Recognition of third party programs

An AUS-MEAT perspective

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Tuesday 23 October, 2018, Brisbane, Queensland
Topics

- AUS-MEAT - History, Organisation, Role in Industry
- Experience Working with Government
- AUS-MEAT Accreditation – Overview, Key Features
- Regulatory / Customer Recognition - Examples
- Harmonisation – Retailers/International
- Compliance Data Analysis, NCR Management and Reporting
- Closing
AUS-MEAT – History

- Established in 1987 as national industry-owned organization as a result of meat substitution scandals in the mid 1980’s.
- Industry restructure in 1998 resulted in 50:50 partnership between producers and processors.
- Formed as a not-for-profit organisation (includes subsidiary AUS-QUAL).
- Core responsibility = establishment and maintenance of a universal, uniform trading language for meat and livestock.
- Role = move from inspectorial processes to QMS (culture).
The Organisation Today

- Provides **auditing and certification** services (70 + programs) in **Australia and New Zealand**.
- Services a **broad range of sectors** and supply chains.
- Services includes **food safety, animal welfare, biosecurity** and **social accountability**.
- **Quality Management System** certified to **ISO 9001:2015**.
- **Certified programs** delivered under **JAS-ANZ**.
- **Primary objective** remains the **management of trade description requirements** and **industry standards**.
Role in Australian Meat & Livestock Industry

- Cited as ‘Standards Body’ (Regulation 3(1)) of Export Licensing Regulations.
- Under legislation role is to attest to competency of entities exporting meat.
- Trade Description (defined in Export Control (Meat and Meat Products) Orders 2005) must be in accordance with the Australian Meat Industry Classification System.
- AUS-MEAT has day-to-day responsibility for trade description in Accredited Establishments.
- Designated functions conducted under formal arrangement (LoE) with Commonwealth.
Experience Working with Government

- AUS-MEAT/AUS-QUAL reports to Government (Commonwealth and State) directly and indirectly on a range of different industry quality assurance schemes.

<table>
<thead>
<tr>
<th>Program</th>
<th>Scope</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUS-MEAT Accreditation</td>
<td>Trade Description</td>
<td>#</td>
</tr>
<tr>
<td>Non-Packer Exporter (NPE)</td>
<td>Trade Description</td>
<td>#</td>
</tr>
<tr>
<td>National Feedlot Accreditation Scheme (NFAS)</td>
<td>Food Safety, Animal Welfare, Environment, Product Integrity</td>
<td>#</td>
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<tr>
<td>Australian Rendering Association (ARA)</td>
<td>Food Safety</td>
<td>^</td>
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<tr>
<td>Australian Animal Welfare Certification System (AAWCS)</td>
<td>Animal Welfare</td>
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<td>EUCAS</td>
<td>EU Market Access</td>
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<tr>
<td>EU GF HQB</td>
<td>EU Market Access</td>
<td>^</td>
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<tr>
<td>Organics</td>
<td>Organic Standards</td>
<td>CB</td>
</tr>
<tr>
<td>NRS Target Audits</td>
<td>Food Safety</td>
<td>^</td>
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</tbody>
</table>

Legend: # Scheme Owner, ^ Service Provider, CB - Certification Body

- Role varies - program owner, certification body, service provider.
Experience working with government relates to **trade description** however the principles and benefits of co-regulatory approach the same.

Model created in recognition that QMS provide a platform to **drive for cultural change**.

**100% of export** processing establishments subject to arrangement.

Formal **arrangements align** to the principles, roles and responsibilities in the draft guidelines under consideration.
Prescribed polices and procedures for managing audits and auditor competency.

Audit frequency based on performance.

Governance:
  - Australian Meat Industry Language and Standards Committee (AMILSC).
  - Audit findings reported through AMILSC.
  - Annual oversight of arrangements by DAWR.

AUS-MEAT activities complementary to that of government as competent authority.
Regulatory / Customer Recognition - Examples

**NFAS** (intensive livestock)
- Scope: food safety, animal welfare, environment & product integrity.
- Governance - Co-regulatory.
- Recognition of environmental (QLD & VIC) & livestock management credentials (VIC).
- MoU with State Government – compliance & joint inspections.

**ARA** (rendering)
- Scope: food safety.
- Arrangements underpinned by Letter of Exchange (LoE) - ARA and DAWR.
- AUS-MEAT delivers auditing services under MoU with ARA.

**AAWCS** (animal welfare livestock processing)
- Scope: animal welfare.
- Governance – AMILSC.
- Reduced reduce duplication in animal welfare audit requirements.
- Prescribed reporting of potential export legislative breaches.
Harmonisation – Retailers/International

Retailers

• The arrangements in the draft *Principles and Guidelines* document mirror those currently operating within the Australian supermarket retailer space (GFSI +).

Fresh Produce Area

• Harmonised Australian Retailer Produce Scheme (HARPS)
• Retailer-led scheme
• Goal to streamline audits / reduce audit costs for fresh produce suppliers

North American

• USA Food manufacturing customers (18) accepting single audit activity for key food safety, animal welfare and specified risk material.
• One audit, common report, various reporting pathways.
Compliance Data Analysis

- Large quantities of data collected by CBs for reporting.
  - **Simple Reporting**
    - date, site, compliance / non-compliance
  - **Comprehensive Reporting**
    - individual or aggregate data
    - non-conformance trending
    - analysis by production type / regional areas etc
- **Accreditation cycle stage management**
- **Mechanisms for monitoring performance** of CBs and program participants.

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**Top 10 CARs**

<table>
<thead>
<tr>
<th>Rank</th>
<th>CAR</th>
<th>Percent</th>
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<tbody>
<tr>
<td>1</td>
<td>Critical</td>
<td>20.5%</td>
</tr>
<tr>
<td>2</td>
<td>Major</td>
<td>15.3%</td>
</tr>
<tr>
<td>3</td>
<td>Minor</td>
<td>10.2%</td>
</tr>
<tr>
<td>4</td>
<td>Overseas Curt</td>
<td>7.8%</td>
</tr>
<tr>
<td>5</td>
<td>Seasonal</td>
<td>6.2%</td>
</tr>
<tr>
<td>6</td>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
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**Overdue CARs**

<table>
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<tr>
<th>Month</th>
<th>Critical</th>
<th>Major</th>
<th>Minor</th>
<th>Overseas Curt</th>
<th>Seasonal</th>
<th>Total</th>
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<tr>
<td>Feb 18</td>
<td>10</td>
<td>8</td>
<td>6</td>
<td>4</td>
<td>3</td>
<td>23</td>
</tr>
<tr>
<td>Mar 18</td>
<td>12</td>
<td>10</td>
<td>7</td>
<td>5</td>
<td>4</td>
<td>33</td>
</tr>
<tr>
<td>Apr 18</td>
<td>15</td>
<td>12</td>
<td>9</td>
<td>6</td>
<td>5</td>
<td>47</td>
</tr>
<tr>
<td>May 18</td>
<td>18</td>
<td>15</td>
<td>11</td>
<td>7</td>
<td>6</td>
<td>57</td>
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<tr>
<td>Jun 18</td>
<td>20</td>
<td>17</td>
<td>13</td>
<td>8</td>
<td>7</td>
<td>67</td>
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<tr>
<td>Jul 18</td>
<td>22</td>
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<td>Aug 18</td>
<td>24</td>
<td>21</td>
<td>17</td>
<td>10</td>
<td>9</td>
<td>79</td>
</tr>
</tbody>
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**Non Conformance Trends**

- Critical
- Major
- Minor
- Overseas Curt
- Seasonal

- Total

Period: 2007 to 2017
Follow-up is essential.

Non-Conformance Management Systems
- e.g. automated reminders.

Routine reporting to scheme owners – directly or via industry Committees.

Critical issue reporting - prescribed timeframes for owners and/or government agencies.

Timeliness of reporting information is important:
- Utilisation of online systems (web portal) for provision of real time access to key information by stakeholders.

Overall program trend analysis and sharing provides focus for stakeholders and auditors.
In Closing

- **Model** for recognition of third party audited programs **proven**.

- **Encourage supply chain** to adopt QMS:
  - provides business framework for individual food business - food safety management is only one component
  - provides access to customers (not just market access)

- Participation and recognition will **drive change and culture**.

- Arrangements **support increased expectation of customers** with respect to oversight **without impacting regulatory resources**.

- **Information sharing** = reduced regulatory cost, efficient use of resources and further enhances value proposition of such programs.

- AUS-MEAT is an **advocate** for **third party auditing** arrangements.
THANK YOU