



23 May 2008

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

Dear Secretary,

Inquiry into Meat Marketing

Thank you for the opportunity for the NSW Food Authority to provide a submission to the Inquiry into meat marketing, specifically concerns in relation to meat marketing, with particular reference to the need for effective supervision of national standards and controls and the national harmonisation of regulations applying to the branding and marketing of meat.

This response was prepared in consultation with the NSW Department of Primary Industries and is supported by that agency.

The NSW Food Authority is a State Government agency established in April 2004 to provide New South Wales with the first integrated food regulation system in Australia. The Food Authority was formed by merging SafeFood NSW with the food regulatory activities of NSW Health. As Australia's first completely integrated or "through-chain" food regulation agency, the NSW Food Authority is responsible for food safety across the entire food industry, from primary production to point-of-sale.

Before the Authority was established, responsibility for food regulation in NSW was divided across a number of State agencies. The establishment of the NSW Food Authority created a more streamlined, consistent and efficient approach to food regulation in NSW and a single point of contact for both the industry and public.

Uniquely the NSW Food Authority regulates the meat industry through compliance with the *Australian Standard for Hygienic Production and Transportation of Meat Products for Human Consumption* which is referenced by the *Food Regulation 2001* (NSW) and the Food Standards Code which is referenced under the *Food Act 2003* (NSW). This allows the Authority to fully regulate food labelling compliance. In particular Section 18 of the *Food Act 2003* (NSW) prescribes:

18 Misleading conduct relating to sale of food

- (1) A person must not, in the course of carrying on a food business, engage in conduct that is misleading or deceptive or is likely to mislead or deceive in relation to the advertising, packaging or labelling of food intended for sale or the sale of food.
- (2) A person must not, for the purpose of effecting or promoting the sale of any food in the course of carrying on a food business, cause the food to be advertised, packaged or labelled in a way that falsely describes the food.

6 Avenue of the Americas, Newington NSW 2127
Postal Address: PO Box 6682, Silverwater NSW 1811 Tel: 02 9741 4777 Fax: 02 9741 4888

Industry and Consumer Contact Centre Tel: 1300 552 406 Fax: 02 9647 0026
Email: contact@foodauthority.nsw.gov.au Internet: www.foodauthority.nsw.gov.au

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- (3) A person must not, in the course of carrying on a food business, sell food that is packaged or labelled in a way that falsely describes the food.
- (4) Nothing in subsection (2) or (3) limits the generality of subsection (1).

Maximum penalty: \$55,000 in the case of an individual and \$2,750,000 in the case of a corporation.

As the penalties available indicate, compliance with labelling provisions is a matter taken most seriously by this agency. The NSW Food Authority has been very active in enforcing compliance with labelling requirements, particularly substitution of product from imported seafood, eggs and meat, including lamb.

In other jurisdictions, similar legislation for consumer protection is maintained by respective health departments rather than State Meat Authorities. Given the number of issues health departments have to deal with, lamb branding may receive less attention in those jurisdictions.

Lamb brands/rollers in NSW are issued by the NSW Food Authority and remain the property of the Authority. Under the *Food Regulation 2004* (NSW) all domestic abattoirs are also required to have an approved system within their Food Safety Program outlining their lamb identification procedures and how they will ensure that carcasses are accurately identified.

The NSW Food Authority maintains strong surveillance in NSW abattoirs in relation to lamb branding and vigorously investigates any allegations relating to lamb substitution. Authority staff have specifically looked at branding issues during regular audit visits of abattoirs. All audits of abattoirs are conducted unannounced and the Authority is one of the few state jurisdictions to only use authorised officers for abattoir audits compared to commercial auditors. This provides a high level of assurance that premises in NSW are substantially complying with the requirements for lamb branding. Any compliance problems detected through this audit process are actively pursued and investigated by the Food Authority with appropriate enforcement action taken against any offenders.

During audits, all livestock records are examined as well as documents such as Post Sale Summaries, National Vendor Declarations and abattoir kill sheets, to ensure that statistically the number of lambs, hoggets and sheep processed equate to the number purchased and listed on the records. This requires intensive auditing, however, it must be noted that the introduction of the sheep National Livestock Identification System (NLIS) has greatly assisted the Authority's officers in the surveillance for any lamb substitution. In fact, the introduction of NLIS and the enhanced traceability records of livestock has proven to be a vital key to discovering any non compliance in abattoirs in respect of product substitution. Many current NSW processors have advised the Authority that because the sheep NLIS is enforced effectively in NSW, it has been a vital tool in controlling product substitution in the state.

NSW Food Authority is of the opinion that the incidence of lamb substitution within NSW has decreased dramatically over the last ten years due to effective enforcement and control measures.

Whilst the use of dentition to identify lamb carcasses has been open to criticism, it is currently the most accurate and practicable method of determination available. Other criteria such as assessing bone/cartilage ossification and wear of the pubic symphysis are unreliable and time consuming to the extent that they would not be able to be utilized on modern processing lines. Furthermore it is the view of both the NSW Food Authority and the NSW Department of Primary Industries that any move to change the definition of lamb to encompass hogget would be a retrograde initiative for the industry and could adversely impact on the domestic market growth lamb has achieved. Any change of the lamb category would also be unlikely to deter those in industry who conduct substitution operations with older animals.

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NSW Food Authority supports the retention of the lamb brand and strongly supports effective regulation of this system by relevant jurisdictions. It is acknowledged that pressure exists for respective State Meat Authorities to move away from the current regulated system. NSW examined this scenario several years ago by conducting a review and found that there was still overwhelming support from processors and producers for the retention of the lamb branding regulations. The risk remains that if one or more jurisdictions drop the requirements for lamb brands this would create a commercial imperative for all jurisdictions to review their own requirements, potentially leading to a deregulated lamb identification system. Without an effective national system to fill this void there would be concerns for the market integrity.

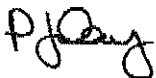
In the long term it would be beneficial for the current regulatory system of the lamb brand to be reviewed and a national system based on industry marketing mechanisms to evolve. NSW Food Authority is willing to assist in the development and implementation of any move towards such a national system. Given that any new system will invariably take a considerable time to establish itself, NSW Food Authority will maintain its current policy of effective regulation of the lamb branding system in NSW until this occurs.

Whether state systems are retained or a uniform national system developed two outcomes would be useful in reducing sheepmeat substitution:

1. Development of a mobile organoleptic test to detect the age of sheepmeat within one or two months, that could be used on both carcase and denuded cuts at any location. Combined with the retention of the lamb strip brand (on carcase meat) this would allow detection of misdescription and of the abattoir where the carcase was processed. For denuded cuts, carton labelling would allow tracing to processing location.

2 Institution of more un-announced audits by whichever agency is involved so that offenders have less chance to avoid detection.

Yours Sincerely,



Peter Day

Manager, Audit & Compliance