



6 September 2018

Senator Glenn Sterle
Chair
Senate Rural and Regional Affairs and Transport References Committee
Parliament House
CANBERRA ACT 2600

Dear Senator Sterle

Inquiry into Regulatory approaches to ensure the safety of pet food

Thank you for your letter of 23 August 2018 and the opportunity for Woolworths Group to provide its response to concerns regarding pet food sold in supermarkets.

As a leading Australian-owned retailer with some 1000 supermarkets nationally, our customers rely on us to offer high quality products across our range, including pet food. Accordingly, as detailed below, we require our own-brand suppliers to adhere to the Australian standard for pet food and we monitor compliance. We take all customer complaints seriously and also have strong processes in place should there be a need for a product recall.

Woolworths is a member of, and maintains active contact with, the Pet Food Industry Association of Australia (PFIAA).

Pet food range

Woolworths supermarkets sell both branded and private label (brands owned by Woolworths) pet food. Our private label pet food is manufactured for Woolworths, to agreed specifications, by approved suppliers. Our brands include Baxter's & Apollo (dog food), Your Majesty & Smitten (cat food) and Woolworths Essentials.

While Baxter's has proved very popular with customers looking for a quality product at an affordable price, the majority of our dog food range is made up of national brands. Woolworths supermarkets sell a range of national pet food brands supplied by reputable manufacturers, including Pedigree, Whiskas, My Dog, Purina, Optimum and Applaws.

Baxter's brand dog food

Baxter's pet food has been developed by Woolworths with our suppliers, and then manufactured by those suppliers. It is common for these suppliers to also manufacture for other retailers or for their own brand products.

At present, the main manufacturer of Baxter's is a major supplier of pet food products including wet pet food, dry pet food and treats within the Australia and Pacific region. This manufacturer has supplied Woolworths for over 10 years.

Baxter's products meet the Australian Standard, *AS 5812 Manufacturing and Marketing of Pet Food* and the Association of American Feed Control Officials nutritional profiles. Products are assessed before and during production, and prior to dispatch. Raw materials used in our products have strict specification and testing in-place to ensure safety.

We note the Committee's reference to customer concerns about the quality and safety of Baxter's products. Customers are able to raise queries and complaints about Woolworths branded products directly with us. We also receive incident reports from external bodies, namely PetFast (Pet Food Adverse Event System of Tracking) and the PFIAA.

In our experience, the majority of pet illness reports connected with dog food products relate to diet transitioning symptoms, common to all dog foods. Expert vets advise pet owners to gradually introduce new food to a dog's diet to ensure a smooth and healthy transition, and our labelling carries these instructions as well.

Given our national size, we sell large quantities of our own-brand pet food lines. We take any complaints about our products seriously. The number of complaints received about Baxter's are low (around 11 complaints per million units sold). While complaints are reviewed individually, we also assess overall trends and potential wider causes of the complaint. If merited, we may ask the manufacturer to investigate and test the product.

To date, we have only received one report from PetFast. That report was in July 2017 regarding a Baxter's dental stick product, relating to an incident of gastroenteritis. There was no trend of complaints about this product, but we still had it independently tested for microbiological safety. The test results did not find any problems with the product.

In September 2017 we noticed an increase in direct customer complaints and negative social media comments regarding some Baxter's products. In response, we undertook extensive investigations into the products subject to complaints.

These investigations included:

- Testing a section of product for contaminants most likely to cause the allegations, including:
 - Pesticides & heavy metals
 - Salmonella
 - Mycotoxins
 - Melamine

- Preservatives
- Commercial sterility (where applicable)
- Heavy Metals

The testing did not highlight any result over the acceptable limit or out of specification for that test.

- A full review of the complaints, looking for trends in particular products, batch trends, manufacturing sites and raw materials connections. We were not able to identify any specific factors that could have caused the alleged complaints.
- Independent laboratory testing of three separate samples provided to us by customers. Tests were undertaken for pesticides, heavy metals, mycotoxins, and microbiological factors. The tests did not indicate any out of specification results.
- Testing by the manufacturer/supplier. Again, these tests did not indicate any issues of concern.

We also engaged an external Veterinarian to review the complaints related to Baxter's. Following the vet's advice, we engaged an external vet nurse to make contact with the customers to discuss the customer complaints and to give advice. After thorough testing, we have not identified any factors within the formulation or production of the relevant Baxter's products that can be reasonably seen to have caused the negative health outcomes claimed.

If our customers have information, evidence or veterinary reports demonstrating adverse outcomes after using Baxter's, we would encourage them to forward the documents to us for further consideration.

Adherence to pet food standards

Woolworths requires all products sold on our shelves to meet regulatory requirements in both the country of origin (if imported) and in Australia. Woolworths private-label pet food products comply with the Australian Standard for Manufacturing and Marketing of Pet Food (AS 5812). As the Committee is aware, the standard includes robust requirements around the manufacturing process, process controls, Good Manufacturing Practice (GMP), hygiene, cleaning, traceability, record keeping, marketing and labelling.

Pets require complete and balanced amounts of protein, fats and essential vitamins and minerals to meet their daily requirements at different life stage. While there are no mandatory Australian requirements around pet nutritional profiles, for our private label products, Woolworths has adopted the approach taken by the American Association of Feed Control Officials (AAFCO). Our product labels carry ingredient and nutritional information.

Processes to ensure products are fit for purpose

Suppliers

Before a supplier begins supplying private-label pet food products to Woolworths, it needs to obtain an independent audit from a third-party auditor certifying that it meets relevant standards. Re-certification must then occur on an annual basis. Our pet food suppliers are audited to one or more of:

- Woolworths Quality Assurance Standard
- BRC Global Standard for Food Safety Issue 7
- Australian Standard 5812

Audits are wide in scope, covering primary production, processing, packaging, storage, distribution and delivery to Woolworths distribution centres and supermarkets. Elements that are considered include:

- Quality Management System
- Good Manufacturing Practices
- Cleaning
- Pest Control Management System
- Training
- Product Identification & Traceability
- Corrective Action
- Approved Supplier Program
- Withdrawal and Recall Procedures
- Commitment to Continuous Improvement
- Verification
- Product Design and Development
- Customer Focus
- Labelling

This accreditation is process and site specific. A further audit will be required if any new products outside the current scope of the certification are launched. Our trading terms require all Woolworths suppliers to comply with Government regulatory requirements at all times.

Product Development

When designing and formulating our private-label products, Woolworths follows a clear development process framework to ensure our products are safe, fit for purpose and compliant with all relevant standards and regulations. The framework has several steps that include:

- Creation of a product brief by the internal Woolworths team
- Provision of product briefs to potential suppliers/manufacturers
- Supplier submission of samples to Woolworths
- Assessment of samples by the Woolworths team

- Award of a contract to the chosen supplier
- Supplier generation of a bespoke specification for the product
- Evaluation and authorisation of completed specification by Woolworths quality assurance team
- Agreement between Woolworths quality team and supplier on product testing regime
- Supplier sends first production samples to Woolworths, which are then assessed by Woolworths quality team prior to product going on the market

Depending on the product, further specific nutritional and microbiological testing may be undertaken to validate the specification and any claims being made about the product.

Our internal Woolworths team follows a detailed manual on requirements for pet food products. This manual includes details on:

- New Product Development Process
- Product formulation requirements which includes
 - Criteria for ingredient selection
 - Food additives
 - Nutrition requirements
 - Product labelling
 - Product claims and substantiation
 - Origin of the ingredients and country of origin
- Product design
- Contamination prevention
- Testing requirements.

Woolworths maintains a system containing product specifications (the requirements, product formulation and parameters that have been agreed with the supplier).

Ongoing monitoring

Our suppliers are required to have a schedule in place to monitor and test raw materials and products to ensure their safety. Chemical, contamination and microbiological testing and frequency of testing is determined by the risk nature of the products and processes.

Response to complaints and incidents

Our customers and their families are our top priority, and Woolworths has demonstrated a willingness to take action to protect both our customers and their pets when issues arise. Woolworths has a clear protocol in place when complaints are received:

- All customer contacts (i.e. customer complaints, compliments and comments) are assessed by our dedicated customer care team. Customers can get in touch with us by telephone, our website, social media, in-store and by writing.
- Complaints are logged and triaged based on provided customer information.
- Each complaint is allocated its own unique number for tracking and, where possible, the product, the batch codes and best before dates are included in the entry.

- All pet safety complaints including reports hard foreign objects, injury, illness or death of a pet are escalated to the dedicated Quality Assurance Specialist, Product Development Specialist, Category Manager and assigned Complaint Owner.
- Upon receipt of a pet safety complaint, the relevant team member will assess the complaint and determine whether there immediate action is required (including withdrawal or recall).
- If applicable to the incident, Woolworths will ask the supplier to complete an investigation and root cause analysis.

Out of hours complaints are monitored by the Category Quality Manager and the Category Manager. In accordance with the standard process they will assess whether there is a need for immediate action. The complaint is fully investigated on the next ordinary business day.

We also maintain internal incident reports, which allow us to capture trends in customer feedback requiring investigation or precautionary action, which can involve product withdrawal or recall. Where an issue warranting a withdrawal or recall has been established, Woolworths has a process in place. The Recall process typically includes:

- Lockdown of the product in our system so it cannot be sold
- Communication to store teams and subsequent reconciliation
- Signage in store alerting the customer
- Notices placed online
- Communication via email to Woolworths Rewards customers (if applicable)
- Press advertisements

A recall of a pet food product would typically be accompanied by visible information signage in the relevant section of the store.

Woolworths is committed to providing our customers with a wide range of quality, affordable, food for their pets, as demonstrated by our strong set of procedures for product development, supplier monitoring, complaint handling and recalls.

Thank you for the invitation to contribute to your deliberations.

Yours sincerely

Paul Crossley
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 Woolworths Group Ltd