



CATTLE COUNCIL OF AUSTRALIA

Submission to the draft policy review of Import Requirements for Fresh (Chilled or Frozen) Beef and Beef Products for Human Consumption from Japan, the Netherlands, New Zealand, the United States and Vanuatu.

22 March 2017

Executive Summary

Cattle Council of Australia (Cattle Council) supports the rule-based system of international trade conducted in a manner consistent with WTO membership obligations, with import applications being assessed using an objective and transparent science-based risk analysis framework, in accordance with WTO and OIE standards.

To ensure that beef imports do not have a negative impact on Australia's biosecurity and food safety, or that of our trading partners, Cattle Council requests that applicant countries have in-country, whole-of-life traceability systems, with demonstrated equivalence to Australian standards. It is also essential that imported product does not threaten Australia's market access and biosecurity protocols, which underpin the strong relationships Australia enjoys with its trading partners. To this end, imported beef must also be subject to regulations equivalent to those imposed on Australia and our trading partners with respect to the risk-based regulation of banned substances, including restricted animal material and beta-agonists.

Cattle Council supports the requirement for individual slaughtering, processing and cold storage establishments in applicant countries being listed to be eligible to prepare fresh beef and beef products for export to Australia. It is essential that beef export abattoirs seeking approval to consign beef to Australia be subject to risk-based reciprocal in-country sanitary and phytosanitary (SPS) inspection and auditing protocols, no lower than those applied to Australian processing plants. Cattle Council also request that to gain listing, these establishments must have in place closed and audited, in-country animal traceability systems equivalent to Australia's National Livestock Identification System (NLIS).

Cattle Council recognises that the safety, wholesomeness and proper labeling of food products is a key requirement for both domestic and export market consumers. Therefore, imported beef must be tested for microbiological pathogens, banned substances and violative residues, at risk-based frequencies no lower than those applied to Australian beef. Furthermore, imported product must have appropriate labelling consistent with Australian consumer law, identifying the country of origin. Imported product from the applicant country, must not be re-labeled or re-exported as fresh Australian beef or Australian beef product.

Ongoing risk communication will be a critical factor in Australia and its export partners achieving and maintaining an appropriate level of protection (ALOP) from biosecurity, and SPS risk. As part of this process, the ongoing monitoring and review of import risk analysis requirements must be maintained by the Department of Agriculture and Water Resources (DAWR), including the verification of traceability and certification compliance systems. The frequency and results of these activities must be reported to Industry, with Industry notified immediately in the event of any breaches.

To ensure that there is a strong and regular communication mechanism between Industry and Government, Cattle Council request that the Australian Government establish an Industry/Government consultative Import Advisory committee to provide technical and policy advice on matters related to beef imports. The advisory committee would also report to industry on matters related to supply chain monitoring, auditing and review activities.

The recommendations outlined in this submission must be addressed for Cattle Council to be confident in the integrity of the in-country, border and post-border importation clearance process, and its capacity to provide an ALOP against human health and biosecurity risk. Ongoing consultation with industry on the implementation of any proposed future bi-lateral arrangements will be critical to ensure that the protocols and systems are technically sound and fit for purpose.

Traceability systems and disease surveillance

For beef products to be eligible for export from Australia to the European Union (EU), beef must be sourced from a supply chain in which all points (farm, feedlot, saleyard and abattoir) are accredited under the European Union Cattle Accreditation Scheme (EUCAS). As stated by the DAWR export division, EUCAS fulfils the EU requirement for “*full traceability of all animals through Australia’s National Livestock Identification System (NLIS)*”. EUCAS meets these requirements by segregating cattle from the national herd into the closed EUCAS system. All points of the supply chain must be accredited, and animals must have individual life-time traceability within the closed EUCAS system, i.e. bred, born, raised and slaughtered. To ensure the integrity of EUCAS, accredited farms are audited on a random and targeted basis, with feedlots and saleyards audited annually as a requirement of retaining their accreditation. If at any time in the animal’s life, the animal moves outside of a EUCAS accredited part of the supply chain, products from that animal are no longer eligible for EU export.

While the applicant countries have Category 1 (negligible risk) OIE status for BSE, each year there is a significant quantity of live-export cattle traded between the Netherlands and Poland and between the USA and Canada, with Poland and Canada both having a Category 2 (Controlled risk) OIE status. To ensure individual animal, whole-of-life, in-country traceability, applicant countries would need an equivalent “closed” audited production system (similar to EUCAS), to verify that beef exported to Australia came only from animals that were bred, born, raised and slaughtered in the applicant country. This is critical to ensure that all animals are subject to the equivalent standard of production required in the applicant country, and are free from disease, violative residues and banned substances, including restricted animal material and beta-agonists. This is essential, as beef and beef products derived from animals with supply chains outside of approved applicant countries, would not be eligible for export to Australia.

This is consistent with FSANZ requirements for Category 1 BSE status, that “the beef or beef food product is derived from bovine animals that have been born, raised and slaughtered in Category 1 countries and that passed ante-mortem and post-mortem veterinary inspection under official veterinary supervision”. While the draft review states that FSANZ recommended the USA be given a Category 1 status as part of its BSE Food Safety Report, FSANZ also reported issues with individual animal traceability. In 2005, during a US traceback investigation in Texas, 121 animals were identified as being in the same cohort as an animal of interest, however not all animals could be traced and accounted for. To ensure in-country traceability systems are providing an ALOP, Cattle Council requests that the DAWR provide an up to date report on the current status and compliance of individual animal traceability systems in applicant countries, prior to the publication of the final review report. This is essential as the conditions recommended in the final report will be the basis of any import permits issued.

For biosecurity responses to be effective, it is critical that regulatory agencies have the capacity not only to trace animals back, but also to trace them forward in the event of an outbreak or disease incursion; in the case of BSE, this should also apply to the infected animals’ cohorts. In the event of a biosecurity, SPS or residue violation, Australia’s traceability systems (NLIS, LPA, NVD) are able to trace animals within 24 hours to a source of origin and also identify and locate animals they may have been in contact with. The Japanese National Livestock Breeding Centre (NLBC) animal identification system provides a similar level of traceability to Australian systems, with animals being tagged on the property of birth, and off-farm movements reported and tracked by the identification system database. A traceability system equivalent to NLIS is an essential component of assurances provided by applicant countries, as they provide the mechanism of supply chain compliance, and in the case of a breach, emergency response containment and product recall.

Recommendation 1: that DAWR provide an up to date report on the current status and compliance of individual animal traceability systems in applicant countries, prior to the publication of the final review report.

Recommendation 2: that all applicant countries must have audited, in-country, whole-of-life traceability systems, with demonstrated equivalence to standards required by Australia and by Australia's trading partners.

Recommendation 3: that the Australian import supply chain must be a closed system, with all points of the system being accredited to equivalent Australian standards.

Recommendation 4: that animals in the Australian import supply chain must have individual life-time traceability within a closed system, with animals being bred, born, raised and slaughtered in the applicant country.

Recommendation 5: that the Australian Government adequately resource the relevant Australian jurisdictions to review and audit applicant country traceability, certification and declaration systems, and report to Industry on the frequency of these activities.

Residue, sanitary and phyto-sanitary protocols

To ensure that Australian consumers are afforded the same level of food safety from imported beef as the citizens of applicant countries, Cattle Council requests that beef imports be subjected to equivalent in-country, residue, sanitary and phyto-sanitary testing protocols as those applied to Australian product. Meat establishments in Australia are required to operate Hazard and Critical Control Points (HACCP) plans under provisions of the *Australian Standard for the Hygienic Production and Transportation of Meat and Meat Products for Human Consumption (2007)*. As part of the DAWR Inspection Services activity, Australian export facilities also undergo daily inspections by qualified veterinarians and inspectors to: carry out hygiene inspections before export operations begin; monitor quality assurance and meat safety throughout the production process; and, conduct ante-mortem and post-mortem health inspections to ensure the safety and suitability of export products for human consumption.

The United States of America (USA) Food Safety and Inspection Service (FSIS) requires that Australia's meat inspection system is subject to on-site audits to establish compliance and equivalence with USDA standards. This process consists of six components: 1) Government Oversight; 2) Statutory Authority and Food Safety Regulations; 3) Sanitation; 4) HACCP Systems; 5) Chemical Residue Control Programs; and, 6) Microbiological Testing Programs. As part of this process, the Australian Department of Agriculture and Water Resources (DAWR) also conducts testing on local product through the National Residue Survey. This Industry funded monitoring program tests beef for pesticides, chemical residues and antibiotics, to ensure compliance with maximum residue limits. DAWR ensures that meat safety pathogen requirements are met through microbiological testing programs. All Australian export slaughter establishments participate in the *E. coli* and *Salmonella* monitoring (ESAM) program which requires *E. coli* and *Salmonella* testing of carcass surfaces. In addition to the ESAM program, carcass Total Viable Counts (TVCs) and coliform counts are also conducted. These systems are an essential component in the verification of the industries HACCP based compliance with export jurisdiction regulations, and are underpinned by Australia's NLIS traceability system.

Recommendation 6: that applicant countries be subject to reciprocal in-country inspection, monitoring and testing protocols no lower than those applied to Australian beef products.

Recommendation 7: that individual slaughtering, processing and cold storage establishments in applicant countries, must have HACCP based QA systems equivalent to Australian standards, to be eligible to export fresh beef product to Australia.

Recommendation 8: that the Australian Government adequately resource the relevant Australian jurisdictions to audit the export inspection, monitoring and testing activities of applicant countries, in a risk-based manner and a frequency no less than audits conducted in Australia or on Australia's export partners.

Food safety

As previously noted, in Australian export facilities, the risks posed by microorganisms of public health concern carried by cattle are intended to be addressed using HACCP QA systems, and are monitored by conducting testing programs. The operation of hygienic dressing procedures under HACCP-based QA plans serve to reduce the number of bacteria on carcass surfaces transferred from an animal's enteric contents and from the hide. In relation to the risk posed to human health, the draft review identified that in order to achieve an ALOP, risk management measures for imports of fresh beef from Japan, the Netherlands and the United States would be required with respect to *Salmonella enterica* serotype Typhimurium DT104. These measures included: a) the implementation of a Salmonella surveillance and reduction system in abattoirs processing fresh beef for Australia; and b) the sampling and testing of consignments of fresh beef intended for export to Australia in accordance with a pre-agreed plan. To maintain an ALOP, it is essential that risk-based auditing and monitoring measures be put in place, with corrective actions implemented for non-compliance. The draft review also states that a number of risks remain under review by the Department of Health (DoH) and FSANZ. Cattle Council request that industry be consulted and afforded the opportunity to provide comment any changes in the risk assessment based on the DoH and FZANZ review.

Recommendation 9: that the Australian import clearance process should incorporate equivalent risk-based procedures to ensure that imported product is safe, wholesome and properly labeled and described, in compliance with all relevant provisions of the *Australia New Zealand Food Standards Code* and the *Australian Standard for the Hygienic Production and Transportation of Meat and Meat Products for Human Consumption (2007)*, with applicant countries having equivalent robust traceability systems for food recall events.

Recommendation 10: that Industry be consulted and afforded the opportunity to comment on any modified or additional risk management measures not outlined in the draft review document, if the measures are revised prior to the finalisation of the import requirements.

Recommendation 11: that the finalised import requirements have robust HACCP-based QA systems for risk-based microbiological testing to verify and monitor the effectiveness of applicant countries microbiological risk management measures.

Food labelling

The draft review states that DAWR adopted the *Imported Food Control Act 1992* as a benchmark standard for the assessment of the unrestricted risk associated with imported fresh beef and beef products from the applicant countries. The *Imported Food Control Act 1992* requires that imported food complies with the *Australia New Zealand Food Standards Code*. Compliance with the provisions within the *Australia New Zealand Food Standards Code* will require that imported beef meets the labelling and other information requirements for foods set out in Chapter 1 (General Food Standards) of the Code. Country of Origin labelling is address under Standard 1.2.11, in Part 1.2 of Chapter 1. It is important to note that the labelling provisions of the Code also need to be interpreted in the context of the *Australian Consumer Law* and the associated consumer laws of Australia's State and Territory jurisdictions. These laws address the prohibition of misleading and deceptive practices. In the context of beef imports, this would refer to the use of a product description or labelling of beef and beef products which are false or misleading. It is relevant that export consignments of Australian fresh beef and beef products are subject to detailed inspection and testing procedures conducted by importing country authorities, and that the information contained on packaging and consumer labels is also subject to inspection. It is critical that to be eligible of export to Australia, that fresh beef and beef products must be the product of animals bred, born, raised and slaughter in the applicant country, thus, from within an accredited, traceable and audited supply chain. Furthermore, fresh beef and beef product eligible for importation to Australia, must not be re-labeled or re-exported as Australian fresh beef or Australian beef product.

Recommendation 12: that fresh beef and beef product must come from an accredited, closed in-country supply chain, and that ineligible beef product sourced from outside an accredited supply chain must not be re-labeled or re-exported to Australia as product from the applicant country.

Recommendation 13: that fresh beef and beef product imported to Australia, from the applicant country, must not be re-labeled or re-exported as fresh Australian beef or Australian beef product.

Risk communication and information sharing

Risk communication is an integral part of the risk analysis process. According to chapters 1.3.1 and 1.3.2 of the *OIE Terrestrial Animal Health Code*, *risk communication is the process by which information and opinions regarding hazards and risks are gathered from potentially affected and interested parties, and by which the results of the risk assessment and proposed risk management measures are communicated to the decisions-makers and interested parties in the importing and exporting countries.* Risk management measures that are based on official veterinary certification accompany individual consignments as a means of demonstrating freedom animal diseases, are heavily reliant on the systems overseen by the national veterinary services. The 2011 review into Australia's FMD preparedness identified that Australia needed to be more pro-active in monitoring the administrative standards which underpin the quality of certified export assurances, both those of applicant country authorities and exporting firms. Australian authorities should regularly review the veterinary services of applicant countries to ascertain whether they are confident that satisfactory standards of operation are being maintained. Furthermore, it is critical that these verification efforts should also assess the traceability systems that are used to underpin the official veterinary certification process and exporter declarations and assurances.

The Australian Government has an Export Meat Industry Advisory Committee (EMIAC) which acts as a consultative body, facilitating communication between Government and stakeholders in the export meat industry. The committee provides technical and policy advice to the Government on issues including residues, pathogens, market access and food safety. Cattle Council request that a similar Industry/Government consultative body be established to address beef import issues. This will ensure that there is a strong communication and reporting mechanism between Industry and Government.

Recommendation 14: that Australian jurisdictions continue ongoing monitoring of the import risk analysis measures of applicant countries.

Recommendation 15: that a regular program of risk-based periodic reviews of applicant countries authorities and exporters should be developed, and where warranted, in-country verification of traceability and certification compliance systems should be undertaken.

Recommendation 16: that the Australian Government adequately resource the relevant Australian jurisdictions to ensure that ongoing monitoring and review of import risk analysis measures and associated compliance systems are conducted, and are reported back to Industry.

Recommendation 17: that, in consultation with Peak Industry Councils, the Australian Government establish an Industry/Government consultative Import Advisory committee to consider technical issues related to beef imports, and to consult with and report to Industry, on matters related to supply chain monitoring, auditing and review activities.