NSW processors are struggling because they can't write enough money for their product and the cheats in the industry can also dump onto the market their sheep that they have pulled their 'Lambs' out of and sold at an inflated price for 'Mutton rolled as lamb'. It leaves them with cheap sheep to dump back into the mutton market. So the cheats get a double dip at the pie, so to speak. They also have the advantage of increased throughput which is another plus for their abattoir profit.*
- *Retail butchers that buy the real lamb struggle to compete with butchers that buy the cheating meat.*
- *The consumer gets a duped because they end eating mutton instead of lamb. They believe that because it has a lamb brand on it they are eating lamb. Not so in a lot of cases!*
- *The industry gets caned because those people eating mutton rolled as lamb, say, 'that was terrible, I don't think we'll eat lamb again' so consumption of lamb falls.*
- *The mutton exporters are being robbed of sheep they should be killing for export by the cheats competing to buy 'lamb' against them, depriving the exporters of product they should be killing.*

There is not one good thing for the Lamb Industry about the continuation of the practice of these Victorian plants rolling mutton as lamb. The only winners in this are the perpetrators that continue to break the law with no consequence. I am prepared to name the cheats and I know that there is huge support to get this practice stopped. What I would like to see happen is a new National Regulatory body that is independent of any of the current industry bodies that have failed miserably in regulating the industry that funds it. In fact, one of the biggest law breakers and probably the operator who has had the biggest part in trying to destruct the domestic lamb industry was given MSA (Meat Standards Australia) (Austmeat being the licensee) status for their product. Their product is some of the most inferior in the industry. In fact, a lot of their lamb is mutton, so, should the rest of us laugh or cry at our industry funded bodies who have failed the rest of the industry? The proposed new regulator should sit under the ACCC with new deterring powers such as;

- *Total loss of operating license and/or imprisonment for any plant operator that misdescribed lamb. Today's Vendor Declarations make it easy for any regulator to go into a plant and do an audit. There have been some plants that have gone down the road of rewriting their own National Vendor Declarations.*
- *Anyone changing National Vendor Declarations are putting our whole export industry at risk because we lose our tractability, so, again, the penalties should be tough. Total loss of operating license or jail!*

The NSW Food Authority have done a great job in keeping NSW clean but the VIC authorities have done very little. There is a NSW Food Authority Auditor that I would recommend to head up the new regulator. To head up such a team, they have to be passionate about cleaning up the industry.

If nothing else, the Australian consumer has the right to trust Australian lamb to be 'lamb'.

*Sincerely,
Chris Cummins*

*Managing Director
Cowra Meat Processors Pty Ltd
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