

Monday, 11 April 2022

Submission to proposal P1053

About AMIC

Australian Meat Industry Council (AMIC) is the Peak Industry Council representing over 2,000 post-farm gate red meat (including pork) enterprises. AMIC members include red meat production and sales for domestic and export consumption, smallgoods manufacturers, boning rooms, cold stores, wholesalers and distributors through to exporters and independent retail butchers.

The Australian meat supply chain makes a substantial contribution to the national economy each year by accounting for over \$18.4 billion in export receipts and \$13.6 billion in domestic sales for beef, sheep, and goat, plus an additional \$5.2 billion sales in pork, and \$4 billion sales in smallgoods.

The post-farm gate meat industry employs around 200,000 people directly and indirectly and is often the single biggest employer in rural/regional areas, underpinning vitality and sustainability of Australia's agricultural sector and regional communities.

Detail

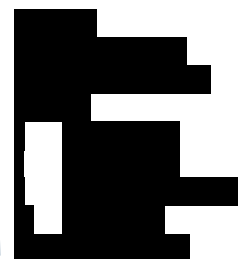
AMIC welcomes the opportunity to provide comment and a submission on this very important topic raised in proposal P1053.

Our industry take food safety management very seriously and we advocate strongly for high quality food safety management tools, practice and delivery at all levels to assist business and ensure customer confidence. AMIC has for many years now lobbied for regulation to be applied to all businesses that retail meat (for example retailers of RTE delicatessen products) and we strongly support these new requirements are implemented at a minimum.

Whilst our Independent local butchers are rightfully held accountable through listeria guidelines and regulation and constant and welcomed auditing, the regulations to others aren't consistent and the definition of a business or individual who sells or transports meat we believe is also inconsistent.

There are obvious current discrepancy between who is licenced by Primesafe (in Victoria for example) and who is not. There are many examples of this in scenario with Delis in operation where meat products are sold or packaged yet these businesses sit under local council guidelines, and not regulated to the same high standards as that of an Independent local butcher. A retail butcher that also sells meat sits under a Primesafe license, whereas a farmers market retailer that sells meat doesn't appear to have the same regulations apply to them. There would be a large number of meat transport vehicles for retail along with home delivery companies operating for groceries and meal kits. There is current confusion around requirements for different organisations and why and where exemptions occur – ie farmers markets, supermarkets, deli and the the guidance for which regulator they sit (Primesafe in VIC for example or local council or other) isn't clearly defined and clear.

AMIC's hope is that this new regulatory framework suggested in the proposal provide greater clarity and consistency for all to adhere to.



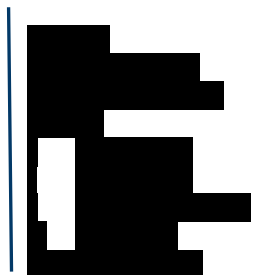
Whilst AMIC agrees in part to the statement made on page 16, “similarly, imposition of detailed Food Safety Programs (FSP - Standard 3.2.1) would be too onerous for this sector and the costs would outweigh the benefits” we would like to use our submission to further highlight the inconsistency that exists within interpretation and costs for our Members nationally

Independent local butchers (specifically in Victoria), for which over AMIC represent over 400 as members feel that there is regulation and auditing, expectations, and inconsistencies with interpretation that exist against other state models such as NSW and QLD that have Food Safety plans and programs in place yet aren’t subjected to the same level of scrutiny.

As stated our Members take Food Safety handling, packaging, storing and transport of paramount importance and we are fully supportive of a consultative review to hopefully improve the way business operate inline to provide absolute clarity and consistency around food safety for all.

From a retail Independent local butcher perspective the grid breakdown of current costs that Independent Local Butchers need to outlay.

Retail	VIC	NSW	QLD
Initial application cost	\$347 (Primesafe)	<p>0 –5 FTE Annual Licence fee is \$482 + \$50 application fee = Total \$532</p> <p>6-50 FTE Annual licence fees \$995 + \$50 application fee = Total \$1045</p> <p>51 + FTE Annual licence fee \$4375 + \$50 application fee = Total \$4425</p> <p>Optional fee: Company search undertaken on behalf of applicant - \$50 incl GST</p>	\$171.60 included in annual rego cost / fee below
Annual Registration cost	\$1,040 (Primesafe)	<p>0 -5 FTE food handlers licence fee = \$482 (GST exempt)</p> <p>6-50 FTE food handlers licence fee = \$995 (GST exempt)</p> <p>51 + FTE food handlers licence fee = \$4375 (GST exempt)</p>	\$721.30

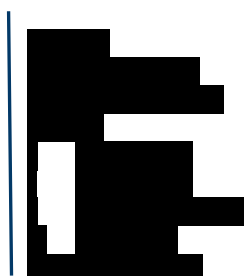


Auditing frequency	2 per year for a non cooking shop. 4 per year for a cooking shop	12 – 24 Months	Annual
Auditing cost	SGS. 2 per year (non-cooking) \$529.65= \$1059.30 4 per year (cooking shop) \$618.20= 2472.80 DQS 2 per year \$500.50= \$ 1001.00 4 per year \$500.50= \$2002.00	\$342.75 per hour (Incl GST) - Average audit time is 0.5-1.0 hrs	\$321.35 per hour
Other food regulatory licensing costs	MTV Licence Commercial van \$138 Truck up to 4.5 tonne \$210 Truck over 4.5 tonne \$266	\$55 incl GST - Meat Retail Diary + Food Safety Program This optional as document is available on website for downloading too FOC. Food Transport vehicles = \$337.00 per vehicle. Improvement Notice for critical food safety breaches = \$330	Temp controlled storage - \$480.70 – if applicable Transporting \$480.70 – if applicable
Total cost per annum	Between \$2237.30-\$3778.80	Variable depending on the above parameters	Varies as above / subject to categories.

Further noting in Victoria, a total cost per shop average is hard to accurately measure as there are many factors involved, cook versus non cooking premise, size of MTV, audit company, size T Licence or P Licence, location- audit cost differ depending on location, Metro Melbourne is a flat \$80 travel, regional is \$70 per hour plus ATO travel rates (72 cents per km)

SGS audit visit example to a regional shop with no other visits to or from the location (Traralgon) would show \$530.00 + Travel (4hours at \$70.00 per hour) \$280.00 + mileage (200km each way at 72cents per km) \$288.00. a grand total of \$1098.00 per audit.

HACCP accredited there would be a further cost on the audit costs as well.



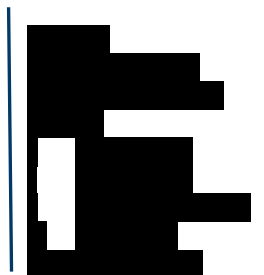
From an SME smallgoods perspective costs are also high and not consistent across Australia

Smallgoods	VIC	NSW	SA	WA
Initial application cost	See notes below	Based on employees 0 to 5 \$482.00 6 to 50 \$995.00 51+ \$4,375.00	*Admin fee - \$242, plus activity-based points system - \$122 per point.	\$75
Annual Registration cost	See notes below	Based on employees 0 to 5 \$482.00 6 to 50 \$995.00 51+ \$4,375.00	\$1129 to \$2438	\$228
Auditing frequency	4		2	N/A
Auditing cost			Approx. \$225ph to \$1,400	N/A
Other food regulatory licensing costs			*Approx. \$15,000pa to \$26,000 pa	
Total cost per annum			\$20,000	

Victoria

Further Meat Processing * (includes poultry meat & smallgoods)

Annual Throughput	Application Fee (Payable with first annual fee only) (\$)	Annual Fee (\$)
Up to 250 tonnes	341	682
251 to 500 tonnes	394	788
501 to 2,500 tonnes	791	1,582
2,501 to 5,000 tonnes	1,188	2,376
Over 5,000 tonnes	1,445	2,889



South Australia

MANUFACTURING OF SMALLGOODS FOR WHOLESALE

The manufacturing of fermented, cooked or cured and raw smallgoods is identified as separate operations and a loading of 4 points is added for each process.

RETAIL/WHOLESALE MEAT PROCESSING Operation

The administration fee of \$242, plus

1. Processing of raw meat (boning, slicing, dicing, mincing, etc.) and raw smallgoods (sausages, patties, corned and pickled meats, etc.) - 1 point
2. Producing ready-to-eat smallgoods through a process of cooking or curing (e.g. manufactured meats and processed meat products). 1 point
3. Producing ready-to-eat smallgoods by a process involving fermentation - 1 point

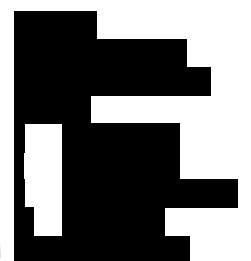
Staffing - A staffing component is also incorporated into the loading. Operations with more employees involved in the processing operation, accrue more points. - **\$122 per point**

- Not more than 6 (2 points)
- More than 6 but not more than 11 (6 points)
- More than 11 but not more than 26 (12 points)
- More than 26 but not more than 40 (20 points)
- More than 40 but not more than 60 (30 points)
- More than 60 (40 points)

The inconsistency that exists within interpretation and that of costs for our Members nationally is one of ongoing concern. We agree that there is an ongoing need for food regulation, to ensure ongoing consumer confidence in food safety both domestically and internationally. The regulations must be objective, science-based, and commensurate with risk and we believe they are however further to this we ask for current regulations be addressed to minimize compliance costs and undue imposts onto businesses and move to a standardised national framework. All states should all be on an equal playing fields, and be measured equally against the same National standard and the expectations not open to interpretation. Many auditors and members we liaise with regularly say there are grey areas in 'interpretation'. There needs to be absolute clarity and to work to a standard that is black and white and not open to interpretation.

The resources that the red meat industry has invested in recent decades, has constantly evolved yet the establishments are focused on protecting brands and reputation, and critical in nature having robust food safety regulations supported by industry QA systems. Consistency of regulatory enforcement across state jurisdictions, such that businesses are not disadvantaged based on their state of operation is crucial.

Whilst we applaud the announcement made on 1 December 2021, by the Minister for Health Hon Roger Cook in Western Australia announcing the statutory review of the WA Food Act 2008 which aims to review the operation and effectiveness in meeting its objects to ensure food for sale is both safe and suitable for human consumption and prevent misleading conduct in connection with the sale of food, we would question where this review sits relevant to proposal P1053 as again it raises points of difference and inconsistencies existing across States when it comes to Food Safety and audits undertaken by local shires.



AMICs submission to this proposal specifically will raise questions and consideration to introduce a Day Diary scenario and Food Safety Plans for retail butchers in WA, and suggest the idea of adopting a like model that works effectively well in Victoria and Queensland for Food Safety management.

This will further aid in alleviating inconsistencies by providing our butchers with a clear set of standards and guidelines to follow and setting a standard and benchmark of Independent Local Butchers and AMIC members with others to follow.

Conclusion

AMIC has long advocated for a balanced and level playing field on a State based and National platform. We support FSANZ's and the measures proposed by the Ministers with agreement that inclusion in the Code will lead to a stronger nationally consistent approach in Food Safety and risk management.

As a key industry stakeholder we would further welcome the opportunity to discuss these matters with other key stakeholders to ensure we drive positive outcomes for our small business community, members and industry in general and collaborate to improve industry- based knowledge and expertise to empower, develop and improve for the future of all.

Sincerely

