



Submission to the Department of Agriculture and Water Resources

Export Regulation Review – Export Control Bill

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24 October 2017





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1 INTRODUCTION

AUS-MEAT was established in 1987 as part of the Australian Meat and Livestock Corporation (AMLC) under section 16 of the Australian Meat & Livestock Corporation Act 1977 (*AMLC Act*). As such, it had statutory responsibility for a national objective description of Australian Meat and Livestock (i.e. the Authority for the Uniform Specification of Meat or AUS-MEAT).

In 1998, the former federal statutory authorities responsible for Meat and Livestock, including the AMLC, underwent a major restructure. The *AMLC Act* was replaced by the current *Australian Meat and Livestock Industry Act 1997 (AMLI Act)*. Replacement Industry Service Bodies were declared under Part 3 of the *AMLI Act 1997* effective 1 July 1998. These Bodies include Meat and Livestock Australia Limited (MLA), and the Australian Meat Processors Corporation (AMPC) and the Red Meat Advisory Council (RMAC) whose membership includes the Industry Peak Councils. Further to this, AUS-MEAT was corporatised as a separate entity under Schedule 3 of the transition arrangements.

AUS-MEAT Limited is wholly owned by the Australian meat and livestock industries. It is a company limited by guarantee, jointly owned by the livestock production sector through membership from Meat and Livestock Australia (MLA) and the meat processing sector through membership from the Australian Meat Processor Corporation (AMPC).

2 EXECUTIVE SUMMARY

With consideration to the unique role of AUS-MEAT in terms of the services provided to industry and the Commonwealth alike, AUS-MEAT welcomes the opportunity to provide comments on the exposure draft of the new Export Control Bill.

AUS-MEAT provides a wide range of services to a broad number of stakeholders in the Australian Meat and Livestock Industry. AUS-MEAT considers it extremely important to ensure that the current arrangements underpinning the delivery of these services are maintained under any legislation changes.

These services are summarised:

- 1) By way of a Memorandum of Understanding to manage the Trade Description components of the Approved Arrangement at Export registered Establishments. This is currently operating under a Letter of Exchange whilst a new MOU is finalised;
- 2) By providing third party auditing services to the Australian Renderers Association who operate under a Letter of Exchange with the Department;
- 3) By way of the provision of Contract services such as EUCAS audits, EU GF HQB evaluations, and a number of other livestock auditing programs.

In addition to the above services, the *Australian Meat Industry Classification System* is currently referenced in the *Export Control (Meat and Meat Products) Orders 2005* and relevant sections such as Trade Description, Grain Fed Beef, EU HGP identification and traceability to name a few must also be preserved in the various legislation updates and commodity rules.

AUS-MEAT supports any changes to the legislation provided the necessary recognition of the current level of responsibilities, service delivery, reporting and sanctions are not removed or diminished in the new legislation.



3 SUMMARY OF AUS-MEAT ROLES (WITHIN LEGISLATION)

3.1 MEAT STANDARDS

3.1.1 Trade Description

To ensure that the trade description element within the occupier of a registered establishments approved arrangement and applied to meat intended export is accurate and complete.

Legislative provisions relating to trade descriptions are found in:

- *Export Control Act 1982 – section 15*
- *Export Control (Meat and Meat Products) Orders 2005*
 - Order 33 Occupier must comply with export standards
 - Order 34 Importing country requirements
 - Order 38 Requirements for an approved arrangement
 - Order 44 Trade descriptions
 - Schedule 6, Part 1 Trade Descriptions
 - Schedule 7 Segregation, Identification, Security and Integrity

AUS-MEAT responsibilities for the verification of trade description requirements in relation to an occupier's Approved Arrangement under the Export Control (Meat and Meat Products) Orders 2005. Are detailed in a Letter of Exchange with the department.

AUS-MEAT's responsibilities for Trade Description are detailed in Meat Notice: [MN 2016/02](#).

3.1.2 Grain Fed Beef

Beef described as being Grain Fed must be derived from animals that have completed a feeding regime that accords with the minimum standards for grain fed beef as described in the *Australian Meat Industry Classification System*. Any declaration made in relation to the feeding of an animal from which meat and meat products are alleged to be grain fed must be accurate.

Grain Fed beef produced under EU GF HQB quota regulations will be verified under the Trade Description requirements of the Approved Arrangement.

AUS-MEAT responsibilities for NFAS sit within Trade Description and are detailed in Meat Notice: [MN 2016/02](#) and [Approved Arrangement Guidelines Part 3 Table 58](#).

The existing references to the *Australian Meat Industry Classification System Manual* with respect to Grain Fed Beef (GF and GFYG) will be essential in the new legislation and it is understood through the Australian Lot Feeder's Association (ALFA) that the Department has affirmed the intent that references to Grain Fed beef will not change.

3.1.3 Export Licensing

AUS-MEAT Limited is cited as the 'Standards Body' responsible for setting standards for meat for export under Regulation 3 (1) of the *Australian Meat and Livestock Industry (Export Licensing) Regulations 1998*. Under this legislation AUS-MEAT's role is to attest to the competency of an entity to export meat before the Federal Government will issue a license to export to that entity.



3.1.4 EU High Quality Beef Quotas (Grain Fed and Hilton)

The tariff quota prescribes that product must be sourced from beef eligible to be described as grain fed (GF) in accordance with the AUS-MEAT Standards. Additional age, dietary and days on feed (DOF) criteria apply over and above the AUS-MEAT Minimum Standards for Grain Fed Beef and the general requirements of NFAS accreditation and the European Cattle Accreditation Scheme (EUCAS)

The autonomous tariff quota for imports of High Quality Beef ('high quality beef grain fed quota) EC Regulation (EU) No. 481/2012 and (EU) No. 593/2013 (Hilton).

- a) The 48,200-tonne grain-fed beef quota can be accessed by Australia, the US, Canada, New Zealand, Uruguay and Argentina. As such, the zero-tariff grain-fed quota is not allocated but available on a first-come, first-served (FCFS) basis. This quota is managed by the EU and access to it cannot be guaranteed even with an Australian Government quota certificate.
- b) 7150 tonnes of High Quality Beef commonly known as Hilton beef.

AUS-MEAT responsibilities for managing verification and trade description of EU GF-HQB are detailed in a Letter of Exchange with the department.

AUS-MEAT's responsibilities for Trade Description activities for EU GF-HQB and High Quality Beef (Hilton) are detailed in [Approved Arrangement Guidelines Part 3 Table 58](#).

4 **LIVESTOCK PROGRAMS**

4.1.1 EUCAS

The European Union Cattle Accreditation Scheme (EUCAS) is a national animal production scheme that guarantees full traceability of all animals through the National Livestock Identification System (NLIS), linking individual animal identification to a central database. EUCAS allows Australia to meet the European Union (EU) market requirements for beef by segregating cattle that have never been treated with hormonal growth promotants (HGP) at any time.

EUCAS accredited farms are audited on both a random and targeted basis. EUCAS feedlots and saleyard are audited annually and their ongoing accreditation depends on a successful audit. If a farm, feedlot or saleyard are found not to be complying with the requirements of the scheme the Department of Agriculture and Water Resources reserves the right to revoke their accreditation.

AUS-MEAT has provided auditing services of EUCAS accredited farms, feedlots and saleyards under contract with the Department for several years. The current services agreement came into effect from 1 July 2017 with an initial five (5) year term.

4.1.2 NFAS

The National Feedlot Accreditation Scheme (NFAS) is an industry self-regulatory quality assurance scheme that was initiated by ALFA.

The objective of the NFAS is to implement Quality Systems for Beef Feedlots which address product integrity for Grain Fed Beef as well as Food Safety, Environmental Management and Animal Welfare.

AUS-MEAT administers the NFAS on behalf of the Feedlot Industry and provides audit services to Accredited Feedlots. NFAS Rules and Standards are managed by the Feedlot Industry Accreditation



Committee (FLIAC), which is comprised of Industry and Government Stakeholders operating in accordance with an Operational Protocol as approved by the AUS-MEAT Board.

4.2 OTHER PROGRAMS

4.2.1 Organics

The Australian Government Department of Agriculture and Water Resources has approved AUS-QUAL as a Certifying Organisation, satisfying *the National Standard for Organic and Bio-Dynamic Produce, Administration Arrangements* and legislation requirements. With this approval, AUS-QUAL has been given authority to issue organic export documentation on behalf of the Australian Government.

AUS-QUAL offers organic auditing and certification to all sectors of the Organic Agricultural, Processing and Food Handling Industries. We provide industry the convenience of working with one professional business for all on farm and processing auditing requirements.

The Department operates a co-regulatory arrangement with approved certifying organisations and, when certified to the National Standard, businesses can export organic products worldwide as the Department has negotiated recognition to this standard throughout many regions of the world.

4.2.2 Australian Wood Packaging Certification Scheme

AWPCS has been developed by the Department of Agriculture to ensure that Australian treatment providers and wood packaging manufacturers produce wood packaging material that meets the requirements of the International Standard for Phytosanitary Measures (ISPM15).

ISPM15 is the International Standard for Phytosanitary Measures Publication No. 15 2009-Guidelines for Regulating Wood Packaging in International Trade. The program is mainly related to pest management. There are currently 3 approved treatment methods; Heat Treatment, Dielectric Heating and Methyl Bromide Fumigation.

Under the AWPCS, treatment providers and wood packaging manufacturers that meet the ISPM15 requirements are authorised by the Department of Agriculture to apply an internationally recognised mark to wood packaging material produced for use in the export trade. The ISPM15 certification mark can only be used in Australia by participants in the AWPCS who are recognised by the Department of Agriculture.

AUS-MEAT conducts audits for this program through its subsidiary AUS-QUAL Pty Ltd, which is an approved certification body for the AWPCS.

4.3 NON-PRESCRIBED GOODS

4.3.1 AHSLEA / ARA

The ARA and AUS-MEAT Limited have signed a Memorandum of Understanding (MOU) that appoints AUS-MEAT Limited as that third party independent audit provider under the LoE with the Department of Agriculture and Water Resources. AUS-MEAT Limited approved Auditors are the only auditors authorised to conduct audits from which recommendations are provided to the Department for export listing for countries with specific export requirements over and above compliance with the Australian Standard.



Similarly, plants recycling fats and oils that wish to be accredited by the ARA must comply with the National Standard for Recycling of Used Cooking Fats and Oils intended for Animal Feeds and are audited under the same MOU.

AHSLEA is a voluntary trade Association whose membership comprises the major exporters of Australian cattle hides, calf skins, sheep and lamb skins, kangaroo skins and goat skins. The members handle product from raw through to finished however essentially the product would be in the range of raw material through to wet blue material. Members account for approximately 90% of the Australian hide/skin production and in the vicinity of 85% of the exports of raw/wet blue hides/skins.

AUS-MEAT provides auditing services under the MOU which incorporates audits conducted against importing country requirements (e.g. EU) and other industry codes of practice.

4.4 OTHER ACTIVITIES

4.4.1 Australian Livestock Processing Animal Welfare Certification System

The Australian Livestock Processing Industry Animal Welfare Certification System (AAWCS) is an independently audited certification program used to demonstrate compliance with the industry best practice animal welfare standards titled the 'Industry Animal Welfare Standards for Livestock Processing Establishments Preparing Meat for Human Consumption' (The Standards) the content of which is managed by AMIC.

The AAWCS has been developed to help Australian livestock processing establishments demonstrate to Industry, Australian and overseas regulators, and above all customers and consumers of Australian meat products their commitment to Industry's best practice animal welfare system at their establishment.

Participation in the AAWCS is voluntary and available to any processing establishment in Australia that processes the major commercially farmed species including cattle and calves, sheep, pigs, deer, goats, buffalo and horses (excluding poultry).

AUS-MEAT provides auditing services on a commercial basis to participants. The arrangements to facilitate the reporting of audit outcomes to the Department is currently being explored through the EMIAC Animal Welfare Sub-committee.

5 CONSULTATION QUESTIONS

The following responses to the specific questions sought during consultation are as follows:

- 1 ***Have you ever experienced export delays to a country or loss of market access for your products as a result of the conduct of other exporters or businesses not following the requirements? If so, describe the impact of this delay on your business and your industry.***

Not directly applicable to AUS-MEAT

- 2 ***Do you think broader enforcement powers available to the department would assist you and your business and your industry? If so, describe the benefit it would bring.***

There will always be the 'rogue operators' that need to be controlled and enforcement of compliant behavior. Recent examples of creative labelling for products exported to Indonesia



and China have highlighted the need for broader enforcement. The use of the RedLine Bio security breach hotline should be encouraged. The old attitude that ‘they’re doing it and getting away with it’ is simply unacceptable. Of equal importance is the ability for the Department to be able to act in a timely manner to ensure that actions (and sanctions) are applied within timeframes that protect the integrity of the industry and stakeholders.

But underlying any broader enforcement powers is the process for imposing the necessary action where non-adherence is uncovered.

3 *Are there benefits to your business of maintaining existing arrangements? Provide examples if possible.*

The current legislation has served the industry well and with regards to Meat Commodity requirements – regulations are clear and quite easy to locate. However, any improvement and intention to remove duplication would be welcome.

4 *Are you aware of opportunities for a reduction in regulatory burden under the existing framework? If so, provide examples.*

Under the AMLI Act, Further Processor’s require AUS-MEAT Accreditation before they can obtain an Export License.

- No audits are conducted by AUS-MEAT.
- No AUS-MEAT Trade Description requirements as additives / ingredients are commonly used.
- No Accreditation requirements as they basically operate under DAWR control.
- The requirement for accreditation seems unwarranted.

Perhaps a review of this category of Export License could be undertaken to improve the current process for Further Processor Export licensing whilst reducing one layer of regulatory burden.

5 *Have you experienced growth in your sector over the past decade that has been assisted by Australia’s export regulatory system? If yes, provide details*

One of the Main areas of Growth to the Export Meat Industry has been China. A significant number of Non Packer Exporters (many with non meat backgrounds) expecting to enter the Chinese market has been considerable. Unfortunately, most do not have a real understanding of the complexities of the Meat Industry and the difficulties of trading with China. Also very few complete any type of market research / due diligence before they start down the long road of exporting to China. The Export regulatory system might be improved in communication and market access information in such cases. A stakeholder suggestion for identifying a ‘case officer’ as a first point of contact might be worth considering.

AUS-MEAT continually provides information to interested parties in this area and in doing so field a range of questions most of which are outside of our area or expertise / responsibility.

6 *Have you or your business exported or attempted to export goods that fall out of the scope of existing agricultural export legislation?*

a) If so, what was your experience of this process? Did you require some sort of facilitation from the department in order to export the goods? What products were involved?

b) What information was requested by the department and what was issued by the department (for example, a letter of facilitation)?

c) What were your regulatory costs (including delays costs) associated with this process?

Not directly applicable to AUS-MEAT.

7 *What benefit would you or your business receive if the department had a clear process for providing certification for these types of products? If you are able, please quantify this benefit in dollar terms?*

Not directly applicable to AUS-MEAT.

8 *How often do you or your business read or refer to Australia's agricultural export legislation? If possible, describe this time spent reading the legislation as x hours per year.*

Meat related matters are referenced very frequently (almost daily). Regular reference to:

- Interpretation
- Trade Description
- Grain Fed Beef
- EUCAS
- Official marks
- Importing country requirements

At times, this may require daily reference to the various legislation.

9 *How often do you seek legal advice on the operation Australia's agricultural export legislation?*

Infrequently and generally only when a major industry issue has been reported that cannot be directly handled by the AMILSC.

10 *The improved legislation will streamline many common export requirements. Do you expect this streamlining to benefit your business? If so, provide details of these benefits. Do you think the new arrangements will save time? If not, why not?*

We would hope this streamlining of requirements will improve communication and make the legislation user friendly and easier to understand. Perhaps a range of information packs could be developed to 'break down' the regulatory process.

11 *How would you or your business benefit from legislation that could be made more efficiently to align with importing country requirements?*

Any change to simplify Market Access and importing country requirements would be most welcome. The process for changing, updating and notifying industry is critical and needs to be readily communicated so that any reference documents / information held by AUS-MEAT can be updated in a timely manner.

12 Have you or your business experienced any adverse effects as a result of delays in implementing new legislation?

Not directly applicable to AUS-MEAT.

13 If so, describe what the impact was on you and your business. What could have been done to prevent this from happening?

Not directly applicable to AUS-MEAT.

14 Are you able to identify any other benefits to you or your business as a result of the improved legislation?

Simplifying current requirements and being able to understand the legislation. Export Commodity Rules need to cover the existing regulations to ensure compliance and Market Access is not jeopardized (e.g. recent Indonesian and Chinese labelling issues).

15 Provide details of any concerns you or your business may have about the new legislation or any of the changes as presented in this document.

The Australian Meat and Livestock Industry (Export Licensing) Regulations listed AUS-MEAT Ltd as the 'Standards body' responsible for setting standards for meat.

This does not appear to be detailed in the revised legislation. AUS-MEAT would expect this responsibility would be retained within the new legislation.

16 The department has assumed that the time required to complete an application for an export licence is four hours.

a) Is this an accurate estimate?

b) If not, how long does it take? (include in your estimate all activities associated with making the application, including gathering relevant information and completing the form).

Not directly applicable to AUS-MEAT.

There remains some confusion about Export licensing requirements – AUS-MEAT continually receives enquiries about Licensing. As some applicants don't fully understand the process, delays are commonly reported. It is also important to highlight that some enquiries believe the process is a simple 'tick and flick' procedure.

17 How often have you been required to apply for an export licence?

Not directly applicable to AUS-MEAT.

18 When completing applications for the department, do you feel like you are providing the same information multiple times? In particular, do you find that you are providing information about whether you are a 'fit and proper person' or 'person of integrity' multiple times?

Fit and Proper persons checks appear to be working OK.



- 19 Do you have any suggestions for how the department can make the licence application process easier or more efficient?**

The confusion about who is responsible for Export Licensing. The Department really needs to consider an improved communication process when the new legislation comes into force to ensure responsibilities are clearly defined.

- 20 If you are a third party authorised officer or have employees appointed as authorised officers, how long did it take to receive the instrument of appointment after the deed of obligation was signed and returned to the department?**

On average it takes approx. four (4) weeks to obtain an Authorised Officer (AO) Identity card. This delay can have an effect on the process of getting an AO into active employment. This can also restrict AUS-MEAT's ability to efficiently resource some industry services especially EU Carcase Evaluation, EUCAS and Meat Processor auditing.

- 21 If there was a delay in receiving the instrument of appointment, what was the associated cost to you and/or to your business? Please include in your response: a) the cost associated with the delay (including making alternative arrangements such as engaging a departmental authorised officer or another third party authorised officer, or any additional processing, storage and handling costs)
b) details of any loss of income resulting from the delay
c) details of any opportunity cost (the value of opportunities that cannot be realised because of the regulatory intervention) resulting from the delay.**

Not directly applicable to AUS-MEAT.

END



6 ATTACHMENT 1: DEFINITIONS

The following definitions apply for terms referenced in this submission:

Accreditation means accreditation or provisional accreditation of an Enterprise by AUS-MEAT in accordance with the National Accreditation Standards.

Agent means a person approved by AUS-MEAT to act on its behalf.

AUS-MEAT means AUS-MEAT Limited.

AUS-MEAT Officer means an officer employed by AUS-MEAT Limited (ABN 44082528881) and bound by a deed to perform Services prescribed by the department.

Authorised Officer means, for the purposes of auditing the accuracy of use of the AUS-MEAT Language, and the effectiveness of an occupier of a registered establishments trade description element of the Approved Arrangement, an AUS-MEAT officer appointed by the Secretary under section 20 of the *Export Control Act 1982* and meeting the competency criteria established by the Australian Meat Industry Language and Standards Committee ([AMILSC](#)).

Australian Meat Industry Language and Standards Committee means the committee which provides advice to the Red Meat Advisory Council for the development, approval and maintenance of the AUS-MEAT Language ([AMILSC](#)).

Australian Meat Industry Classification System Manual 1 also known as the 'AUS-MEAT Language' has the same meaning as defined in the *Export Control (Meat and Meat Products) Orders 2005* sub-order 8.1 and referred to as a guidance document in *Export Control (Meat and Meat Products) Orders 2005* (the Orders) *Schedule 6 Part 1 Division 11 Clause 4.1 note 2 and Schedule 7 Part 1 Clause 5.1 (b)*.

Chiller Assessment means assessment of carcass attributes using AUS-MEAT Approved Reference Standards in accordance with the requirements of the National Accreditation Standards.

False Trade Description means a trade description that, by reason of anything contained in or omitted from the description, is false or likely to mislead in a material respect as regards the goods to which it relates, and includes every alteration of a trade description, whether by way of addition, effacement or otherwise, which makes the description false or likely to mislead.

Grain Fed Beef means the Minimum Standards for Grain Fed beef as defined in the Australian Meat Industry Classification System Manual 1.

MSA means Meat Standards Australia which is a Meat and Livestock Australia (MLA) operated program.

National Accreditation Standards means the standards of Accreditation for Abattoirs, Boning Rooms, Non-Packer Exporters, Further Processors and other Accredited Enterprises.

Secretary means the Secretary of the Commonwealth Department of Agriculture and Water Resources or their delegate.

The department means the Australian Government Department of Agriculture and Water Resources.

Trade Description in relation to prescribed goods, means any description or statement (whether in English or any other language), or pictorial representation, indication or suggestion, direct or indirect:

- a) as to the nature, number, quantity, quality, purity, class, grade, breed, measure, gauge, size, mass, colour, strength, sex, species or age of the goods;
- b) as to the country or place in or at which the goods were made or produced;



- c) as to the exporter, manufacturer or producer of the goods or the person by whom they were selected, packed or in any way prepared for the market;
- d) as to the mode, time or place of manufacturing, producing, selecting, packing or otherwise preparing or treating the goods;
- e) as to the time before which, or period within which, the goods are to be used;
- f) as to the batch, lot or other grouping in which the goods are included;
- g) as to the material or ingredients of which the goods are composed or from which they are derived; or
- h) as to the goods being the subject of an existing patent or privilege;

and includes any label or mark that, according to the custom of the trade or common repute, is commonly taken to be an indication of any of the above matters.

Other definitions are the same as detailed in the National Accreditation Standards.

END