

## Summary of meeting outcomes

### NSW Dairy Industry Consultative Committee

10 September 2019

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The NSW Dairy Industry Consultative Committee held a meeting in Sydney on Tuesday 10 September 2019. Specific issues considered at the meeting are detailed below.

#### Attendees

**NSW Dairy Industry Consultative Committee:** Sarah Britton (NSW Chief Veterinary Officer and Group Director Animal Biosecurity), Helen Dornom (Dairy Australia), Ruth Kydd (Dairy Connect, dairy producer), Michael McNamara (Director, Pecora Dairy), Sarah Mandelson (CEO Serendipity Icecream), Phil Ryan (NSW Farmers' Association, dairy producer).

**Guest Attendees:** Shaughn Morgan and Graham Forbes (Dairy Connect)

**NSW DPI – Biosecurity & Food Safety:** Lisa Szabo (Group Director Food Safety & CEO NSW Food Authority), David Cusack (Manager Food Standards & Programs), Mark Mackie (Manager Regulatory Operations Unit), Sus Perkins (A/Manager Communications & Stakeholder Engagement).

**Apologies:** Allison David (Norco Foods), Jane Sherborne (Dairy NSW Chair, dairy producer), Peter Day (Director, Compliance & Integrity Systems), Ryoko Uchida (Senior Industry Analyst, International Engagement Unit), Craig Shadbolt (Manager, Food Incident Response & Complaints), Riverina Dairy Pty Ltd, Bega Cheese Limited.

#### Industry updates

Members provided updates on key and emerging issues in their respective industry sectors. Issues raised included:

- members are keeping a watching brief on applications to import raw milk cheeses into Australia; members to continue to advise the Department regarding raw milk cheeses for sale in NSW for follow up.
- members noted that food entering Australia is subject to the *Imported Food Control Act 1992*, which provides for the inspection and control of imported food using a risk-based border inspection program administered by the Australian Government's Department of Agriculture.
- Increasing pressure on dairy food manufacturers and the need for multiple audits – members noted the Food Authority's regulatory framework and legislative responsibility to conduct audits of licensed businesses to ensure public health and safety and compliance with Food Regulation 2015 and the Food Standards Code. The Authority also detailed the Regulatory Food Safety Auditor System which approves persons other than Authority employees to conduct regulatory food safety audits of low risk licensed food businesses in NSW (with a suitable audit and compliance history from Food Authority auditors).
- Dairy Australia workshops to develop protocol for antibiotic testing of milk that will be acceptable for use by companies, state regulators and the export market.
- Current drought conditions continue to put lots of pressure on industry in terms of milk supply. Members reported that the quality of feed being fed to cattle is also presenting challenges on milk quality.

### **Food Safety Compliance Report**

Members noted a report on dairy industry compliance activities for the 2018-19 financial year. The dairy industry sector recorded a high compliance rate with 94% of licensed businesses recording an acceptable audit and/or inspection result during this period. Of the businesses that failed their compliance audit during the reporting period, all subsequent follow up audits demonstrated compliance, indicating that licensees are implementing effective corrective actions in response to audit failures.

The low level of enforcement activity during the period is reflective of a highly compliant industry.

The top three audit items that had higher observed levels of critical issues for the current reporting period (FY 18/19) were within food safety program (33%), construction & maintenance (27%) and Hygiene & sanitation (13%).

There were a small number of antibiotic notifications and one pathogen notifications received during the period. The Biosecurity & Food Safety Compliance team is very satisfied with the high compliance rate recorded for the dairy industry sector.

### **New Cold Store Food Safety Program (FSP)**

Mark Mackie provided a verbal update to members regarding a new document that has been prepared by the NSW Food Authority to help provide information and guidance to cold store businesses on how to meet their regulatory requirements. Typical activities carried out by a cold store business have been added to this document, which is designed to be used as the basis for determining and resolving most day to day operational issues faced by your food business, and to assist with compliance during the audit or inspection process.

The NSW Cold Store Food Safety Program and diary is available for purchase at a cost of \$55.00. The document is also be available to download free of charge from the Authority's website.

### **Biosecurity Management Plan**

Mark Mackie provided an overview of the changes to the Biosecurity Regulation 2019 which came into effect on 1 August 2019. Members were advised that producers are being urged to adopt a Biosecurity Management Plan (BMP) to reduce biosecurity risks and increase protection against trespasses.

A BMP provides an effective tool to help producers document all the biosecurity risks to their property and includes a wide range of activities and plans to prevent and help manage various pests and diseases. Arrangements in BMPs aim to prevent and minimise the biosecurity risks posed by people entering any property where commercial agricultural or horticultural activity, including processing and education, occurs.

Under the changes, it will become mandatory for site visitors to comply with the measures outlined in the plan or face tougher penalties. Tougher penalties have also been introduced for trespassers who illegally enter farmers' properties.

A new offence has been created under the State's Biosecurity Act that will see trespassers on farms, creating biosecurity risks, handed an immediate on-the-spot fine of \$1,000 and further court-ordered fines of up to \$220,000 per person and \$440,000 for corporations.

Anyone who enters a designated biosecurity area without permission and without complying with the plan's requirements, may be subject to the new, harsher penalties.

Further detailed information can be found at the Department's website <https://www.dpi.nsw.gov.au/biosecurity/your-role-in-biosecurity/primary-producers/biosecurity-management-plan>

### **Milk Testing and Collection Procedures**

A paper was drafted by the Food Authority outlining two issues raised by Dairy Connect regarding raw milk collection and testing:

1. Whether the milk samples being collected on-farm are representative of the lot of milk;
2. Test result inconsistencies between testing laboratories.

The paper outlines that the Food Authority's remit does not extend to industry and market related issues in terms of how the product is sampled to ascertain quality parameters and how those results are communicated to the farmer.

Dairy Connect guest attendees Mr Shaughn Morgan and Mr Graham Forbes shared their issues and members views were sought.

Helen Dornom indicated that Dairy Australia has been doing some work in the milk testing space over several years. In 2011 Dairy Australia engaged a consultant to prepare a report to reflect the differences between vat tests versus herd recording (individual animal tests) and methods of collection.

Dairy Australia produced a fact sheet in 2017 which provides information on the system and procedures used for milk quality testing in Australia. Testing laboratories (undertaking bulk milk cell count and compositional (fat and protein) testing) need to be NATA accredited and participate in proficiency testing. Helen advised that she was aware of companies that run a rolling average of test results to accommodate varying fat and protein levels experienced with seasonal milking and differing herd composition.

Helen advised that within the industry there has been a move away from company-owned to contracted milk tankers. Tanker driver training is being rolled out nationally through Dairy Australia's training group overseeing the national accreditation. Dairy Australia has looked at similar training available in New Zealand and have recently run a pilot of the program with tanker companies ahead of the national roll out. Helen will provide more information on the tanker driver training either out-of-session for members or at the next meeting, with a focus on the accredited training key area regarding the proficiency of sample taking.

### **Sale of raw milk via a shared herd cow scheme model – Case Study**

David Cusack presented an information paper following a request from industry members on the sale of raw milk via a cow share scheme. David presented two case studies – South Australia - In 2016, a couple were fined more than \$17,000 for selling raw milk through a 'cow share' scheme in the Magistrates Court. The magistrate described the scheme as a deliberate and sophisticated. The couple pleaded guilty to selling unpasteurised milk contrary to the Food Act by setting up a share program in their dairy cows on their farm south of Adelaide. Fines totalled \$17,500, with a 10 per cent discount allowed for their guilty pleas. Court fees were waived but the couple was ordered to pay a \$1,000 prosecution fee and victims of crime levy. A conviction was recorded.

NSW – <http://www.foodauthority.nsw.gov.au/news/newsandmedia/departmental/2017-06-09-raw-milk-conviction>

In 2015 NSW Food Authority officers found that Ms McKay was operating a 'herd sharing' business whereby a person enters into a contract and purchases shares in a herd or individual cow and consequently receives raw milk produced by that herd. Samples of raw milk taken from an animal that was part of the herd share arrangement by Officers returned positive for the presence of Listeria. The operation was immediately shut down with a Prohibition Order.

Ms McKay was charged with breaches of section 104 of the Food Act 2003 for selling milk which was not pasteurised in contravention of Food Regulation 2010, and for conducting a food business without a licence as required by the Regulation.

Ms McKay was further charged with two breaches under section 21 of the Food Act for selling unpasteurised milk that exceeded acceptable microbiological limits for standard plate counts and Listeria.

Ms McKay offered that 'herd-share' arrangements did not constitute sale under the Food Act 2003. This claim was not substantiated by the court. On 8 June 2017, Ms Julia McKay was found guilty of breaching the NSW Food Act 2003 and fined \$28,000 and ordered to pay professional costs of \$25,000 in relation to the operation of a herd share arrangement.

On 18 October 2017, Ms McKay successfully appealed the severity of the fine and it was reduced to a penalty of \$5,000 in fines and \$5,000 in professional costs. A conviction was recorded.

### **National PIC (Property Identification Code) project update**

David Cusack presented an update of the PIC project *Property Identification Reforms: enhancing agricultural traceability*. This work arose from the review of the Intergovernmental Agreement on Biosecurity (IGAB) led by panel Chair Dr Craik in 2017.

Australian agriculture ministers responded to the independent panel's final IGAB report, *Priorities for Australia's biosecurity system* in late 2018 and made a specific commitment to examine property identification codes nationally in animal and plant products industries; to develop a set of consistent business rules by the end of 2019 and to harmonise legislation to give effect to national PICs across animal and plant products industries by the end of 2022.

The presentation also outlined other current traceability reviews including the National traceability project (<http://www.agriculture.gov.au/market-access-trade/traceability-project>), SAFEMEAT reforms to Australia's livestock traceability and the Food Exports Review (<http://www.agriculture.gov.au/ag-farm-food/food/regulation-safety/food-export-review>).

Members were advised that they can provide their views on the project principles and recommended changes to their respective industry representative group or in writing to the Australian Government Department of Agriculture's *Have Your Say* webpage <https://haveyoursay.agriculture.gov.au/property-id-reforms>

*The date for the next meeting of the Dairy Industry Consultative Committee in 2020 is to be advised.*