Twenty-ninth
Report to the Parliament

Report on the
Victorian Abattoir and Meat Inspection Authority

Parliament of Victoria
November 1990
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CHAIRMAN’S FORWORD

The Public Bodies Review Committee has been conducting a review of 16 statutory bodies from the agricultural sector of Government. The Report on the Victorian Abattoir and Meat Inspection Authority is the sixteenth and last review of these agricultural statutory bodies.

This review has required the Committee to examine closely the licensing of meat establishments in Victoria and also look at various related issues in the meat industry. The Committee considers the meat industry to be very important for the Victorian economy and that the licensing of meat establishments according to specified standards is necessary for the viability of the industry. To fully understand the industry and recommend the future direction of the Authority, the Committee has had to understand many complex issues that extend beyond Victoria’s boundaries.

In order to examine the complex issues of this inquiry, the Authority was initially examined by a Sub-committee chaired by Mr. John Delzoppo M.P. On behalf of the Committee I wish to thank the Sub-committee, and in particular Mr. Delzoppo, for their work exploring all the issues involved in order to prepare a draft of this report.

In producing this report, the Public Bodies Review Committee has attained a high degree of consensus. We believe the recommendations of the Report, if adopted, will increase the efficiency and effectiveness of meat industry production.

On behalf of the Committee, I wish to thank all individuals and organisations who assisted the work of the Committee by providing written submissions, background information and public hearing evidence. In particular, the Committee appreciates the information and assistance provided, with willingness and courtesy, by the members of the Victorian Abattoir and Meat Inspection Authority and staff of the Department of Agriculture and Rural Affairs with special thanks to Dr. Terry Truscott, Chairman, Dr. Richard Crossing, Deputy Chairman and Dr. Andrew Turner, former Chairman of the Authority.
Lastly, the Committee wishes to thank its staff, most particularly, the Committee's Research Officer, Ms. Judy Anderson, who researched and drafted this Report; its Executive Officer, Mr. David Ali, for providing administrative and secretarial support and Mrs. Jenny Hercog for typing this Report.

John Harrowfield M.P.,
Chairman.
PREAMBLE

In presenting its Twenty-ninth Report to the Parliament of Victoria, the Committee indicates that this Report was agreed to by a majority of Members. The Report is accompanied by a Minority Report by the Hon. K. M. Smith, M.L.C., in accordance with section 4N(4) of the Parliamentary Committees Act 1968. A declaration of pecuniary interest has been made by Mr. D. Dollis, M.P.

ERRATUM

On page 22 an error was made, based on the information provided to the Committee by the Authority, in the discussion on local government representation on the Authority. The words "The Committee noted that the current local government representative on the Authority is a councillor for a municipality and has also represented the Victorian Farmers Federation on a federal agricultural council. This situation could result in a conflict of interest and confer the VFF with greater representation than the two members provided for in the Act.", should be deleted as incorrect.
PUBLIC BODIES REVIEW COMMITTEE

of the Parliament of Victoria

COMMITTEE MEMBERS

Mr. J.D. Harrowfield, M.P. (Chairman)
Mr. J.E. Delzoppo, J.P., M.P. (Deputy Chairman)
Mr. A. Andrianopoulos, M.P.
The Hon. G.B. Ashman, M.L.C.
Mr. D.J. Cunningham, M.P.
Mr. D. Dollis, M.P.
Mr. B.J. Evans, M.P.
The Hon. P.R. Hall, M.L.C.
Mr. V.P. Heffernan, O.A.M., M.P. (from 25 September 1990)
Mr. D.J. Perrin, M.P. (to 25 September 1990)
Mr. G. Seitz, M.P.
Mr. R.C.G. Sercombe, M.P.
The Hon. K.M. Smith, M.L.C.

SUB-COMMITTEE APPOINTED TO DRAFT REPORT

Mr. J.E. Delzoppo, J.P., M.P. (Chairman)
Mr. D.J. Cunningham, M.P.
Mr. D. Dollis, M.P.
The Hon. P.R. Hall, M.L.C.
The Hon. K.M. Smith, M.L.C.
The Hon. G.B. Ashman, M.L.C. (as observer)

COMMITTEE STAFF

Mr. Chris Wilcox, Director of Research
Ms. Joyce Duffy, Senior Research Officer
Ms. Judy Anderson, Research Officer

Mr. David I. Ali, Executive Officer and Secretary to the Committee
Mrs. Jennifer A. Hercog, Word Processor Operator
REFERENCE TO THE PUBLIC BODIES REVIEW COMMITTEE

EXTRACTED FROM THE VICTORIA GOVERNMENT GAZETTE
26 June 1985, No. 66, pp. 2423 - 4

Parliamentary Committees Act 1968

At the Executive Council Chamber, Melbourne, the eighteenth day of June 1985

PRESENT:

The Lieutenant-Governor as Deputy for His Excellency the Governor of Victoria

Mr. Wilkes  Mr. Cathie
Mr. Jolly

In accordance with the powers conferred by Section 4M of the Parliamentary Committees Act 1968 and all other power enabling him, the Lieutenant-Governor as Deputy for His Excellency the Governor of Victoria, by and with the advice of the Executive Council, hereby nominates the following public bodies for review by the Public Bodies Review Committee:

Citrus Fruit Marketing Board*
Melbourne Wholesale Fruit and Vegetable Market
Poultry Farmer Licensing Committee
Poultry Farmer Licensing Review Committee
Stock Medicines Board
Tobacco Leaf Marketing Board
Tobacco Quota Appeals Tribunal
Tobacco Quota Committee
Tomato Processing Industry Negotiating Committee
Victorian Abattoir and Meat Inspection Authority
Victorian Broiler Industry Negotiation Committee
Victorian Dairy Industry Authority
Victorian Dried Fruits Board
Victorian Egg Marketing Board
Victorian Wheat Advisory Committee
Western Metropolitan Market Trust
Wine Grape Processing Industry Negotiating Committee

And the Honourable Evan Walker, Her Majesty's Minister for Agriculture and Rural Affairs for the State of Victoria, shall given the necessary directions herein accordingly.

L.G. Houston
CLERK OF THE EXECUTIVE COUNCIL

Owing to the dissolution of the Parliament on 29 August 1988, the above reference of 26 June 1985 lapsed. Accordingly, after the State Election, the Governor in Council on 15 November 1988 reissued the reference nominating the Victorian Dairy Industry Authority for review by the Public Bodies Review Committee. On 29 November 1988, the Governor in Council also reissued the reference nominating the Victorian Abattoir and Meat Inspection Authority, the Western Metropolitan Market Trust and the Melbourne Wholesale Fruit and Vegetable Market Trust for review.

EXTRACTED FROM THE VICTORIA GOVERNMENT GAZETTE
6 May 1987, No. G17, p. 1029

Parliamentary Committees Act 1968

WITHDRAWAL OF THE REVIEW BY THE
PUBLIC BODIES REVIEW COMMITTEE OF THE
NOMINATION OF THE CITRUS FRUIT MARKETING BOARD

The Governor in Council under Section 4M (3) of the Parliamentary Committees Act 1968, withdraws for review by the Public Bodies Review Committee, the nomination of the Citrus Fruit Marketing Board made by Order of 18 June 1985 and published in the Victoria Government Gazette, 26 June 1985

Dated: 5 May 1987

Responsible Minister:

EVAN WALKER, M.L.C.
Minister for Agriculture and Rural Affairs

L.G. Houston
CLERK OF THE EXECUTIVE COUNCIL
DEFINITIONS OF KEY TERMS

**Meat:** any edible part of an animal unless indicated otherwise.

**Abattoir:** any premise or place where animals are slaughtered for the production of meat for human consumption.

**Establishment:** includes abattoirs, meat inspection depots and other meat premises plus premises that produce and process inedible meat.

**Knackery:** a place used to slaughter and dress horses and animals, or receive dead animals and carcasses not intended for human consumption, and includes a boiling down works and rendering works.

**Meat Establishment:** includes abattoirs, meat inspection depots and other meat premises that are involved in the slaughter and processing of meat. Domestic/local meat establishments produce meat for consumption within Australia (i.e. not for export).

**Meat Inspection Depot:** any place for the reception of meat for the purposes of examination and branding by or under direction of a meat inspector.

**Meat Premises:** any place other than abattoirs where meat intended for sale for human consumption is stored, packed, packaged, processed, canned, treated, boned out or manufactured into small goods.

**Meat Product:** a product containing meat which is intended for human consumption.

**Occupier:** is any person who by lease or any other arrangement is entitled to occupy and use the whole or part of the meat establishment.

**Owner:** is any person who is the employer of persons working at a meat establishment, knackery or pet food establishment.

**Slaughterhouse:** is an abattoir with a throughput of less than 15,000 units per year, or 1,250 units per month (one head of cattle, except calves, are 5 units, all other stock are 1 unit).
PRESENTATION CONVENTIONS

These conventions have been adopted in the presentation of this Report to aid readability:

The acronym VAMIA refers to the Victorian Abattoir and Meat Inspection Authority.

The acronym DARA refers to the Department of Agriculture and Rural Affairs.

The acronym MISU refers to the Meat Industry Standards and Information Unit.

The acronym VMIC refers to the Victorian Meat Industry Committee.

The acronym VMELA refers to the Victorian Meat Establishment Licensing Authority.

The terms ‘body’ and ‘Authority’ should be interpreted as references to the Victorian Abattoir and Meat Inspection Authority.

The term ‘Committee’ should be interpreted as meaning the Public Bodies Review Committee.

The Consumer Price Index, All Groups Weighted Average of Eight Capital Cities has been used to index monetary values in this volume. It is cited in a truncated form under the relevant tables.
RECOMMENDATIONS

PART I: OUTLINE AND EVALUATION OF THE VICTORIAN ABATTOIR AND MEAT INSPECTION AUTHORITY

AUTHORITY MEMBERSHIP:

The Committee recommends:

1. That section 5(1)(f) of the Abattoir and Meat Inspection Act 1973, that provides for export meat processor representation on the Authority, be repealed. (Paragraph 3.3.1)

2. That section 5(1)(c) of the Abattoir and Meat Inspection Act 1973, providing for local government representation on the Authority, be repealed. (Paragraph 3.3.1)

3. That the Abattoir and Meat Inspection Act 1973 be amended to include a provision for the representation of the pet meat industry on the Authority. (see Paragraph 3.3.1)

OPERATIONAL ARRANGEMENTS:

The Committee recommends:

4. That any future increase in licence fees should only increase in line with the costs of operating the Authority but do not exceed the State C.P.I. (Paragraph 3.4.1(a))

5. That the relevant Government Departments instigate charging the Authority rent. (Paragraph 3.4.1(b))

6. That the Authority is accountable for all resources consumed in providing the licensing services. (Paragraph 3.4.1(c))
7. That the Authority moves towards full-cost recovery.  
   (Paragraph 3.4.1(c))

PRIMARY STATUTORY FUNCTION - LICENSING:

The Committee recommends:

8. That section 22(1)(a) of the *Abattoir and Meat Inspection Act 1973*, that allows the Authority to licence export abattoirs, be repealed. (Paragraph 4.2.1(a))

9. That licences for slaughterhouses have daily throughput restrictions according to chiller capacity, however, these cannot exceed 15,000 units per year, and licences are only granted to establishments that operate for the local community. (Paragraph 4.2.1(c))

10. That section 26 of the *Abattoir and Meat Inspection Act 1973* be amended so that conditions and restrictions placed on licences are in accordance with Regulations and provisions under this Act and not as the Authority "...sees fit to impose...". (Paragraph 4.2.2(a))

11. That the grounds for the refusal of a licence or upgrade application, because of the existence of adequate slaughter facilities in the district, under sections 27(c)(iv) and 30(2) of the *Abattoir and Meat Inspection Act 1973* be repealed. (Paragraph 4.2.2(b))

12. That licence decisions are appealed in the Administrative Appeals Tribunal. (Paragraph 4.2.2(c))

13. That in situations where owners have lease arrangements with operators of meat establishments, both the owner and the operator can be subject to prosecution for the contravention of licence conditions issued under the *Abattoir and Meat Inspection Act 1973*. (Paragraph 4.2.3)
14. That knackeries and pet meat establishments in Victoria continue to utilise dead animals for pet food, and any provisions in the draft national meat inspection orders prohibiting the use of this as pet meat are not included in legislation that pertains to Victoria. (Paragraph 4.3.2)

SECONDARY STATUTORY FUNCTIONS:

The Committee recommends:

15. That the Authority pay greater attention to the survey function under section 9(1)(a) of the Abattoir and Meat Inspection Act 1973, to monitor compliance and standards enforcement in establishments. (Paragraph 5.1.1)

16. That the words of section 9(1)(b) of the Abattoir and Meat Inspection Act 1973, for meat establishments to be reviewed "with particular reference to the slaughtering capacity and location of those meat establishments in relation to the overall requirements of the State", be repealed. (Paragraph 5.2.1)

17. That the Victorian Abattoir and Meat Inspection Authority meet its statutory reporting requirements. (Paragraph 5.3.1)

PART II: INDUSTRY ISSUES THAT IMPACT ON THE AUTHORITY

POULTRY PROCESSING:

The Committee recommends:

18. That the Australian Code of Practice for Poultry Processing is included in the Poultry Processing Regulations 1988 under the Poultry Processing Act 1968, or any proposed legislation, and be fully implemented through the licensing of poultry processing operators. (Chapter 2)
OCCUPATIONAL HEALTH AND SAFETY:

The Committee recommends:

19. That the Authority recognises the meat industry occupational health and safety code, once completed, as the guideline for ensuring a safe working environment. (Chapter 3)

20. That officers, who inspect meat establishments, receive training on occupational health and safety issues relevant to the industry, to facilitate early recognition of risks to staff working in meat establishments, when construction and equipment plans are submitted to the Authority for approval. (Chapter 3)

21. That officers give the meat industry occupational health and safety code (once completed) consideration when inspecting meat establishments, and refer identified occupational health and safety issues to the relevant Department of Labour Regional Office for investigation. (Chapter 3)

AUTHORITY RESTRUCTURE:

The Committee recommends:

22. That the following principles be adopted for meat inspection:

. That there be a national meat inspection service;

. That the service be an independent service with integrity;

. That the service be accountable to both government and industry; and

. That the domestic service use meat inspection standards that take account of regional differences. (Paragraph 4.1)
23. That the Victorian Abattoir and Meat Inspection Authority cease to exist. (Paragraph 4.2)

24. That the Victorian Meat Establishment Licensing Authority (VMELA) be established with primary responsibilities for the licensing of domestic meat establishments. (Paragraph 4.2)

25. That export meat establishment licensing be the responsibility of the national organisation that is responsible for meat inspection. (Paragraph 4.2)

26. That the functions of the Authority are to:

   - licence, according to compliance with construction and equipment standards, domestic establishments in the edible and inedible meat industry which include:
     - meat establishments that produce edible meat;
     - pet meat establishments;
     - poultry processing establishments; and
     - game meat processing establishments;

   - licence vehicles used for the transport of edible meat; and

   - evaluate its own procedures from time to time by conducting surveys of standards compliance, and reporting the findings to the Victorian Minister for Agriculture and Rural Affairs. (Paragraph 4.2.1)
27. That the membership of the Authority comprises representation from:

- Department of Agriculture and Rural Affairs - 2 Members (at least one member must be a veterinary officer);

- The organisation responsible for national meat inspection - 1 Member;

- Health Department Victoria - 1 Member;

- Victorian Trades Hall Council - 1 Member;

- Victorian Farmers Federation - 1 Member;

- Meat and Allied Trades Federation - 1 Member;

- Knackery and Pet Meat Establishments - 1 Member; and

- Poultry Processing Establishments - 1 Member. (Paragraph 4.2.2)

28. That the Victorian Meat Establishment Licensing Authority adopts responsibility for licensing game packing houses once the code of practice for game meat for human consumption is completed and adopted in legislation. (Paragraph 4.4)
SUMMARY OF COMMITTEE FINDINGS

Inquiries into the Authority regarding the Committee's Terms of Reference revealed the following findings:

(a) Whether or not the objects of the body are worth pursuing in contemporary society.

According to the VAMIA submission to the Committee, the objectives of the Authority are:

(i) To ensure that the growth and development of meat establishments is in line with market demands within Victoria and interstate,

(ii) To ensure that the construction of and equipment in meat establishments meets the minimum State and National standards,

(iii) To minimise the risk of transmission of zoonotic diseases (such as brucellosis, leptospirosis and Q fever) to abattoir personnel,

(iv) To supply the community in Victoria and interstate with disease free and wholesome meat, and

(v) To ensure that there is an adequate supply of well trained meat inspectors to service the meat industry.

The Committee considers that these objectives are not relevant to the current statutory functions of the Authority. The Committee interprets the relevant objectives as:

(i) To ensure construction and equipment standards comply with prescribed minimum State and National standards; and
(ii) To facilitate sufficient slaughter capacity through the consistent enforcement of construction and equipment standards.

The statutory functions of the Authority as detailed under section 9(1) of the Abattoir and Meat Inspection Act 1973 are, inter alia:

(a) To survey the facilities available in the State for slaughter of animals.

(b) To keep under review the construction and hygiene of, and the plant and equipment in, meat establishments with particular reference to the slaughtering capacity and location of those meat establishments in relation to the overall requirements of the State.

(c) To report annually to the Minister on matters relating to the slaughtering of animals, the licensing of meat establishments, standards of hygiene at such establishments and to meat inspection procedures, and on any other matters referred to it by the Minister or that the Authority thinks fit.

(d) To regulate and control the training of inspectors, the conduct of the qualifying examination, and the issuing of certificates of competency to successful candidates.

(e) To consider applications made in respect of licences for meat establishments and to approve or refuse such applications in accordance with the provisions of this Act.

The Committee considers that these functions are relevant to the Authority and should continue to be performed, except for a function of section 9(1)(b). The Committee considers that the Authority should not consider slaughter capacity according to the overall State requirements when it reviews construction and hygiene of plant and equipment in establishments.
(b) Whether or not the body pursues its objects efficiently, effectively and economically.

The Committee considers that the Authority has not performed its stated objectives (i) to (iv) efficiently, effectively nor economically. The Authority cannot evaluate market demands within Victoria nor interstate, and has only been able to ensure that 64% of domestic meat establishments meet the State and National standards for construction and equipment. The activities of the Authority cannot in isolation minimise the risk of the transmission of zoonotic diseases to abattoir personnel. The Authority does not have the statutory responsibility for supplying disease free and wholesome meat to the Victorian community and interstate. The Committee, however, considers that the training of meat inspectors has been efficiently and effectively performed, and has ensured an adequate supply of well trained meat inspectors.

(c) Whether or not the structure of the body is suited to the activities it performs.

The Committee considers that current Authority activities do not require the membership of the Authority to include representatives of local government, or the export meat industry. The pet meat sector is without representation on the Authority. The structure of the Authority is not totally suited to its activities as it does not comprehensively represent all the relevant sectors in which it is involved.

(d) Whether or not the body duplicates the work of another person or body.

The Committee considers that the licensing of export establishments duplicates part of the registration process of the Commonwealth Department of Primary Industries and Energy.

(e) The financial and other liabilities and obligations of the body.

The Authority has not been charged rent for accommodation as a revenued tenant, in accordance with the policy of the former Department of Management and Budget, (now the Department of the Treasury) hence the Committee considers that the Authority has not met all its financial liabilities.
The Committee considers that the failure to sufficiently index licence fees, and the level of 18% cost recovery by the Authority, is inefficient.

(f) The staff of the body (including officers or employees of the public service whose services are being made use of by the body).

The Committee considers that the staffing of the Authority is efficient, effective and economical. The Authority should, however, be more accountable for the use of staffing resources, particularly the standards officers that have been utilised from the Meat Industry Standards and Information Unit, by reporting all relevant costs incurred in order to perform the licensing role.

(g) The extent to which the body seeks information as to the effects of its activities and acts on the information it receives.

The Committee considers this function has been met through the Authority membership and relationship with the Department of Agriculture and Rural Affairs.

(h) The extent to which the body considers the public interest when performing its activities.

The Committee considers that the Authority has only partially considered public interest. The approach of the Authority regarding compliance with the required standards, particularly for domestic abattoirs, has ensured meat supply in Victoria has not been compromised through closing down establishment operations where compliance has been unsatisfactory. Yet this situation has allowed meat to be produced in Victoria in sub-standard conditions.

(i) The extent to which the body encourages public participation in its activities.

The Committee considers that the Authority adequately encourages public participation in its activities particularly through the membership.
(j) The manner in which the body handles complaints about its activities.

The Committee considers that the Authority has handled complaints reasonably. The consultative approach adopted by the Authority is illustrative of this.

(k) The extent to which the body is prepared to improve its structure, composition or procedures.

The Committee considers that the Authority has not been prepared to improve its composition, as particular representations on the Authority are no longer relevant. The continued duplication of the registration of export abattoirs that is performed by the Commonwealth Department of Primary Industries and Energy, indicates that the Authority is reluctant to improve certain procedures.
REPORT ON THE
VICTORIAN ABATOIR AND MEAT INSPECTION AUTHORITY
CHAPTER ONE: INTRODUCTION

In June 1985, 17 statutory agricultural bodies were referred to the Public Bodies Review Committee by the Governor in Council for review. Subsequently, on 5 May 1987, the Citrus Fruit Marketing Board was withdrawn from the original referral to the Public Bodies Review Committee. Among the remaining 16 bodies listed for review was the Victorian Abattoir and Meat Inspection Authority (VAMIA).

1.1 Terms of Reference

Under the terms of the Parliamentary Committees Act 1968, as amended by the Parliamentary Committees (Joint Investigatory Committees) Act 1982, which altered the structure of the Committee, the Public Bodies Review Committee is obliged to review any public body nominated for appraisal and to report to the Parliament on whether or not the body should cease to exist. When reviewing a body under section 4M(9) of the Act the Committee may inquire into any matter that it considers relevant, and it shall inquire into the following matters in particular:

(a) whether or not the objects of the body are worth pursuing in contemporary society;

(b) whether or not the body pursues its objects efficiently, effectively and economically;

(c) whether or not the structure of the body is suited to the activities it performs;

(d) whether or not the body duplicates the work of another person or body;

(e) the financial and other liabilities and obligations of the body;

(f) the staff of the body (including officers or employees of the public service whose services are being made use of by the body);

(g) the extent to which the body seeks information as to the effect of its activities and acts on the information it receives;

(h) the extent to which the body considers the public interest when performing its activities;
(i) the extent to which the body encourages public participation in its activities;

(j) the manner in which the body handles complaints about its activities; and

(k) the extent to which the body is prepared to improve its structure, composition or procedures.

For logical convenience, these prescribed criteria have been considered in their listed order in the Summary of Committee Findings at the beginning of this Report. In the body of the report, the prescribed criteria have been considered under grouped headings.

For the purposes of discussion, the Committee deals largely with issues relating to the performance of the Authority in terms of effectiveness, efficiency and relevance.

Effectiveness refers to the extent to which functions have been performed. Efficiency refers to the relationship between performance outcomes and organisational inputs. Relevance refers to whether functions are pertinent in contemporary circumstances.

Other factors including the appropriateness of the existing structure of the body, consideration of the public interest, public participation and consultation and accountability are also evaluated.

1.2 Scope of the Agricultural Inquiries

The original brief to the Public Bodies Review Committee for the review of 17 agricultural statutory bodies (p. xv) represented the first reference of the agricultural sector of Government to the Committee. The reference differed from its predecessors in that it called for appraisal of 17 bodies. These ranged from small advisory organisations through to statutory bodies with licensing and, or quasi-market-related functions, to fully-fledged marketing authorities whose powers involve controls over production inputs and/or outputs. The statutory body under review in this Report, the Victorian Abattoir and Meat Inspection Authority (VAMIA), is primarily involved in ensuring the maintenance of meat industry product standards by inspection and the licensing of all meat establishments within the State.
1.3 Operating Principles for PBRC Inquiries

In its first Report to the Parliament in December 1980, the Public Bodies Review Committee outlined the basic philosophy that guided its reviews. That Committee adopted six basic operating principles which were subsequently refined in November 1984. These related to its Inquiries and Reports being:

1. Open: Each review should as far as possible be by an open process.

2. Parliamentary in Perspective: The Committee should operate in the first instance as an instrument of the Parliament rather than of Government or of a political party.

3. Consultative: The Committee should seek to enter into genuine discussion and dialogue with all relevant groups and individuals.

4. Research-based: The Committee's hearings should be augmented by independent high quality research.

5. Committee-based: The Committee itself should be the working, reviewing agency, and should not simply endorse the work of others.

6. Constructive: The Committee's work should be a constructive and future-orientated review of policy, not a negative audit of the past.

The present Committee (as constituted by the Parliamentary Committees Act 1982), feels that these principles have contributed substantially to the effectiveness of the work of earlier Committees and has endorsed them as the basis for its own operations.
1.4 Methodology

The Committee employed these five main approaches to obtaining information for this Inquiry:

(i) background information was requested from the body under review;

(ii) submissions were solicited from interested parties (including the body under scrutiny) according to the Terms of Reference of the Committee;

(iii) public hearings were held at which the body under review was questioned and other interested parties were invited to appear. (Attachment 1 on page 117 of the Report outlines details relating to Public Hearings the Committee held during the course of this Inquiry into the Victorian Abattoir and Meat Inspection Authority.);

(iv) documentary data relevant to the Inquiry were collected; and

(v) follow-up consultation was undertaken by the Committee's research staff when additional information was required.

The evaluation of the Victorian Abattoir and Meat Inspection Authority involved analysing these data and evaluating this information in light of the functions and resources of the organisation. It also required appraising the relevance of the organisation, its performance and areas where improvement could be effected.

1.5 Inspections and Visits

During the course of this review, the Committee and staff inspected meat establishments operating within the Melbourne Metropolitan and country areas. The Committee wishes to thank these various industry sectors for the hospitality extended during the course of these visits.
1.6 Outline of the Volume

This report is in two parts. The first is an outline and evaluation of the Authority which includes background, statutory functions and operational arrangements. For simplicity, the statutory functions are reviewed as either primary or secondary functions. The second part of the report outlines and discusses industry issues that impact on the Authority. Committee conclusions and recommendations for restructuring the Authority are detailed in the final chapter.
PART I

OUTLINE AND EVALUATION OF THE
VICTORIAN ABATTOIR AND MEAT INSPECTION AUTHORITY
CHAPTER TWO: BACKGROUND TO THE ESTABLISHMENT OF THE VICTORIAN ABATTOIR AND MEAT INSPECTION AUTHORITY

The Victorian Abattoir and Meat Inspection Authority (VAMIA) was established following enactment of the Abattoir and Meat Inspection Act 1973. The formation of the Authority was the implementation of a recommendation of a Joint All-Party Parliamentary Committee of Inquiry into the Victorian Meat Industry which had been established in 1968.¹

One of the major recommendations of the Victorian Meat Industry Committee's (VMIC's) interim Report² was the formation of a statutory authority to control meat establishment licensing, to set building and facility construction standards for Victorian abattoirs, and to determine meat inspection standards. The new Authority was also to control training and certification of meat inspectors and to advise the Minister on matters relating to the Victorian meat industry. The VMIC also made a number of other important ancillary recommendations aimed at improving meat inspection standards within Victoria including:³

- That the Department of Agriculture control meat inspection;
- That standards for construction and hygiene of abattoirs supplying meat for human consumption in the domestic market should be uniform throughout the State and that regulations pertaining to operations within local abattoirs be upgraded progressively;
- That all meat sold for human consumption within Victoria be subject to inspection by trained and qualified meat inspectors;

¹ Sections 1 to 9 of the Abattoir and Meat Inspection Act 1973 were proclaimed on the 1 February, 1974. The remainder on the 3 November, 1974.


³ ibid.
That in all premises where meat is sold to the public, control over quality assurance standards should remain the responsibility of the Department of Health, but that meat inspectors should have rights of access to ensure that all meat has been inspected; and

That a program for the control and eradication of animal diseases, incorporating stock identification be implemented and be supported by an accompanying educational program.

The recommendations of the VMIC were influenced by a desire to maintain and, if possible, improve Victoria's position as a producer and exporter of meat. It considered it imperative that a greater degree of uniformity be established throughout the State in relation to meat inspection and in the training of meat inspectors. In addition, it wished to ensure that uniform construction and equipment standards applied to all abattoirs and slaughterhouses. In part, the recommendations arose from the stringent standards required of Australian meat exporters by international meat buyers. They also arose from an obvious need for major improvements in construction and hygiene of many premises processing meat for local consumption. Furthermore, the growth of interstate trade in both livestock and meat resulting from improvements in transport, required fundamental changes to meat industry control mechanisms. A statutory authority was viewed as the appropriate institutional structure for addressing the contemporary and future needs of the industry in Victoria.

The VMIC also identified a number of other issues that it considered required further investigation. These related to:

1. Meat quality and research into suitable conditioning and treatment methods for application in abattoirs;
2. Grading and branding of meat and the feasibility of introducing a system that could serve both wholesalers and retailers;
3. Livestock and meat marketing, particularly in relation to the location, control and operation of present and future livestock markets; auction and other methods of sale; livestock weighing and meat marketing at both the wholesale and retail levels;
4. Statistical services relating to livestock production, trends in meat production and consumer requirements;
Upgrading inspection requirements in the poultry industry which exhibited a great diversity in standards of building and hygiene; and

Inquiring into the fishing, game and pet food industries. In relation to the latter industry, it raised issues relating to the existing methods of disposal of dead, injured and condemned stock and raised the possibility that all stock deaths should be notified to local inspectors.4

Since its formation in 1973, the Authority has overseen three phases of rationalisation within the State's meat industry. The first phase from 1974 to 1979, took place in a period characterised by relatively high slaughterings of both sheep and beef, higher per capita consumption of red meats and strong export demand for meat.5 The implementation of the Abattoir and Meat Inspection Act 1973 resulted in the closure of a number of abattoirs and slaughterhouses which did not conform to the minimum standards prescribed in legislation.6

The second phase occurred between 1979 and the mid 1980s when much autonomous change was occurring in response to an economic downturn in the meat industry. The period was characterised by largely difficult export marketing conditions with depressed international livestock prices.7

The third phase commenced with the introduction of the Australian Code of Practice for Construction and Equipment of Abattoirs and the implementation of the Commonwealth-State Arrangement on Meat Inspection in 1988. This will result in a major upgrading of facilities in most abattoirs in Victoria.

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4 ibid. p. 10
5 Appendix 1 (page 101): Chart A, Table A, Chart B, Table B.
6 See Chart 3, p. 38.
7 Appendix 1: Chart B, Table B, Chart C, Table C.
CHAPTER THREE: ORGANISATIONAL ARRANGEMENTS OF THE AUTHORITY

3.1 Statutory Functions

The role of the Authority has primarily been a regulatory one. The statutory functions of the body are defined in section 9(1) of the Abattoir and Meat Inspection Act 1973 as being:

(a) to survey the facilities available in the State for slaughter of animals;

(b) to keep under review the construction and hygiene of, and the plant and equipment in, meat establishments with particular reference to the slaughtering capacity and location of those meat establishments in relation to the overall requirements of the State;

(c) to report annually to the Minister on matters relating to the slaughtering of animals, the licensing of meat establishments, standards of hygiene at such meat establishments and to meat inspection procedures, and on any other matters referred to it by the Minister or that the Authority thinks fit;

(d) to regulate and control the training of inspectors and the conduct of the qualifying examination and the issuing of certificates of competency to successful candidates;

(e) to consider applications made in respect of licences for meat establishments and to approve or refuse such applications in accordance with the provisions of this Act; and

(f) to carry out any function it is required to carry out by this Act.

Evaluation of these statutory functions are detailed in Chapters Four to Nine.
3.2 Objectives

The objectives of the Authority have not been specified in the governing legislation. The Committee considers that objectives facilitate efficiency, effectiveness and accountability through providing a relevant, achievable and measurable framework to evaluate performance. The omission of objectives in the legislation is a major deficiency in the Abattoir and Meat Inspection Act 1973. The submission by the Authority to the Committee on 14 July 1989, detailed the objectives of the Authority as to fulfil the functions set out in section 9(1) of the Abattoir and Meat Inspection Act 1973 and were summarised as to:

(i) ensure that the growth and development of meat establishments is in line with market demands within Victoria and interstate;

(ii) ensure that the construction of and equipment in meat establishments meets the minimum State and National standards;

(iii) minimise the risk of transmission of zoonotic diseases (such as brucellosis, leptospirosis and Q fever) to abattoir personnel;

(iv) supply the community in Victoria and interstate with disease free and wholesome meat; and

(v) ensure that there is an adequate supply of well trained meat inspectors to service the meat industry.

3.2.1 Evaluation of Objectives

As a result of deliberations, the Committee concludes that the primary function of the Authority is to licence meat establishments according to minimum standards for construction and equipment.
Objective (i) To ensure that the growth and development of meat establishments is in line with market demands within Victoria and interstate.

The Committee considers that the Authority does not have the resources to assess market demands and, as a Victorian Authority, it cannot evaluate market demands in other States. The Authority can only ensure the growth and development of meat establishments by enforcing the uniform application of and compliance with minimum construction and equipment standards in establishments. By doing so it contributes to meat quality and the demand for meat, and avoids activities that restrict the interaction of market forces. The Committee considers that the actual effect of ensuring compliance with standards on the growth and development of meat establishments cannot be measured and assessed. Therefore this objective is not relevant to the current functions and resources of the Authority.

Objective (ii) To ensure that the construction of and equipment in meat establishments meets the minimum State and National standards.

In August 1990 construction and equipment in only 64% of domestic meat establishments met the State and National standard, the Australian Code of Practice for Construction and Equipment of Abattoirs (see p 49). The Committee, therefore, considers that this objective has not been fully achieved.

Objective (iii) To minimise the risk of transmission of zoonotic diseases (such as brucellosis, leptospirosis and Q fever) to abattoir personnel.

The Committee considers that this objective is difficult to measure for effective evaluation of the activities of the Authority. Isolating the cause of the increased risk of zoonotic disease to personnel is difficult because changes in risk can be a result of various factors (for example, staff education of hygiene practices and inspection procedures), and not only construction and equipment standards. Therefore, isolation and measurement of the effects of the activities of the Authority on the risk of zoonotic diseases to personnel is almost impossible, and diminishes the relevance of this objective.
Objective (iv) To supply the community in Victoria and interstate with disease free and wholesome meat.

The Committee considers that this objective is not relevant to the Authority, as the Authority does not have a statutory role to supply Victoria and interstate with hygienic meat. The Authority is predominantly a licensing body and cannot own or operate a meat establishment to supply meat. The only legislated role of the Authority, regarding the supply of meat, is in relation to slaughter capacity. Sections 9(1)(b) and 27(c)(iv) of the Act give the Authority responsibility to monitor establishments with a view to ensure slaughter capacity is in relation to State requirements, and to grant licences with regard to the adequacy of slaughter facilities to meet the district requirements. These responsibilities are discussed in Chapters 5 and 4, respectively, and the Committee considers that the involvement of the Authority in influencing slaughter capacity is no longer appropriate, and can detrimentally influence the interaction of market forces.

While the major role of the Authority is to enforce construction and equipment standards, this is difficult to isolate and measure as the cause for producing disease free and wholesome meat. Consequently, the performance of this objective cannot be evaluated and is not relevant to the Authority.

Objective (v) To ensure that there is an adequate supply of well trained meat inspectors to service the meat industry.

The Committee considers that the Authority has performed this statutory role efficiently and effectively.

In consideration of the current statutory functions of the Authority, the Committee interprets the relevant objectives as:

(i) To ensure construction and operational equipment standards comply with prescribed minimum State and National standards; and

(ii) To facilitate sufficient slaughter capacity through the consistent enforcement of construction and equipment standards.
The Committee is concerned:

- that the objectives of the Authority are not clearly specified in legislation;

- that the Authority has not developed measurable targets to evaluate the achievement of objectives; and

- that the Authority does not review its objectives annually.

3.3 Authority Membership

The Authority comprises ten members who are appointed by the Governor in Council. In response to significant structural changes that took place in the industry in the early 1980s, sections 5 to 8 of the Act were amended in 1989 to alter the composition of the Authority so that it reflected the contemporary structure of the Victorian meat industry.

Under these new legislative provisions, four Authority Members are drawn from Government. The Chairman and the Deputy Chairman are employees of the Department of Agriculture and Rural Affairs (nominated by the Chief General Manager), one member is a medical practitioner employed in the Department of Health (nominated by the Chief General Manager of that Department), and one is a nominee of the Minister administering the Local Government Act 1958 who represents the interest of local government bodies that either own or operate abattoirs.

The other six members are drawn from the major sectors of the meat industry; one from the Victorian Trades Hall Council (who represents meat workers), one from the Victorian Meat Exporters Association (who represents meat processing operators engaged in the export meat trade), two from the Victorian Farmers Federation (who represent livestock producers), and two from the Meat and Allied Trades Federation
(who represent meat processing operators engaged in the domestic meat trade).\(^8\) In addition, a representative of the Department of Primary Industries and Energy has been allowed to attend the Authority meetings as an observer.\(^9\)

Authority meeting requirements are defined in section 6 of the Act. Five members comprise a quorum and, in the absence of the Chairman, the legislation automatically confers the "powers, authorities and duties of the Chairman to the Deputy Chairman". When both the Chairman and Deputy Chairman are absent from a meeting and there is a quorum, the members may elect a temporary Chairman.

Appointments to the Authority, under section 8 of the Act, are for terms of up to three years and members can be reappointed. When a membership vacancy occurs the Governor in Council may, on the recommendation of the Minister, appoint a qualified person to hold office for the balance of the predecessor's term of office. Section 8(3) empowers the Governor in Council to cancel the appointment of a member.

Non-Government employed members receive remuneration of $4,361 per annum and other travelling expenses incurred on behalf of the Authority (reimbursed according to public service allowances, as determined by the Governor in Council), according to section 7 of the Act. Government members of the Authority, who are also members of the Public Service, are entitled to receive travelling allowances to cover expenses that are incurred on behalf of the Authority, the level of which is also determined by the Governor in Council.

\(^8\) The 1988 changes, that came into effect in 1989, replaced representation from the Victorian Country Abattoir and Wholesalers Association and the Victorian Meat Workers Association with two representatives from the Meat and Allied Trades Federation of Australia. The latter body had already been organised into four organisational councils - the Victorian Export Industry Council, the Local Abattoir and Wholesale Council, the Smallgoods Council and the Retail and General Butcher's Council.

\(^9\) This representation facilitates liaison between the DPIE and the Authority after the Commonwealth-State Arrangement for the Commonwealth to perform meat inspection.
3.3.1 Evaluation of Authority Membership

The primary responsibility of the Authority is to licence local and export meat establishments and knackeries and pet food establishments that are involved in the production of edible and inedible meat for the domestic market.

Representatives of the Authority consider that meat industry input into meat establishment licensing decisions is important, to enable the industry to influence its destiny (Minutes of Evidence, p. 1,437).

The composition of the Authority includes representatives of some of the various interests of the meat industry, including representatives who also hold licences with the Authority. Government representatives conceded to the Committee that this situation could potentially result in conflicts of interest, but considered that the composition of the Authority, from a range of industry and government agencies, ensured the situation did not occur (Minutes of Evidence, p. 1,446).

The Committee considers that the Abattoir and Meat Inspection Act 1973 does not provide the Authority with an appropriate and comprehensive representation of the industry.

Under the Twelfth Schedule of the Abattoir and Meat Inspection Regulations 1982, the minimum standard required of export abattoirs by the Authority in order to obtain a licence to operate is registration with the Australian Department of Primary Industries and Energy as an export works. As no State standards apply to these establishments, the Authority is unable to apply conditions to export licences to enforce standards. The Authority, therefore, has no power to regulate export meat establishments. The Committee considers that a representative from the export industry (as required by the legislation) is difficult to justify.

The Committee recommends that section 5(1)(f) of the Abattoir and Meat Inspection Act 1973, that provides for export meat processor representation on the Authority, be repealed.

The Government representatives on the Authority represent public hygiene and health as well as animal welfare and veterinary considerations. The Abattoir and Meat Inspection Act 1973 states that one of the Authority members should also
represent local government bodies that own or operate abattoirs. Currently no local municipalities are involved in abattoir operations. The Committee considers that the local government representation lacks sufficient justification for membership on the Authority and is therefore inappropriate. The Committee noted that the current local government representative on the Authority is a councillor for a municipality and has also represented the Victorian Farmers Federation on a federal agricultural council. This situation could result in a conflict of interest and confer the VFF with greater representation than the two members provided for in the Act.

The Committee recommends that section 5(1)(c) of the Abattoir and Meat Inspection Act 1973, providing for local government representation on the Authority, be repealed.

Pet meat establishments including knackeries, pet meat rendering and processing operations and retail pet food shops comprise approximately 40% of the total number of establishments licensed by the Authority (see Chart 1), and 23% of the revenue received in licence fees in 1988/89 (see Table 1). This sector does not demand intensive establishment inspection services, as some establishments only require the minimum amount of four inspections a year.

Regulation in the pet meat sector of the meat industry is important to ensure not only standards in pet meat produced, but also to minimise pet meat entering the human food chain. The Committee considers the current composition of the Authority, as legislated, without pet meat industry representation, does not comprehensively represent the total meat industry, to enable the pet meat sector to have input into licensing and the destiny of the industry.

The Committee recommends that the Abattoir and Meat Inspection Act 1973 be amended to include a provision for the representation of the pet meat industry on the Authority.

3.4 Operational Arrangements

The Authority operates as a licensing body under the direction of industry and government membership. It employs no staff but draws on the services of the Department of Agriculture and Rural Affairs (DARA) staff and facilities. In
CHART 1

TOTAL NUMBER OF LICENSED EDIBLE AND INEDIBLE MEAT
ESTABLISHMENTS IN VICTORIA

<table>
<thead>
<tr>
<th>Year</th>
<th>Inedible</th>
<th>Edible</th>
</tr>
</thead>
<tbody>
<tr>
<td>75</td>
<td>100</td>
<td>200</td>
</tr>
<tr>
<td>76</td>
<td>150</td>
<td>300</td>
</tr>
<tr>
<td>77</td>
<td>200</td>
<td>400</td>
</tr>
<tr>
<td>78</td>
<td>250</td>
<td>500</td>
</tr>
<tr>
<td>79</td>
<td>300</td>
<td>600</td>
</tr>
<tr>
<td>80</td>
<td>350</td>
<td>700</td>
</tr>
<tr>
<td>81</td>
<td>400</td>
<td>800</td>
</tr>
<tr>
<td>82</td>
<td>450</td>
<td>900</td>
</tr>
<tr>
<td>83</td>
<td>500</td>
<td>1000</td>
</tr>
<tr>
<td>84</td>
<td>550</td>
<td>1100</td>
</tr>
<tr>
<td>85</td>
<td>600</td>
<td>1200</td>
</tr>
<tr>
<td>86</td>
<td>650</td>
<td>1300</td>
</tr>
<tr>
<td>87</td>
<td>700</td>
<td>1400</td>
</tr>
<tr>
<td>88</td>
<td>750</td>
<td>1500</td>
</tr>
<tr>
<td>89</td>
<td>800</td>
<td>1600</td>
</tr>
</tbody>
</table>

FINANCIAL YEAR ENDING 30 SEPTEMBER
### TABLE 1

**LICENCE FEE REVENUE, 1988/89**

<table>
<thead>
<tr>
<th>Type of Establishment</th>
<th>Number of Establishments</th>
<th>Amount</th>
<th>% Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Establishments Producing Edible Meat</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Export Abattoirs</td>
<td>13</td>
<td>5,522</td>
<td>5.28</td>
</tr>
<tr>
<td>Local Abattoirs</td>
<td>58</td>
<td>22,173</td>
<td>21.20</td>
</tr>
<tr>
<td>Slaughterhouses</td>
<td>29</td>
<td>10,030</td>
<td>9.59</td>
</tr>
<tr>
<td>Meat Premises</td>
<td>186</td>
<td>29,369</td>
<td>28.08</td>
</tr>
<tr>
<td>Meat Inspection Depots</td>
<td>172</td>
<td>13,451</td>
<td>12.86</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>760</td>
<td>$104,591</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

**Establishments Producing Inedible Meat**

<table>
<thead>
<tr>
<th>Type of Establishment</th>
<th>Number of Establishments</th>
<th>Amount</th>
<th>% Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knackeries</td>
<td>29</td>
<td>9,152</td>
<td>8.75</td>
</tr>
<tr>
<td>Pet Food Establishments</td>
<td>27</td>
<td>8,242</td>
<td>7.88</td>
</tr>
<tr>
<td>Retail Pet Meat Shops</td>
<td>246</td>
<td>6,652</td>
<td>6.36</td>
</tr>
</tbody>
</table>

**Total**

<table>
<thead>
<tr>
<th>Type of Establishment</th>
<th>Number of Establishments</th>
<th>Amount</th>
<th>% Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>760</td>
<td>$104,591</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

**Note:** The above percentage estimates are close approximates.
1988/89, the Authority utilised the services of 10.4 full-time equivalent officers, including technical, administrative and secretarial support and the services of the Chairman, Deputy Chairman and Executive Officer, who are also DARA employees. Table 2 provides a breakdown of the Authority's requirement of DARA. The technical staff advise the Authority of the standards in meat establishments and issues that impact on the meat industry in Victoria, as well as implementing Authority decisions. These staff include veterinary and meat industry standards officers who constitute the Meat Industry Standards and Information Unit (MISU). In addition, the Authority consults with and draws advice from other areas of DARA on issues affecting animal and human health and disease, marketing initiatives, research

**TABLE 2**

**ESTIMATED COST OF LABOUR UTILISED FROM DARA, 1988/89**

<table>
<thead>
<tr>
<th>Position</th>
<th>Proportion of Full Time Equivalent</th>
<th>Estimated Salary Costs* ($) rounded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>0.15</td>
<td>8,900</td>
</tr>
<tr>
<td>Deputy Chairman</td>
<td>0.20</td>
<td>9,600</td>
</tr>
<tr>
<td>Executive Officer</td>
<td>0.35</td>
<td>15,000</td>
</tr>
<tr>
<td>Principal Veterinary Officer (Technical Adviser)</td>
<td>0.70</td>
<td>33,600</td>
</tr>
<tr>
<td>Principal Meat Industry Standards Officer</td>
<td>0.75</td>
<td>29,200</td>
</tr>
<tr>
<td>Meat Industry Standards Officers (8)</td>
<td>6.00</td>
<td>176,000</td>
</tr>
<tr>
<td>Clerical and Administrative Support</td>
<td>2.00</td>
<td>43,800</td>
</tr>
<tr>
<td>(includes word processing, registry and data entry)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data Analysis</td>
<td>0.25</td>
<td>7,700</td>
</tr>
<tr>
<td><strong>Total Salary Costs</strong></td>
<td></td>
<td><strong>$323,800</strong></td>
</tr>
</tbody>
</table>

* Excludes salary on-costs.

Source: VAMIA submission to the Public Bodies Review Committee and estimates by Committee research staff.
programs and animal welfare. The MISU also undertakes other functions beyond the jurisdiction of the Authority including the licensing and inspection of meat vehicles, the monitoring of chemical residues, the registration of poultry processing plants and the inspection of processed poultry meats for weight gain during processing; as well as investigations of the illegal slaughter of animals for human consumption.

The cost of operating the Victorian meat industry licensing and inspection service in 1988/89 (see Table 3) was approximately $580,000 and the cost recovery, through licence fees, was $104,600 (18%). (This does not include uncharged rent for office space utilised by the Authority.)

3.4.1 Evaluation of Operational Arrangements

(a) Licence Fees

Between 1988 and April 1990 licence fees were not CPI adjusted, as indicated in Table 4, which lists the actual fees charged from 1974. The CPI adjusted licence fees from 1974 are shown in Table 5. Licence fees fell in real terms between 1984 and 1986 and 1987 to April 1990. Insufficient indexation resulted in a 10% real reduction in fees between 1987 and April 1990. Government Policy issued from the former Department of Management and Budget stated that all fees and charges should be increased annually, as at 1 January, according to the Government issued guide-line forecast increase in the Consumer Price Index, unless special circumstances exist.

The Committee has received no indications that any special circumstances existed for the Authority during these periods. The Committee was, however, informed that in October 1989 the Minister for Agriculture and Rural Affairs commenced a Departmental review into full cost recovery, and as a result is currently holding all fees and charges fixed. The Committee considers that if the Department moves to full cost recovery, the issue of indexation would be addressed. Appendix 2 (page 109) indicates that the insufficient indexation has resulted in approximately $12,500 in foregone revenue (in real terms) in the three years between 1987 and 1989. The Committee considers that the pricing of licence fees has been inefficient in recent years.
### TABLE 3

**COST AND REVENUE OF OPERATING THE MEAT INDUSTRY LICENSING AND ESTABLISHMENT INSPECTION SERVICE, 1988/89**

| Licence Fees | 104,600 |
| VAMIA Operating Expenditure (1) | 27,500 |
| MISU Operating Expenditure* (2) | 119,700 |
| Staffing Costs | 323,800 |
| **Staffing On-costs: (3)** | |
| WorkCare | (3.3%) 10,700 |
| Pay-roll Tax | (6%) 19,400 |
| L.S.L. | (2.5%) 8,000 |
| Recreation Leave | |
| Allowance | (1.35%) 4,400 |
| Superannuation | (21.5%) 69,600 |
| **Total Revenue** | $104,600 |
| **Total Estimated Costs** | $583,100 |

Figures supplied by VAMIA.

The above figures have been rounded off to the nearest $100.

(1) Includes personal expenses, printing, sitting fees and mileage costs etc.

(2) Includes personal expenses, Government car mileage, stores and other costs.

(3) Subsidiary employment expenses at rates provided by the Department of the Treasury Circular 89/10.

* This unit provides inspection services etc for the Authority.
TABLE 4
LICENCE FEES 1974 TO 1989,
ESTABLISHMENTS PRODUCING EDIBLE MEAT

<table>
<thead>
<tr>
<th>As at 30 September</th>
<th>EXPORT ABattoir</th>
<th>LOCAL ABattoir</th>
<th>KILLING HOUSE (SLAUGHTERHOUSE)</th>
<th>MEAT PREMISES</th>
<th>MEAT DEPOT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Licence Application</td>
<td>Licence Renewal</td>
<td>Licence Application</td>
<td>Licence Renewal</td>
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</tbody>
</table>

These figures are to the nearest dollar.

** In 1983, the salaries of DARA staff utilised by the Authority became fully accounted for in Authority expenditure and included in the financial statements. This occurred in combination with the 264% increase in licence fees that aimed to achieve the required 75% cost recovery.
<table>
<thead>
<tr>
<th>As at 30 September</th>
<th>EXPORT ABATTOIR</th>
<th>LOCAL ABATTOIR</th>
<th>KILLING HOUSE</th>
<th>MEAT PREMISES</th>
<th>MEAT DEPOT</th>
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<td>$361.58</td>
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</table>

* Adjusted to CPI, Eight Capital Cities Index (December 1989 = 100).
The Committee recommends that any future increase in licence fees should only increase in line with the costs of operating the Authority but do not exceed the State C.P.I.

(b) Rental Charges

The Government policy regarding rental charges for accommodation is that statutory authorities which are revenued tenants are charged for accommodation. DARA, the Department of the Treasury, and the Department of Property and Services have not ensured the Authority has been charged rent, and the estimated cost of the uncharged accommodation is $12,500 per annum (in 1989 dollars) (see Table 6).

The Committee recommends that the relevant Government Departments instigate charging the Authority rent.

<table>
<thead>
<tr>
<th>TABLE 6</th>
<th>ESTIMATED COST OF ACCOMMODATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Rental Accommodation in the Melbourne C.B.D. fringe in 1990.*</td>
<td>$250 per square metre per annum.</td>
</tr>
<tr>
<td>Area required (approximately).</td>
<td>50 square metres.</td>
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<tr>
<td></td>
<td>$12,500 per annum.</td>
</tr>
</tbody>
</table>

* Average fringe C.B.D. charge according to the Department of Property and Services.

(c) Cost Recovery

The current 18% level of cost recovery does not cover the costs of the service provided by the MISU nor any rent for the use of office accommodation provided by DARA.
The Committee is critical of the inefficient level of cost recovery implemented by the Authority. In 1988/89 the licensing function received a total of $478,500 in assistance from DARA to operate effectively.

Neither the Authority nor the MISU charge for advice given to industry regarding establishment hygiene and construction, particularly for planned new establishments or upgradings. The Committee, therefore, considers that efficiencies can be achieved through continuing expenditure review and increasing revenue to cover all licensing costs, and introducing fees for service on advice provided to the industry, thereby minimising the financial dependence of the Authority on DARA.

The Committee recommends that the Authority is accountable for all resources consumed in providing the licensing services.

Licence fees were increased substantially in September of this year in order to obtain full-cost recovery. This has resulted in licence fees increasing by up to 1500%. The Committee considers that an increase in cost recovery from 18% to 100% within a year has had a detrimental effect on industry.

The Committee supports the principle of full-cost recovery. However it is mindful of the impact that large increases to licence fees can have on industry and considers that implementation should be staged.

The Committee recommends that the Authority move towards full-cost recovery.
CHAPTER FOUR: PRIMARY STATUTORY FUNCTION: LICENSING

4.1 Licensing Overview

The licensing role of the Authority for meat establishments that produce edible meats is illustrated on Chart 2 which shows the fluctuations in licence numbers for particular categories of licences. The numbers of licensed slaughterhouses, meat premises and meat inspection depots, fluctuated considerably between 1975 and 1978. The peak in licensing of these establishments in 1976-77 was the culmination of the licensing endeavours by the Authority since it was established in 1973.

The drop in the numbers of licensed meat premises between 1977 and 1978 was due to an agreement between the Health Surveyors and the Authority which restricted the licensing of meat premises by the Authority. Prior to this agreement, Authority interpretation of the Abattoir and Meat Inspection Act 1973 resulted in the inclusion of all establishments that handled meat, except abattoirs, in the meat premises category. Food manufacturers faced a licensing and inspection duplication by the Authority and local municipal health surveyors. The then Minister for Agriculture, under section 3(2) of the Act, exempted food manufacturers that were not engaged in interstate trade from the Act. The Authority became restricted to licensing boning rooms and cool stores that traded interstate. The results of the exemption are evident in Chart 3 which shows the number of licences terminated in 1978.

As is also shown in Chart 2, the numbers of slaughterhouse licences fell considerably between 1976 and 1978 as a result of the upgrading program the Authority commenced in 1976. Slaughterhouses that did not meet the required standards had their licences terminated. A distinct peak in terminations of slaughterhouse licences during this period is shown in Chart 3.

It is shown in Chart 2 that throughout 1977 to 1986, local abattoir numbers remained relatively constant. However, fluctuations in terminations and new licences granted are shown in Charts 3 and 4 respectively. As indicated in Table 7, the actual numbers of local abattoirs have been falling since 1988, a result of the enforcement of the Australian Code of Practice for Construction and Equipment of Abattoirs. The number of slaughterhouse licences have increased during this period,
a result of licence re-classifications from local abattoir to slaughterhouse due to the difficulties faced by some local abattoirs in meeting the Australian Code. Numbers of export establishments have been gradually declining since 1983.

As shown in Chart 3, the number of licences cancelled or surrendered indicates the periods in which the Authority strictly enforced the standards for meat establishments, and non-compliance resulted in licence terminations. For slaughter facilities the periods of strict enforcement appear to have been approximately, up until 1980, 1983 to about 1984-86, and more recently, 1987 to the present.

According to the Authority, the increase in meat premises and meat inspection depot licence terminations since 1986 has been a result of the introduction of increases in charges for meat inspection after the Commonwealth Department of Primary Industries and Energy took over domestic meat inspection from the State. The establishments that terminated their licences have predominantly been food manufacturers that required an Authority licence and meat inspectors to certify meat traded interstate.

The number of new licence applications granted for meat establishments that produce edible meat in Chart 4 illustrates fairly large fluctuations in each licence category. Increases in new licence applications for meat inspection depots and meat premises between 1976 and 1979 were a result of the initial strict enforcement of the Abattoir and Meat Inspection Act 1973, and subsequent reductions were due to the exemptions already referred to by the Minister in 1978. After the exemptions were made, the numbers of new licence applications continued to be high for establishments that were wishing to trade interstate. The further peak in 1983 has been explained by the Authority as a result of over-diligent licensing of these establishments.

The proportion of applications for extensions/alterations were high for local abattoirs and slaughterhouses during 1978 (Chart 5), during an upgrading program instituted by the Authority. During 1985 and 1986 a large proportion of applications for upgrading local abattoirs were received in response to the acceptance of the Australian Code as the new standard by the Authority in 1985. The proportion of applications again increased in 1989, a period in which the consideration of licences by the Authority pushed the need for compliance with the new Code.
During 1984 there was a large increase in the proportion of applications to upgrade slaughterhouses. The reasons for this could be attributed to the low number of slaughterhouse licences in that particular year and the introduction of the new standards in the Abattoir and Meat Inspection Regulations in late 1982.

The number of new licence applications granted in the inedible meat sector is shown in Chart 6. The introduction of licensing of retail pet meat shops in 1981 is the most notable feature, as is the volume of these licences that the Authority handles. The number of pet food establishments has gradually increased since 1975 and knackery establishment numbers marginally dropped between 1984 and 1988.

### 4.2 Establishment Licensing for the Production of Meat for Human Consumption

The statutory conditions governing the licensing of meat establishments that produce meat for human consumption within Victoria are set out in Sections 21 to 32 of the Abattoir and Meat Inspection Act 1973. Section 21 requires all meat establishment operators be licensed to manage specified meat works.

The primary rationale for establishment licensing is to improve meat production hygiene through the requirement for establishments to conform with prescribed minimum standards for construction, equipment and operations in the meat industry.

According to section 22(1) of the Act, abattoirs are classified into three categories for the purposes of licensing - export abattoirs, local abattoirs and slaughterhouses. A specific licence is issued for each of these types of

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10 Export abattoirs are registered to slaughter, process and sell meat on defined export markets. Local abattoirs are licensed to slaughter, process and distribute meat to the domestic market. Slaughterhouses are licensed to slaughter and process livestock throughputs for sale in Victoria. The prescribed maximum throughput for slaughterhouses is 15,000 head (sheep equivalents) per annum or 1,250 units per month. (Cattle except calves are 5 units. All other stock are 1 unit.)
CHART 2

LICENSED EDIBLE MEAT ESTABLISHMENTS, 1975/76 TO 1988/89

- Meat Inspection
- Meat Premises
- Slaughterhouse
- Local Abattoirs
- Export Abattoirs

NUMBER OF ESTABLISHMENTS

FINANCIAL YEAR ENDING 30 SEPTEMBER
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<th>Establishment</th>
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Source: VAMIA Annual Reports.
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<td>27</td>
<td>18</td>
<td>27</td>
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<td>29</td>
<td>41</td>
<td>61</td>
<td>76</td>
<td>626</td>
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</tr>
</tbody>
</table>
CHART 4

NUMBER OF NEW LICENCES GRANTED, FOR EDIBLE MEAT ESTABLISHMENTS

FINANCIAL YEAR ENDING 30 SEPTEMBER
<table>
<thead>
<tr>
<th>Establishment</th>
<th>76</th>
<th>77</th>
<th>78</th>
<th>79</th>
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<th>82</th>
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<tr>
<td>Export Abattoirs</td>
<td>1</td>
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<td>2</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Local Abattoirs</td>
<td>12</td>
<td>12*</td>
<td>4</td>
<td>6</td>
<td>5</td>
<td>1</td>
<td>-</td>
<td>13</td>
<td>9</td>
<td>4</td>
<td>4</td>
<td>6</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Slaughterhouses</td>
<td>15</td>
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<td>-</td>
<td>3</td>
<td>4</td>
<td>1</td>
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<td>2</td>
<td>2</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Meat Premises</td>
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<td>76</td>
<td>18+</td>
<td>19</td>
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<td>23</td>
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<td>12</td>
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<tr>
<td>Meat Inspection</td>
<td>7</td>
<td>39</td>
<td>22</td>
<td>37</td>
<td>38</td>
<td>13</td>
<td>12</td>
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<td>11</td>
<td>38</td>
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</tr>
<tr>
<td>Depots</td>
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<td>64</td>
<td>67</td>
<td>25</td>
<td>35</td>
<td>147</td>
<td>52</td>
<td>34</td>
<td>63</td>
<td>37</td>
<td>24</td>
<td>26</td>
</tr>
</tbody>
</table>

* Incorporates Licence Reclassification.
** Change of licensee or category in some instances.
+ Incorporates Exemptions that were revoked.
CHART 5

PROPORTION OF ESTABLISHMENTS (THAT PRODUCE EDIBLE MEATS) THAT APPLIED FOR EXTENSIONS/ALTERATIONS TO ESTABLISHMENTS

FINANCIAL YEAR ENDING 30 SEPTEMBER
<table>
<thead>
<tr>
<th>Establishment</th>
<th>77</th>
<th>78</th>
<th>79</th>
<th>80</th>
<th>81</th>
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</tr>
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<tbody>
<tr>
<td>(A) Approved</td>
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<td></td>
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<td></td>
<td></td>
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<tr>
<td>Slaughterhouses</td>
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<td>Knackeries</td>
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<td>2</td>
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<td>-</td>
<td>-</td>
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<td>1</td>
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<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Pet Food Establishments</td>
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<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Retail Pet Meat Shop</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
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<td>31</td>
<td>31</td>
<td>24</td>
<td>28</td>
<td>18</td>
<td>52</td>
<td>50</td>
<td>56</td>
<td>30</td>
<td>39</td>
<td>39</td>
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<tr>
<td>(B) Not Approved</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(C) Total Applications</td>
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<td>24</td>
<td>28</td>
<td>19</td>
<td>55</td>
<td>55</td>
<td>59</td>
<td>31</td>
<td>39</td>
<td>39</td>
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</tbody>
</table>
CHART 6
LICENSED INEDIBLE MEAT ESTABLISHMENTS,
1974/75 TO 1988/89

FINANCIAL YEAR ENDING 30 SEPTEMBER
### TABLE 11

**LICENSED INEDIBLE MEAT ESTABLISHMENTS IN VICTORIA,**  
1974/75 **TO** 1988/89

<table>
<thead>
<tr>
<th>Establishment</th>
<th>75</th>
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<th>77</th>
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<tr>
<td>Pet Food Est.</td>
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<td>17</td>
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<td>-</td>
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<td>-</td>
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<td>-</td>
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</tr>
<tr>
<td>Totals</td>
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<td>51</td>
<td>50</td>
<td>48</td>
<td>50</td>
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<td>253</td>
<td>281</td>
<td>306</td>
<td>297</td>
<td>294</td>
<td>286</td>
<td>302</td>
</tr>
</tbody>
</table>

Source: VAMIA Annual Reports.
establishments. Sub-section (2) provides for different classes of licence within each category. However, the Authority has never utilised this provision. Section 22(4) allows the Authority to issue licences only to abattoirs that comply with prescribed minimum standards for that particular category.

The Twelfth Schedule of the Abattoir and Meat Inspection Regulations 1983, under the Act, details the minimum standards required of meat establishments in order to obtain a licence. The minimum standards that apply to export abattoirs, as set out in Part A of this Schedule, require the registration of an establishment with the Department of Primary Industries and Energy as an export works. To obtain Commonwealth registration, federal legislation imposes standards on export works. Local or domestic abattoirs are required to meet the minimum standards of the Australian Code of Practice for Construction and Equipment of Abattoirs under Part B of the Twelfth Schedule. Slaughterhouse minimum standards are detailed under Part C and meat premises and inspection depots are required to meet the standards of Part D.

Structural alterations or additions to a meat establishment are not to be made without Authority approval under section 30 of the Act.

The Governor in Council is empowered to prescribe fees according to the various types of licensed establishment. Licences can only be granted providing the prescribed fee is paid. Table 4 (p. 28) shows the fees that apply to all meat establishments that produce meat for human consumption.

The Authority has the power to issue or renew licences for abattoirs and slaughterhouses subject to conditions and restrictions. Section 26 of the Act states that:

_The Authority may issue a licence subject to such conditions and restrictions as it sees fit to impose, and without prejudice to the generality of the foregoing, a licence may be issued subject to conditions or restrictions-_:

- (a) regulating or prohibiting the slaughter of specified animals having regard to the plant and equipment in the abattoir to which the licence relates;
- (b) specifying the days on which and the times during which animals may be slaughtered in the abattoir to which the licence relates, having regard to-
(i) the nature and extent of the operations carried out or to be carried on in the abattoir; and

(ii) the practicability of ensuring that animals and carcasses are inspected as required under the Act.

Section 24 of the Act allows the Authority to invoke punitive measures when the conditions of a licence are contravened or when a meat establishment is operated without a licence. Prosecutions for contravention of the Act and licence conditions can be instigated by inspectors who are appointed under section 11 of the Act.

Section 27 of the Act states that the Authority can refuse to issue a licence if applicants or owners of meat establishments have been convicted of an offence against the Abattoir and Meat Inspection Act 1973, the Cattle Compensation Act 1967 or the Swine Compensation Act 1967. It may also refuse to issue a licence if the site or proposed site of a meat establishment and building, vehicles, equipment and utensils used or proposed to be used by a meat establishment do not comply with the prescribed minimum standards. Other grounds for licence refusal include the provisions of any town or country planning scheme, interim development or land usage orders, unsuitability of either the applicant(s) or a location, the proximity of the proposed site to transport facilities, saleyards and markets, and the existence of adequate slaughtering capacity in a district to which an application relates.

Under section 29 of the Act the Authority may suspend a licence for a specified period or may cancel a licence at the request of the licensee or for reasons including failure to pay the prescribed annual licence fee, breaches of conditions or restrictions applying to a licence, convictions against the Abattoir and Meat Inspection Act 1973, the Cattle Compensation Act 1967 and the Swine Compensation Act 1967 or for any other reason prescribed as grounds for suspending or cancelling a licence.

The Authority can only suspend or cancel a meat establishment licence on grounds of non-compliance with licence conditions if it has served a notice on the licensee that indicates the improvements required for the establishment to comply with the prescribed minimum standards and the deadline for completion of such improvements. Suspension or cancellation of a licence may be then invoked if the improvements are not completed within the specified time.
Section 31 allows a right of appeal against any Authority decision to refuse, suspend or cancel a licence. The enforcement of licence suspensions and cancellations does not take effect until the one month period for appeal lodgement expires, after the issue of the suspension or cancellation, or until the Minister makes a determination on the lodged appeal. Section 31(2) states that:

On such an appeal the Minister may confirm, revoke or vary the decision of the Authority and the Authority shall give effect to the decision of the Minister as if it were its own decision.

The Minister can delegate the determination of appeals to an officer of the Department. Presently the delegate is the Chief General Manager.

The Minister may, under section 3(2) by notice published in the Government Gazette, exempt any owner, abattoir or meat establishment from any of the licensing provisions of the Act.

Under section 14 of the Act, an abattoir or meat establishment owner can be prohibited from further processing indefinitely, or ordered to remove animals or meat by the Chief Inspector, if the establishment is considered unsuitable for processing meat for human consumption. The prohibition remains in place until conditions imposed are complied with.

4.2.1 Evaluation

(a) Export Abattoirs

The licensing of export abattoirs by the Authority is a duplication of registration by the Commonwealth Department of Primary Industries and Energy. The Abattoir and Meat Inspection Regulations 1982, do not provide for the Authority to enforce construction and equipment standards. The DPIE requires export abattoirs to meet the Guide-lines for Construction and Equipment for Export Meat 1988, a standard that the Authority considers satisfactory for Victorian export establishments (Minutes of Evidence, p. 1,444).
The Authority considers that one of the main reasons it licenses export abattoirs, particularly those that also supply the domestic market, is to fulfil the statutory function of section 9(1)(b) of the Abattoir and Meat Inspection Act 1973; that is, to keep under review the slaughtering capacity of export establishments in their contribution to domestic meat production relative to the overall requirements of the State. The Committee does not consider that this role is relevant to the Authority. (See Chapter 5.)

The Authority does not have the legislative power to regulate the meat export industry through enforcing minimum construction and equipment standards. The Committee considers that the licensing of export establishments imposes an extra cost without any benefit to the industry.

The Committee recommends that section 22(1)(a) of the Abattoir and Meat Inspection Act 1973, that allows the Authority to licence export abattoirs, be repealed.

( b) Domestic Abattoirs

Surveys conducted at the request of the Authority, under section 9(1)(a) of the statutory functions of the Authority, consistently revealed that slaughter establishments have not met the licensing standards. These surveys were conducted in 1977/78, 1981 and 1983.

The Australian Code of Practice for Construction and Equipment of Abattoirs was approved by the Australian Agricultural Council in February 1985 to become the uniform national standard for domestic abattoirs. This approval began a process which has aimed to ensure that standards for abattoirs in Victoria and other states are on a par, facilitating greater interstate meat trade. Following discussion with representatives of the Victorian meat industry, the Australian Code was approved by the Authority in consultation with the Minister for Agriculture and Rural Affairs. Abattoir and slaughterhouse operators were advised of their respective requirements to meet the Code.

In Victoria all meat establishments involved in trading carcasses and meat interstate were required to meet the Australian Code by 1 July 1986, and all other meat
establishments by 1 October 1988. No meat establishment in Victoria involved in interstate trade complied with the Code by 1 July 1986. Following implementation delays in other States and interstate consultation, it was determined that all abattoirs in Australia that engaged in interstate meat trade should comply with the Australian Code by 1 January 1988. This did not occur.

Victorian regulations under the Abattoir and Meat Inspection Act 1973, were amended in September 1988 and the Australian Code of Practice for Construction and Equipment of Abattoirs was adopted in legislation as the standard for all domestic abattoirs. Until the adoption of this Code, the Authority had been attempting to implement and enforce a standard that had no legislative backing. From 1 October 1988, the Authority placed conditions on domestic abattoir licences (where applicable) to facilitate upgrading to the new standards, and by July 1989 only 27% of establishments complied with the Australian Code. This upgrading process continues. Throughout this implementation period deadlines for meeting the Australian Code have been constantly extended. Less than 50% of domestic abattoirs complied with the Code in January 1990 and this figure reached 64% in August 1990.11 (See Minutes of Evidence, p. 1,404.)

Queensland, New South Wales and South Australia have been implementing the Australian Code to only apply to those abattoirs that engage in interstate trade of meat. Victoria, however, has aimed for the Australian Code to apply to all domestic abattoirs and for a number of reasons. Firstly, the trade of meat interstate is expanding, and the Authority considers it will become the norm for most establishments to be involved in interstate trade. Secondly, for consistency, an intrastate restriction on produce from particular abattoirs necessitates the application of the restriction throughout the whole processing and retail chain. Thirdly, the Authority also considered that the application of the Australian Code to meat produced for interstate trade would result in lower production standards for meat traded within Victoria. The Authority considered that this was inconsistent with the notion of uniform abattoir standards throughout Australia, both between and within States.

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11 These figures are based on the interstate trading list of abattoirs that have sufficiently complied with the Australian Code of Practice for Construction and Equipment of Abattoirs to trade meat interstate.
The Committee endorses the comprehensive implementation of the Australian Code by the Authority, however, the implementation of the Australian Code has taken five years and it took three and a half years to be included in the Regulations. The standards for construction and hygiene in domestic abattoirs have consistently lagged behind those provided for in legislation and implemented by the Authority. The Committee considers that the implementation of the Australian Code by the Authority has taken too long and that the introduction of the amendment incorporating the Australian Code into the Regulations should have been more timely to assist the implementation of the Code.

As a result of amendments to the Abattoir and Meat Inspection Act 1973, and the introduction of the Abattoir and Meat Inspection Regulations 1982 and the Australian Code of Practice for Construction and Equipment of Abattoirs, slaughter establishments have had to be periodically upgraded to meet construction and equipment standards. Currently the Australian Code contains the most comprehensive standards. The Committee considers that once there is full compliance with this Code, establishment upgrading will not be the focus of standards enforcement and consequently, only maintenance inspections will be necessary.

(c) Slaughterhouses

Prior to 1988, slaughterhouse throughput was restricted to 5,000 units per year (with one head of sheep or pig equivalent to one unit, and one head of cattle equivalent to 5 units). To obtain a licence with the Authority a slaughterhouse operator was required to also own or operate a retail butcher shop for the retail sale of the meat produced. Slaughterhouses have traditionally provided fresh meat to their isolated local communities, and a slaughter service for farmers. Communities are no longer as isolated, and the role of the slaughterhouse has diminished.

Slaughterhouse reviews performed by MISU for the Authority have, until recently, revealed unsatisfactory standards of construction and equipment. From 1974-76 reviews showed standards were poor. In the 1981 survey of all meat establishments, slaughterhouse standards were poor in 31% of establishments and moderate in 55% of establishments. In 1987, 45% of slaughterhouses completely met the standards and were issued with licences without conditions. This proportion increased to 83% in 1988, and 100% in 1989. Lower standards of inspection and
control are provided for slaughterhouses under Part C of the Twelfth Schedule in the Regulations, than the Australian Code applies to abattoirs.

In 1988, the Regulations were amended prescribing a maximum throughput of 1,250 units per month (or 15,000 units per year), according to chiller capacity, as well as the standards for the slaughterhouse environs. The requirement for owner/operators of slaughterhouses to also own or operate a retail butcher shop for the sale of meat was revoked. These changes were introduced as a result of the enforcement of the Australian Code, which found a number of abattoir operators could not meet it, and did not fit the original category of slaughterhouses. The legislative changes made allowances for these operators to continue their commercial operations.

The Committee considers that slaughterhouses that produce 15,000 units a year could supply more consumers than just the local community, hence they are not really operating in accordance with the original definition of slaughterhouses. The Committee considers that slaughterhouses in Victoria should be restricted to only operate for isolated local communities, because the new legislative provisions for maximum throughput have resulted in two different standards for small slaughtering establishments that produce around 15,000 units. As a result there is less distinction between slaughterhouses and abattoirs, therefore slaughter facilities with slightly less than 15,000 units of throughput a year can obtain significant cost advantages through the avoidance of the standards in the Australian Code.

The Committee considers that the current throughput restrictions for slaughterhouses are inappropriate, because a monthly restriction does not ensure the daily use of chillers within capacity to ensure carcass hygiene is maintained. A more specific daily slaughter rate is required, as well as restrictions on slaughterhouses to supply isolated communities only.

The Committee recommends that licences for slaughterhouses have daily throughput restrictions according to chiller capacity, however, these cannot exceed 15,000 units per year, and licences are only granted to establishments that operate for the local community.
(d) Meat Premises

The standards required of meat premises, prescribed in Schedule 12, Part D of the Abattoir and Meat Inspection Regulations 1982, are relatively prescriptive, but, they are not as comprehensive as standards required of domestic abattoirs, under the Australian Code of Practice for Construction and Equipment of Domestic Abattoirs, which reflects the nature of meat processing operations.

The Committee considers that the licensing of meat premises has been relatively uncomplicated and the current standards and licensing process are adequate and should be maintained.

4.2.2 Relevance of Legislative Provisions

(a) Grounds for Conditions to be Placed on Licences

Under section 26 of the Abattoir and Meat Inspection Act 1973, the Authority is not constrained in the conditions and restrictions it can place on licences;

The Authority may issue a licence subject to such conditions and restrictions as it sees fit to impose, ....

The regulations and, more specifically, the Australian Code of Practice for Construction and Equipment of Abattoirs, enable the Authority to enforce consistent minimum standards. The Committee therefore, considers that the clause of section 26 "as it sees fit to impose..." could undermine the legislated standards of the Australian Code of Practice for Construction and Equipment of Abattoirs and result in the inconsistent enforcement of these standards.

The Committee recommends that section 26 of the Abattoir and Meat Inspection Act 1973 be amended so that conditions and restrictions placed on licences are in accordance with Regulations and provisions under this Act and not as the Authority "...sees fit to impose...".
(b) Existence in the District of Adequate Slaughter Facilities

The existence of adequate slaughter facilities in a district can be grounds for the refusal of a licence application, under section 27(c)(iv) of the Abattoir and Meat Inspection Act 1973, or the refusal of an application for the approval of structural alterations or additions to an abattoir, under section 30(2) of the Act. The Authority stated in evidence to the Committee that evaluation by the Authority of the existence of slaughter facilities in the district was relevant in 1973 when the legislation was adopted, to ensure districts had reasonable local slaughter capacity, as meat could not be transported over long distances. The Authority conceded that there is no longer the need for these provisions (Minutes of Evidence, p. 1,447). The Committee considers that industry operators represented on the Authority could utilise this provision to influence Authority licensing so that competition is constrained and obtain a commercial advantage. Thus, these provisions could restrict new slaughter facilities from entering the industry, and hamper the introduction of modern, more efficient meat operations.

The Committee recommends that the grounds for the refusal of a licence or upgrade application, because of the existence of adequate slaughter facilities in the district, under sections 27(c)(iv) and 30(2) of the Abattoir and Meat Inspection Act 1973 be repealed.

(c) Appeals to the Minister

A licensee or licence applicant may appeal to the Minister, under section 31 of the Act, against an Authority decision regarding suspension, cancellation or licence refusal. The process for suspension or cancellation of a licence involves the serving of a notice, from which time an appeal can be made to the Minister or his/her delegated officer (who is currently the Chief General Manager of the Department) within a month.

Once an appeal has been lodged, the Authority submits a brief to the Chief General Manager, which includes any Authority policy relevant to the case and a report from the MISU, regarding the licence conditions breached. The Chief General Manager offers the appellant the opportunity to furnish further information relevant to the
the MISU may be consulted on the technical details in the appellant's response. An inspection of the premises and a meeting with the appellant may be required.

Regardless of the time taken for the appeal to be heard, the decision to suspend or cancel a licence is held in abeyance until a decision on the appeal is made, or the contravened conditions of the licence, that gave rise to the decision, are met, or the licence period ends. During this time an establishment can continue to operate.

If the licence period ends while an appeal is being heard, the appeal lapses, and the licensee can commence an application for a licence to operate in the new period. The Authority can re-issue the licence, with conditions, if still applicable, or refuse the licence.

The appeal process has two intrinsic problems. Firstly, the time limit in which appeals must be heard depends on the discretion of the Minister (or the delegated officer) or when the licence period ends. Secondly, appeals are not considered independently to ensure that decisions are fair and equitable. The Committee considers that appeals should be heard by an independent authority. The Administrative Appeals Tribunal is the appropriate body.

The Committee recommends that licence decisions are appealed in the Administrative Appeals Tribunal.

4.2.3 Owner/Operator Dilemma

Difficulties have arisen in instances where licence conditions have not been complied with and the owner of the meat establishment leases the establishment to an operator. Some of the complexities of these lease arrangements have resulted in conflicts between owners and operators over the responsibility for compliance with particular maintenance and equipment hygiene matters that are in breach of the standards. The Authority has had difficulty pursuing punitive action in these situations because the ultimate responsibility is difficult to determine.

The Committee considers that the Authority should not become embroiled in these disputes and that legislation making both owners and operators responsible, where lease arrangements exist, would facilitate dispute settlement.
The Committee considers that the Authority should not become embroiled in these disputes and that legislation making both owners and operators responsible, where lease arrangements exist, would facilitate dispute settlement.

The Committee recommends that in situations where owners have lease arrangements with operators of meat establishments, both the owner and the operator can be subject to prosecution for the contravention of licence conditions issued under the *Abattoir and Meat Inspection Act 1973*.

### 4.2.4 Food Regulation Reform in Victoria

The Commonwealth and Victorian Governments commenced an inquiry into food industry regulations in 1987, which was jointly conducted by the Commonwealth Business Regulation Review Unit and Victoria’s Regulation Review Unit. The Inquiry examined the efficiency and effectiveness of the food regulatory regime and the impact of food regulations on consumers and public health, and reported in December 1988.

In general, the Inquiry indicated over-regulation in particular sectors of the food industry. In particular the Inquiry found that the Victorian meat industry experiences duplication in regulatory provisions and is subject to multiple regulations emanating from separate Acts of Parliament. Implementation of the *Abattoir and Meat Inspection Act (Meat Transport Vehicles) Regulations 1982* and the *Cleanliness (Food, Drugs and Substances) Regulations 1984*, could result in inspection duplication by the Health Department Victoria, local health surveyors and the Department of Agriculture and Rural Affairs.

Many provisions of the *Poultry Processing Act 1968* duplicate provisions of the *Food Act 1984*. Operators of poultry processing plants are reliant on these two Acts as well as the *Health Act 1959* and the *Weights and Measures Act 1985* and respective regulations to regulate their operations.

The Report of an Inquiry into Food Regulation in Australia, Part II, recommends in relation to the regulation of meat transport vehicles:
That the Abattoir and Meat Inspection (Meat Transport Vehicles) Regulations 1982 be revoked and that section 48(t) of the Abattoir and Meat Inspection Act be repealed. This would leave the control of meat transport to the Cleanliness (Food, Drugs and Substances) Regulations, 1984, under the Health Act. Where necessary, specific regulations relating to meat transport be included in the Cleanliness (Foods, Drugs and Substances) Regulations, 1984, or any equivalent set of Regulations likely to be developed under the Food Act. Furthermore, it is recommended that any highly detailed specifications presently in the regulations be transferred to Codes of Practice rather than included in the new regulations.\(^\text{12}\)

and for poultry processing:

That the Poultry Processing Act 1968 be repealed, but that, if it is considered necessary to continue the Weight Uptake Test, the relevant provisions under Part 2 of the Poultry Processing Regulations be transferred to Standard C1 of the Food Standards Code.\(^\text{13}\)

Therefore the Inquiry recommended:

That, to avoid duplication in inspection, the Health Department Victoria, local health surveyors and the Department of Agriculture and Rural Affairs co-ordinate and/or delegate inspections.\(^\text{14}\)

The Victorian Regulation Review Unit of the Department of Industry and Economic Planning has formed an interdepartmental committee with representation from the Department of Industry and Economic Planning, the Health Department Victoria, and the Department of Agriculture and Rural Affairs, with the aim of rationalising the meat transport vehicle and poultry legislation under one piece of legislation that will regulate the food industry. It is envisaged that this legislation will be administered by the Health Department Victoria, which will delegate the responsibility for performing inspections on meat transport vehicles and poultry plants to the Department of Agriculture and Rural Affairs.


\(^\text{13}\) Op cit. Recommendation 17, p. 3.

4.3 Establishment Licensing for the Production of Meat for Pet Consumption

The statutory provisions governing the licensing of knackeries, pet food establishments and retail pet meat shops are set out in sections 33 to 40 of the Abattoir and Meat Inspection Act 1973. The Abattoir and Meat Inspection (Knackeries and Pet Food Establishments) Regulations 1982, provide standards for knackeries and pet food establishments. All knackeries and pet food establishments (including retail pet meat shops) are required to be licensed by the Authority. Retail pet meat shop provisions became incorporated into the Regulations as the Abattoir and Meat Inspection (Retail Pet Meat Shops) Regulations 1982 under amendments to the Act after the passing of the Meat Control Act 1981. The Woodward Royal Commission into the Meat Industry in 1982 endorsed the licensing of all pet meat establishments as part of a process that would assist in protecting the public against the illicit transmission of pet meat into the human food chain.¹⁵

Similar to provisions for the production and processing of edible meats, the Minister for Agriculture and Rural Affairs may exempt any owner of a knackery or pet food establishment from the licensing provisions, under section 35 of the Abattoir and Meat Inspection Act 1973.

The Authority is empowered to set licence fees and impose conditions and restrictions on knackeries and pet food shop licences. When a knackery, pet food establishment or retail pet meat shop is unlicensed or contravenes any conditions or restrictions, the licensee may be subject to prosecution. When an inspector considers a knackery or pet food establishment is unsuitable for the processing of meat for pet food under section 38(2), the Chief Inspector can prohibit the removal of processed pet food from such premises and further processing indefinitely until the condition has been complied with.

The statutory requirement for the maintenance of records on the movement of pet food from knackeries to retail pet meat shops provides an important basis for Authority control over the pet food industry in Victoria. Section 39 of the Act requires knackeries to keep records on the supply, dispatch and slaughtering of

"horses, animals, and game" and similar details concerning meat. These record books are to be made available to inspectors at "all reasonable times".

Section 40 of the Act prohibits the sale, storage or processing of any pet meat for human consumption from a knackery or a pet food establishment.

4.3.1 Evaluation

The Committee considers that the licensing of pet meat establishments throughout the processing and retail chain is vital to guarantee that inedible meats are not included in the human food chain. The Committee considers that the licensing of meat establishments involved in the processing of inedible meats has been performed effectively under the present arrangements. However, as stated earlier, licence fees have reduced in real terms since 1984, as a result of insufficient indexation, and have not been charged efficiently (see Table 12).

4.3.2 Additional Comments Regarding Pet Meat Sector

Section 2 of the Abattoir and Meat Inspection Act 1973 states that a knackery is, among other things, a place used to slaughter and dress live animals or receive dead animals and carcasses (only for pet consumption). This situation differs from New South Wales, which does not allow the collection of meat from already dead animals. The higher incidence of diseases such as anthrax in New South Wales is considered one of the reasons for this difference.

The Department of Primary Industries and Energy is currently reviewing Meat Inspection (General) Orders, that operate under the Meat Inspection Act 1983 (Cwlth), and as a result has developed the draft national meat inspection orders. Section 7.1 of Schedule 13 of these draft orders will prohibit the use of meat from dead animals for animal food.

The Committee was informed in evidence (Minutes of Evidence pp. 1,454 and 1,657) of the service provided to farmers by knackery removal of dead and dying animals that farmers have difficulties disposing of on their properties, the carcasses of which could pose a hygiene hazard. The Committee considers that there are no
The Committee recommends that knackeries and pet meat establishments in Victoria continue to utilise dead animals for pet food, and any provisions of the draft national meat inspection orders prohibiting the use of this as pet meat are not included in legislation that pertains to Victoria.
<table>
<thead>
<tr>
<th>As at 30 September</th>
<th>KNACKERY</th>
<th>PET FOOD ESTABLISHMENT</th>
<th>RETAIL PET MEAT SHOP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Licence Application</td>
<td>Licence Renewal</td>
<td>Licence Application</td>
</tr>
<tr>
<td>1974</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>1975</td>
<td>65.81</td>
<td>32.91</td>
<td>65.81</td>
</tr>
<tr>
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<td>39.45</td>
<td>78.91</td>
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<td>1986</td>
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<td>278.36</td>
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<tr>
<td>1987</td>
<td>589.67</td>
<td>294.83</td>
<td>589.67</td>
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<tr>
<td>1988</td>
<td>574.48</td>
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</tr>
<tr>
<td>1989</td>
<td>533.00</td>
<td>267.00</td>
<td>533.00</td>
</tr>
</tbody>
</table>

* Adjusted to CPI, Eight Capital Cities Index (December 1989 = 100).
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
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</tr>
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<tbody>
<tr>
<td>1974</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
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<td>1975</td>
<td>20</td>
<td>10</td>
<td>20</td>
<td>n.a.</td>
<td>10</td>
<td>n.a.</td>
</tr>
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<td>1976</td>
<td>25</td>
<td>13*</td>
<td>25</td>
<td>13*</td>
<td>n.a.</td>
<td>n.a.</td>
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<td>1977</td>
<td>30</td>
<td>15</td>
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<td>n.a.</td>
<td>n.a.</td>
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<tr>
<td>1978</td>
<td>30</td>
<td>15</td>
<td>30</td>
<td>15</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>1979</td>
<td>30</td>
<td>15</td>
<td>30</td>
<td>15</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>1980</td>
<td>30</td>
<td>15</td>
<td>30</td>
<td>15</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>1981</td>
<td>42</td>
<td>21</td>
<td>42</td>
<td>21</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>1982</td>
<td>49</td>
<td>25*</td>
<td>46</td>
<td>25*</td>
<td>21</td>
<td>11*</td>
</tr>
<tr>
<td>1983</td>
<td>400</td>
<td>200</td>
<td>400</td>
<td>200</td>
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<td>1987</td>
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<td>1988</td>
<td>533</td>
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<td>1989</td>
<td>533</td>
<td>267</td>
<td>533</td>
<td>267</td>
<td>40</td>
<td>20</td>
</tr>
<tr>
<td>1990 (April)</td>
<td>533</td>
<td>267</td>
<td>533</td>
<td>267</td>
<td>40</td>
<td>20</td>
</tr>
</tbody>
</table>

* These figures are to that nearest dollar.
CHAPTER FIVE: SECONDARY STATUTORY FUNCTIONS

5.1 Survey of Slaughter Facilities

The statutory function to survey slaughter facilities, under section 9(1)(a) of the Abattoir and Meat Inspection Act 1973, commenced following the establishment of the Authority in 1973, in which the Authority evaluated the contemporary operating standards of abattoirs and slaughterhouses throughout the State. This survey identified considerable variation in the standards of sites, buildings, facilities and equipment. It also revealed that many establishments did not comply with the contemporary prescribed minimum requirements.

In 1974, the Meat Inspection Branch of the Department of Agriculture was created to conduct on-going reviews to advise the Authority on licence applications. Subsequent consultations between the Authority, meat industry operators and officers of the Meat Inspection Branch resulted in the initiation of a five year program to upgrade abattoirs and slaughterhouses to the prescribed minimum standards. The central thrust of the program after 1976 was to improve construction and building maintenance standards, plant and equipment maintenance and to enforce procedures designed to minimise the possibility of contamination of meat and cross-infection between carcasses.

In 1977/78 the Authority re-surveyed the standards existing in meat premises, knackeries and pet food establishments. This investigation revealed that standards in many establishments again did not comply with the prescribed minimum standards. In response, the Authority listed the particular deficiencies in construction standards and placed conditions on licences. Meat Inspection Branch staff were responsible for ensuring the implementation of the licence conditions. This involved assisting operators, abattoir engineers and architects to develop plans and programs for upgrading plants. Many of these programs allowed for periods of between one and three years for completion.

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In 1981 a further survey by Naughton and Rees\textsuperscript{17} revealed that a significant number of abattoir and slaughterhouses did not comply with the prescribed minimum standards. In response, the Authority requested an update in 1983\textsuperscript{18} which reiterated the findings of the 1981 report (see Table 14), and insisted on the need for compliance with the minimum standards. These surveys were the last comprehensive surveys conducted.

New standards were introduced with the adoption of the Australian Code of Practice for the Construction and Equipment of Abattoirs by the Authority, after discussion with representatives of the meat industry, and consultation with the Minister. Initially it was foreseen that abattoirs would meet the standards of the Code within 18 months. The domestic slaughter industry was fully informed of the

\textbf{Table 14}

\textbf{SURVEYS OF ABATTOIRS AND SLAUGHTERHOUSE STANDARDS}

<table>
<thead>
<tr>
<th>Reasons for failure to comply with the regulations**</th>
<th>1981</th>
<th>1983</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction of establishment required modification.</td>
<td>74</td>
<td>63</td>
</tr>
<tr>
<td>Maintenance inadequate.</td>
<td>24</td>
<td>31</td>
</tr>
<tr>
<td>Hygiene problems.</td>
<td>22</td>
<td>21</td>
</tr>
<tr>
<td>Complete rebuild required.</td>
<td>15</td>
<td>9</td>
</tr>
<tr>
<td>Suspension of licence warranted.</td>
<td>7</td>
<td>6</td>
</tr>
</tbody>
</table>

* Includes export abattoirs, local abattoirs and slaughterhouses

** An abattoir or slaughterhouse could have one or more reasons for failure to comply with the regulations.


requirements of the new standards. Prior to the adoption of the Australian Code into the Regulations, under the *Abattoir and Meat Inspection Act* 1973, in September 1988, a Regulatory Impact Statement was compiled which briefly examined the slaughter facilities and the requirements necessary for certain facilities to meet the Australian Code.

### 5.1.1 Evaluation

Until 1983, the Authority fully utilised the survey function to regularly assess the progress of the enforcement of establishment standards. Since then, however, the Committee considers that the survey role has been under-utilised, particularly in light of the introduction of the Australian Code which is resulting in a major rationalisation of the industry through regulation.

Although the majority of the large producers of the industry met the Australian Code within three and a half years, the total implementation has taken more than five years, in which implementation deadlines have been regularly re-scheduled. The Committee considers that the Regulatory Impact Statement lacked timing and detail to be sufficiently comprehensive to fulfil the role of a survey of slaughter facilities to benefit planning for the introduction of the Australian Code.

The Committee, therefore, considers that the Authority effectively and efficiently surveyed slaughter facilities until 1983. Since then the surveys could have been more effectively utilised to evaluate industry requirements for compliance with the new standards. Hence, the failure to fully utilise the statutory function of surveying slaughter facilities has contributed to unrealistic implementation deadlines of the Australian Code.

The Committee recommends that the Authority pay greater attention to the survey function under section 9(1)(a) of the *Abattoir and Meat Inspection Act* 1973, to monitor compliance and standards enforcement in establishments.
5.2 Review of Construction and Hygiene of Meat Establishments

The Authority reviews the construction and hygiene of meat establishments, in accordance with section 9(1)(b) of the Abattoir and Meat Inspection Act 1973, by considering the reports on meat establishment inspections conducted by the standards officers of the Meat Industry Standards and Information Unit (MISU). These reports are instrumental for the Authority to evaluate whether establishments meet the required standards of the regulations under the Act when considering licence applications, renewals, suspensions or cancellations. Hence, the MISU provides the inspection service for the Authority, and gives advice on licensing decisions.

The Meat Industry Standards and Information Unit was established in 1988, after the Commonwealth became responsible for meat inspection under the Commonwealth and State Arrangement in April 1988 (see Part II, Chapter 1). Prior to this Arrangement, the Meat Inspection Branch performed establishment and meat inspections. Currently the MISU is primarily responsible for establishment inspections, and is also responsible for the registration of poultry processing plants, the random testing of poultry carcasses for weight gain through processing, meat transport vehicle registration, the monitoring of illegal slaughtering of animals for meat, and chemical residue testing of meat.

The Authority is responsible for providing policy direction to the MISU Standards Officers in the establishment review process. The Authority policy for the implementation of construction and equipment hygiene standards has been to consult with establishment owners on the requirements of the statutory standards, and each establishment is considered on an individual basis.

Under section 9(1)(b) of the Act, the Authority is also required to keep under review establishments;

_with particular reference to the slaughtering capacity and location of those meat establishments in relation to the overall requirements of the State._
5.2.1 Evaluation

The Committee considers that the policy of the Authority to adopt a consultative process for the implementation of the Australian Code of Practice for Construction and Equipment of Abattoirs, has been an effective method for upgrading establishments in the industry, particularly given the financial commitments required for some operators to meet this Code. However, as detailed in Chapter 4, this consultative process has taken over five years to implement the Australian Code. The survey process, as outlined in paragraph 5.1, reveals that slaughter facilities under review have consistently failed to reach the required standards, even prior to the introduction of the Australian Code.

The Committee, therefore, considers that although the consultative process has been effective in implementing the Australian Code, the time taken to implement this has not been efficient. This was possibly hampered by the untimely legislative provisions for the Australian Code in the Abattoir and Meat Inspection Regulations 1982. [See paragraph 4.2.1 (b)]

In evidence to the Committee, the Authority stated that it regularly reviewed overall slaughter capacity of the State. The Committee considers that the Authority does not have the expertise to fully evaluate slaughter capacity and the location of meat establishments in relation to overall requirements of the State. The Committee also has the view, as stated earlier, that the Authority should not be able to restrict entrants to the industry on the grounds of the availability of slaughter capacity, but should enable the interaction of market forces to determine the appropriate level of slaughter capacity. The Committee, therefore, considers that there is no need for the clause in section 9(1)(a) to review establishments;

\[
\text{with reference to the slaughtering capacity and location of those meat establishments in relation to overall requirements of the State,}
\]

and that this clause should be repealed.
The Committee recommends that the words of section 9(1)(b) of the Abattoir and Meat Inspection Act 1973, for meat establishments to be reviewed;

*with particular reference to the slaughtering capacity and location of those meat establishments in relation to the overall requirements of the State,*

be repealed.

**5.3 Reporting Requirements to the Minister**

The Authority is required under section 9(1)(c) of the Act to report annually to the Minister for Agriculture and Rural Affairs on the:

- slaughtering of animals;
- licensing of meat establishments;
- standards of hygiene in meat establishments;
- meat inspection procedures; and
- any other matters referred to it by the Minister or that which the Authority thinks fit.

**5.3.1 Evaluation**

The Authority has consistently reported to the Minister in its Annual Reports the numbers of animals slaughtered and the licensing of meat establishments. The slaughter figures are broken down according to the type of animal, and whether slaughtered for domestic consumption or for export. The reports on the licensing of meat establishments have extensively included numbers of licence applications, new licences, licence renewals, suspensions, cancellations and reclassifications, and the approval of extensions or alterations to establishments.
All matters referred to the Authority by the Minister have been reported in the respective annual reports, as have matters the Authority considers the Minister should be aware of, including industry developments.

The other areas have not consistently been included in annual reports as required by section 9(1)(c). The standards of hygiene at meat establishments were only reported to the Minister in those years in which programmed surveys were conducted. These years were 1974, 1977, 1981 and 1983. In 1976 a comment was made in the Annual Report about the failure of many meat establishments to meet minimum standards of hygiene and construction.

The Authority has never reported to the Minister about meat inspection procedures through the annual reports.

The Committee considers that the Authority has not been completely diligent in its statutory reporting requirements, as various areas stipulated in the legislation have been consistently ignored.

It should be noted that meat inspection has never been a role of the Authority. This was performed by the Meat Inspection Branch until 1988 when the Commonwealth agreed to perform this role on behalf of the State.

The Committee recommends that the Victorian Abattoir and Meat Inspection Authority meet its statutory reporting requirements.

5.4 Meat Inspection Training

The statutory responsibility of section 9(1)(d) is for the Authority to control the training of meat inspectors. At the inaugural meeting of the Authority in 1974, a working committee was established to review this area and it undertook an analysis of all contemporary meat inspection training courses operating in Victoria. It approached the Victorian State Council of Technical Education to assist the review.

---

19 The Authority assumed control of meat inspection training from the then Health Commission of Victoria in 1973.
During 1974 the Authority approved part-time meat inspection training courses at the William Angliss College of Catering and Food Supplies in Melbourne, Shepparton Technical College, Bendigo Technical College and Gordon Institute of Technology in Geelong. Later, a full-time thirteen week training course conducted by the then Commonwealth Department of Primary Industry was also approved by the Authority as an accredited meat inspection training course.

The working committee on Meat Inspection Training reported to the Authority in 1975. Its recommendations were accepted by both the Authority and the State Council of Technical Education and resulted in a more comprehensive and uniform state-wide system of training and certification for meat inspectors and in the introduction of a new training course in 1976.

The course was again reviewed in 1982/83 which resulted in minor course content alterations. At present the course is over two years, and continues to train both meat inspectors and standards officers (establishment inspectors) on a part-time basis at the William Angliss College and the Gordon Institute.

5.4.1 Evaluation

Meat inspection training courses are currently attended by a range of meat industry personnel, including Commonwealth meat inspectors and State establishment standards officers. The course primarily trains personnel in meat inspection. The Committee considers that meat industry involvement in meat inspection training is important.
PART II

INDUSTRY ISSUES THAT IMPACT ON THE AUTHORITY
INDUSTRY ISSUES THAT IMPACT ON THE AUTHORITY

During this inquiry the meat industry raised various issues for the Committee to consider. In this part of the Report the Committee seeks to further assess the Authority according to the Term of Reference

(a) whether or not the objects of the Authority are worth pursuing in contemporary society.

To do so, the Committee has evaluated certain areas in which the Authority is currently not involved, with the view of restructuring meat industry licensing and extending the objects of the Authority to become more contemporary.

CHAPTER ONE: THE 1988 COMMONWEALTH-STATE MEAT INSPECTION ARRANGEMENT

1.1 Background

Owing to the high proportion of Australian meat exported, the requirements of overseas importing countries have largely dictated the type of meat inspection that has operated in abattoirs throughout Australia. A major impetus to the gradual tightening of meat inspection requirements of overseas importers of Australian meat occurred in 1963 when the United States Meat Inspection Regulations were amended. These changes required meat inspection services in foreign countries to comply substantially with the domestic United States standards.

Since then amendments have particularly affected veterinary supervision at export abattoirs. In 1987 the United States Wholesome Meat Act was enacted. This Act removed the previous requirements for substantial compliance with the United States standards but stipulated that meat inspection and hygiene standards of exporting countries had to be at least equal to those existing in the United States. Further, it required that all meat produced at registered export abattoirs conform to these standards whether for export or domestic consumption.
In Victoria, prior to 1988 the Federal Government provided an export meat inspection service through the Department of Primary Industries and Energy, Australian Quarantine Inspection Service. The States provided meat inspection services for meat intended for consumption within Australia. In Victoria this was provided by the Department of Agriculture and Rural Affairs.

In 1980 the Report of the Committee of Inquiry to Examine Commonwealth and State Meat Inspection Systems highlighted that Australian export abattoirs operated under a dual inspection system, with the Commonwealth responsible for export meat inspection and the State responsible for domestic meat inspection. Their roles were similar but differed in terms of uniformity of meat inspection standards. As a result of this report provisions in the *Commonwealth Meat Inspection Act 1983* were included to facilitate the performance of meat inspection by the Commonwealth on behalf of a requesting State through State Governor in Council proclamation extending the Commonwealth Act to that State. In March 1988, the Federal and Victorian Governments agreed to an arrangement for the Department of Primary Industries and Energy to commence performing meat inspection services on behalf of the State.

The *Abattoir and Meat Inspection (Arrangements) Act 1987*, referred to the Federal Government meat inspection in Victoria. The jurisdiction of the *Commonwealth Meat Inspection Act 1983* was extended to Victoria on 3 April 1988. The Federal and Victorian Governments agreed to a number of procedures relating to the meat inspection system and the employment of personnel. The Arrangement established two committees - the Commonwealth/State Meat Liaison Committee and the Commonwealth/State/Industry Consultative Committee. Under the terms of the Arrangement, the Federal Government is required to undertake a number of functions relating to meat inspection, subject only to the provisions of the *Commonwealth Meat Inspection Act 1983*. These functions are:

(a) to provide a meat inspection service to abattoirs, meat premises, meat inspection depots, slaughterhouses, knackeries, pet food establishments, retail pet meat shops and meat transport vehicles licensed from time to time by the *Abattoir and Meat Inspection Act 1973* of the State;

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1 See *Arrangement between the Commonwealth of Australia and the State of Victoria, March 1988, Schedule 3.*
(b) to enforce requirements of State legislation governing meat inspection procedures, animal disease control, cattle and swine compensation and animal welfare in licensed premises;

(c) to inspect meat to a standard not less than that specified in the Abattoir and Meat Inspection Act 1973 of the State and Regulations made under that Act as expressed in the Meat Inspection (Victoria) Orders in force from time to time or another standard that may be established by agreement between the State and the Commonwealth;

(d) to provide disease and slaughtering statistics and information to the State Department and continue arrangements for submitting samples to State laboratories; and

(e) to provide services as agreed from time to time between the State and the Commonwealth in licensed premises to assist with new State or national disease control programs.

Under the new arrangement the State has undertaken to:

(a) licence abattoirs, slaughter houses, meat premises, meat inspection depots, knackeries, pet food establishments, retail pet meat shops and meat transport vehicles;

(b) enforce State legislation outside licensed premises;

(c) supervise and implement marketing and other similar initiatives in the Victorian domestic meat industry;

(d) provide advice and support to the Commonwealth on veterinary public health matters relating to transferred meat inspection functions;

(e) define and enforce construction and equipment standards for licensed premises;

(f) licence and control operations of poultry processing establishments;

(g) define State requirements for the inspection and preparation of meat for sale for human or animal consumption in consultation with the Commonwealth; and

(h) implement licensing decisions by the Victorian Abattoir and Meat Inspection Authority (VAMIA).²
The Federal and Victorian Governments agreed on a number of other matters. First, the Federal Government agreed to take every reasonable action to ensure uninterrupted inspection of meat in Victoria. In the event of it being unable to provide meat inspection services to licensed premises in Victoria, then the Victorian Government may provide such services on behalf of the Federal authorities until the latter can resume their role.

Second, the State Government made an undertaking under the terms of the Agreement to consult with the Federal Government on all significant matters affecting the licensing of premises under the governing State legislation.

Third, the Federal Government agreed, subject to certain conditions, that the State may appoint Commonwealth meat inspectors who could also police the Stock Diseases Act 1983, the Abattoir and Meat Inspection Act 1973 and the Swine Compensation Act 1967.

Fourth, respective Federal and State Government Departments responsible for meat inspection undertook to co-operate in the enforcement of the Export Control Act 1982 (Cwlth), the Meat Inspection Act 1983 (Cwlth), the Abattoir and Meat Inspection Act 1973 and all other relevant State legislation.3

Fifth, the State agreed to provide technical and veterinary expertise to the Commonwealth Department of Primary Industries and Energy on all policy issues relevant to public health.

3 op.cit. p. 5.
Sixth, the Federal Government undertook to consult with and obtain the opinion of the Victorian meat industry through the Commonwealth/State/Industry Consultative Committee when setting meat inspection fees and undertook to make these views known to the State Minister for Agriculture and Rural Affairs prior to making any submissions to the Federal Minister for Primary Industries and Energy.4

1.2 Efficiencies in Meat Inspection

The current meat inspection service performed by the DPIE in Victoria is a result of the amalgamation of the separate State and Commonwealth meat inspection services. The Committee is cognisant of the difficulties of amalgamating these two services, however, discussions with representatives of the industry have highlighted that there are problems with the inspection service that are more than a transitional result of the amalgamation. Both the industry and senior representatives of the DPIE consider that there is room for productivity improvements within the meat inspection service.

Industry representatives, however, consider that productivity improvements can not be achieved because:

industry input to the DPIE is minimal and the expressed concerns of the industry, particularly regarding productivity, do not appear to be acted upon;

4 The Agreement included the following provisions:

"Without in any way attempting to fetter the respective powers of the Parliament of the State and the Commonwealth or of the executive power of each government pursuant to legislation of either Parliament, the State and the Commonwealth undertake that, prior to their relevant departments making any submissions to their respective Ministers on any proposal for changes to the Act, the State Act, or regulations and orders under either Act, the relevant Department will:

(a) Seek the views of the Victorian Meat Industry on the matters the subject of the submission, through Commonwealth/State/Industry Consultative Committee established pursuant to Schedule 3; and

(b) Make those views known to their respective Ministers.

the administration and interpretation of the regulations for meat inspection are inconsistent both between and within meat establishments;

certain regulations relevant to export establishments for European Community and United States requirements are unnecessarily imposed on domestic meat establishments;

there is a lack of accountability by meat inspectors, hence the inspectors cannot be disciplined when deliberate unwarranted activities by the inspectors affect the level of production;

there are no incentives for inspectors to achieve improvements in productivity;

of commercial reprisals to industry when the DPIE is requested by operators to settle disputes; and

the standards and quality of meat has improved through reduced stock diseases, yet the level of inspection has increased.

Evidence to the Committee highlighted that the DPIE has been introducing new initiatives that are aimed towards the provision of a more efficient and effective service. These initiatives involve:

a new fee for service, in which operators are charged per inspector rather than per carcass inspected, with ultimately fewer inspectors;

the introduction of redundancy packages to reduce excess staff; and

the introduction of new meat inspection and staffing standards, which provide a framework for establishments to quantify required staffing levels.

All these factors have contributed to an already tense industrial climate in which meat establishments have experienced disruption and the industry has diminishing confidence in the DPIE meat inspection service.
1.2.1 An Appropriate Organisation to Perform Meat Inspection

In a press release of 16 March 1990, the Victorian Minister for Agriculture and Rural Affairs indicated support for the objectives of the above program of change by the DPIE. The Committee, however, received reserved support from the industry for the DPIE and the program of change. The industry perceives the DPIE as bureaucratic, difficult to access and ineffective at addressing the problems that have been occurring and are emerging in response to the initiatives.

The Commonwealth/State Arrangement provides for the Commonwealth Department (DPIE) to seek the views of the Victorian meat industry through the Commonwealth/State/Industry Consultative Committee on proposals to vary fees for meat inspection, and make these views known to the State Agriculture Minister. In evidence, both the Victorian Minister for Agriculture and Rural Affairs and the Victorian Farmers Federation (VFF) expressed particular concern with the lack of consultation by the DPIE with the relevant Commonwealth/State Committees and industry regarding proposed changes to meat inspection, particularly to increases in smeat inspection fees. Both concluded that the consultative arrangements were not effective, and were not being utilised appropriately. (Minutes of Evidence, pp. 1,642, 1,473.)

Industry, the VFF and State Government representatives considered, in evidence, that given the above concerns, the DPIE was not the appropriate body to perform meat inspection. (Minutes of Evidence, pp. 1,473, 1,645). It was highlighted to the Committee that these services should be performed by an organisation that is receptive to industry and Government input. The model of a Commonwealth statutory authority was considered the most appropriate by the Victorian Minister for Agriculture and Rural Affairs and the VFF. Under the Commonwealth/State Arrangement such an organisation would require agreement by the States and the Commonwealth for meat inspection to be transferred to a single statutory body, and would take time to develop and establish.

The major finding in the Report of the Committee of Inquiry to Examine Commonwealth and State Meat Inspection Systems in 1980, was that standards within and between States, particularly between export and local establishments,

5 op. cit., Section 4.
inspection for the implementation of uniform standards. It was reluctant to recommend that the Commonwealth provide meat inspection services solely, through the then Commonwealth Department of Primary Industry, because the States would have been required to relinquish their involvement in inspection policy, a situation the Inquiry considered not ideal. The Committee of Inquiry, therefore, recommended the establishment of a Commonwealth statutory authority to perform meat inspection with State and Commonwealth involvement in accordance with relevant standards.

1.2.2 Future Role of Meat Inspection Systems

The Committee has noted that the quality of meat produced in recent years has improved. This is as a result of improved farm practices, and improved hygiene and construction in meat establishments. The Committee considers that the role of government and inspectors should be reconsidered with the view that industry should be more involved in the quality of meat produced.

The Committee considers that the meat production and processing industry is disadvantaged by the performance of meat inspection by the Commonwealth Department of Primary Industries and Energy. The Committee also considers, from the evidence received from industry, the VFF and the State Government, that the service is expensive, inefficient and cumbersome and current operations are compromising the viability of the meat industry in Victoria. For this reason, the Committee concludes that the DPIE is inappropriate to conduct meat inspection on the same basis as it has been done in the past.
CHAPTER TWO: POULTRY PROCESSING

Under the provisions of the Poultry Processing Act 1968 poultry processing plants must be registered with DARA and operate in accordance with this Act, however they are not required to meet the same standards of hygiene and construction as red meat establishments. Poultry Processing Registration incurs a fee, and the operation of an unregistered plant can incur a penalty of $500 for each day the unregistered plant is operating. The Act allows inspectors to enter establishments to test carcasses for weight gain as a result of processing, in accordance with the Poultry Processing Regulations 1988. Carcass weight gain beyond 8% is considered an offence, and a penalty of $2,000 can be imposed, with or without suspension of the plant's operations. Section 12 of the Act allows the operator of a poultry plant to appeal to the Minister, in a similar manner to meat establishments under the Abattoir and Meat Inspection Act 1973, if there is a grievance with the direction of an inspector that has been given to ensure that carcass weight gain does not exceed the legislated limit.

In the mid 1970s, a uniform national approach to poultry meat inspection was considered by the Standing Committee on Agriculture (SCA), of the Australian Agricultural Council, in light of a move towards self regulation within the industry. The SCA recognised that industry standards for hygiene and construction of poultry processing plants and poultry meat inspection had to be determined. The Working Party on Poultry Inspection was subsequently established.

The Working Party drafted guidelines which have formed the foundation of the Australian Code of Practice for Poultry Processing. These guidelines include construction and equipment standards, procedures to ensure acceptable standards of hygiene, tests and sampling procedures to monitor carcass and plant contamination, and poultry meat inspection procedures.

The Working Party recommended that the introduction of poultry meat inspection occur over four phases:

Phase I: Registration of poultry processing establishments with the relevant Department of Agriculture.
Phase II: Establishment of inspection staff to supervise the adherence to legislation and legal standards.

Phase III: The introduction of the requirement that a Government Inspector be present during all processing. This phase should be reviewed after 3 years of implementation. During this phase, studies including a cost-benefit analysis should be conducted to determine the practicality of proceeding to phase IV.

Phase IV: Introduction of poultry inspection of each poultry carcass by a Government Inspector.7

The Standing Committee on Agriculture (SCA) adopted these guidelines, but only as far as the third phase. However, further consideration has determined that there is no commitment to proceed beyond Phase II, and amended guidelines were later formally approved by the SCA.

An on-going review of the guidelines in light of the experiences of those states where Phases I and II have been implemented was commenced, and is now the responsibility of the Sub-Committee of Veterinary Public Health. It considers the guidelines should be accepted and implemented as the Australian Code of Practice for Poultry Processing by the industry, in these four parts:


Part 2: Processing procedures to ensure an acceptable standard of hygiene in poultry processing.

Part 3: Testing and sampling procedures.

Part 4: The role of Government Inspectors in the Poultry Meat Inspection Service.8

Currently Victoria has not commenced Part 1, and lags behind the other states. The New South Wales Department of Agriculture and Fisheries regulates construction and

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8 op. cit. p. 243.
equipment hygiene for poultry processing, and the licensing of poultry slaughtering and processing plants, through the legislative provisions of the Code of Practice for Poultry Processing in the *Poultry Processing Act 1969*.

The NSW Department does not consider the inspection of each bird necessary, as they claim poultry diseases do not pose the same risk to humans as farm stock, and individual bird inspections would not prove efficient nor effective. Diseases in young birds that are slaughtered for poultry tend to manifest microscopically, detectable only through microbiological sampling. Farm stock diseases, however, tend to manifest macroscopically, and are detectable through visual inspection. At present neither national nor international standards for bacteria levels have been established to enable bacteriological surveying to occur effectively, due to lack of agreement about appropriate safe levels. Currently, the majority of poultry meat is produced by large processors who perform their own quality control, to ensure that consumer health requirements and expectations are met. Therefore, the Committee does not currently recommend individual poultry carcass inspection.

Full incorporation of the Australian Code of Practice for Poultry Processing into legislation is awaiting action by the Victorian Minister, to enable the enforcement of uniform standards for hygiene and construction in poultry processing plants within the State, to bring Victoria into line with other states.

The regulations under the *Poultry Processing Act 1968* were revoked in 1988 and replaced with new regulations. These new regulations failed to include the more developed standards of the Australian Code of Practice for Poultry Processing, that other States have been adhering to.

In evidence to the Committee, the Government representatives of the Authority considered that the failure of poultry registration to ensure poultry processing plants conform to the Australian Code of Practice, needs to be addressed, as many premises were considered to be of unsatisfactory standards. The Authority also considered that any potential risk to Victorians from consuming poultry would be less if the Code was fully implemented through the inclusion of the Code in legislation. (Minutes of Evidence p. 1,450.)

The Committee considers that the licensing of operators of poultry processing premises in accordance with the standards of the Australian Code of Practice for Poultry Processing, is necessary to reduce the potential risk to public health due to
the current inadequate standards in some establishments. The Committee also considers that the implementation of the Australian Code is required to ensure uniform standards across Australia.

The Committee recommends that the Australian Code of Practice for Poultry Processing is included in the Poultry Processing Regulations 1988 under the Poultry Processing Act 1968, or any proposed legislation, and be fully implemented through the licensing of poultry processing operators.
CHAPTER THREE: OCCUPATIONAL HEALTH AND SAFETY

In evidence to the Committee the Authority Chairman stated that the Authority considers occupational health and safety matters carry principal weight in the consideration of licences (Minutes of Evidence, p. 1,412). Further evidence suggested that the Authority is constrained in the identification of occupational health and safety issues because the meat industry currently does not have a relevant occupational health and safety code to serve as an industry guideline. The Committee was advised that the Occupational Health and Safety Commission under the Department of Labour is currently developing a code of practice for the industry.

The meat industry has occupational health and safety problems which are evidenced by the industry classification into the highest WorkCare levy rate. Between 1985 and 1989 compensation payments by WorkCare totalled $41.1 million from 10,568 recorded claims from compensation of more than five days.

Of all these claims, 17% were caused by the indoor working environment and equipment areas, areas that the Authority is responsible for when licensing meat establishments according to construction and equipment standards.

The Committee recommends that the Authority recognises the meat industry occupational health and safety code, once completed, as the guideline for ensuring a safe working environment.

The Committee recommends that officers, who inspect meat establishments, receive training on occupational health and safety issues relevant to the industry, to facilitate early recognition of risks to staff working in meat establishments, when construction and equipment plans are submitted to the Authority for approval.

9 Workcare proposed levy rate for the meat industry is 7.70% of remuneration which is the highest of the 16 levy categories. Establishments which have poor safety performance can be required to pay a penalty of up to twice the industry levy rate for their industry plus a surcharge.

10 Source: Department of Labour, Statistical Information Services, Policy and Information Projects Branch.
The Committee recommends that officers give the meat industry occupational health and safety code (once completed) consideration when inspecting meat establishments, and refer identified occupational health and safety issues to the relevant Department of Labour Regional Office for investigation.
CHAPTER FOUR: COMMITTEE CONCLUSIONS AND RECOMMENDATIONS FOR RESTRUCTURING

4.1 Meat Inspection

In light of the issues discussed in Chapter 1 of this part of the report, the Committee considers that the following four principles should be adopted for domestic and export meat inspection.

The Committee recommends that the following principles be adopted for meat inspection:

1. That there be a national meat inspection service;

2. That the service be an independent service with integrity;

3. That the service be accountable to both government and industry; and

4. That the domestic service use meat inspection standards that take account of regional differences.

An independent national meat inspection service that takes account of regional differences would ensure the effective implementation of uniform basic standards but be cognisant of the different environments and conditions to which particular stock are exposed. A service that is accountable to government and industry would ensure that standards are upheld, and that the service is efficient.

In pursuit of these principles the Committee proposes the following four models to be considered by the Commonwealth Government as alternatives to provide the meat inspection service. The implementation of each model would involve delays of varying lengths and appropriate transitional arrangements would need to be considered. The models proposed would also need to be accepted by countries importing Australian meat.
As the Committee is extremely critical of the current meat inspection service, and given the above principles, the present structure of complete DPIE management is not included as an alternative. The Committee considers that the DPIE should not retain full responsibility for the service.

It should be noted that the DPIE is currently responsible for random export poultry carcass inspection and export meat establishment and poultry processing plant registration. Registration requires these export establishments to meet certain standards in order for the meat produced to be approved for export. The consideration of the transfer of meat inspection includes the responsibility for export establishment registration and the random inspection of export poultry.

4.1.1 Australian Meat and Livestock Corporation

The functions of the Australian Meat and Livestock Corporation (AMLC) would be expanded to include meat inspection. Meat inspection operations would be transferred from the DPIE to the AMLC. AMLC Board membership will need to include a representative that has extensive knowledge and experience of the meat inspection process.

Advantages:

- The Corporation already exists;
- Meat inspection would be incorporated into a body that promotes the meat industry; and
- The Corporation is independent from operators to ensure that meat inspection would not be compromised.

Disadvantages:

- Statutory responsibilities of the Corporation would need to be extended to include meat inspection of all types of meat. Currently the AMLC has no involvement in the pork or poultry industries;
- The AMLC is considered bureaucratic and does not have the confidence of industry;
The AMLC would not only be responsible for meat inspection, therefore operator interests would only be a small part of the operation; and

There are no efficiency incentives.

4.1.2 Private Meat Inspection Company

This proposal involves the establishment of a proprietary company in which the Federal Government would own 51% and private shareholders would own 49%. Meat inspection for the export and domestic sectors would be the only services provided by the company. The services would operate at full cost recovery and any retained earnings could be paid out in dividends to shareholders. To ensure a particular shareholder does not have undue influence on company operations private shareholdings will need to be restricted. Board membership will reflect ownership. State and Federal Acts would need to be amended so that all meat for human consumption must be inspected. This proposed company would be the only one that carries out meat inspection.

Advantages:

- A meat inspection company in which the owners of the company pay for and are the recipients of the service should be an incentive for efficiencies and for fees to be kept as low as possible;

- Government shareholder control would ensure that meat inspection was at an appropriate level;

- The Company would be sufficiently independent to ensure meat quality; and

- The Company would have industry representation.

Disadvantages:

- A large single shareholder in the company could affect the level of fees charged, with operators paying more than the true cost of the service;

- Government as the majority shareholder could influence the level of fees, resulting in high fees;
The company would be a monopolistic supplier of a service which is compulsory under legislation; and

This proposal involves the establishment of a separate organisation with establishment costs and the resolution of where the establishment funds are to come from.

4.1.3 A Non-Profit Accreditation Company

This incorporated association would be responsible for awarding accreditation to any organisation that intended to provide a meat inspection service. Only an accredited organisation could provide meat inspection. These organisations could be meat establishments or organisations specifically established to provide meat inspection services for meat establishments. Staff of the association would randomly check meat inspection standards and penalties for non-compliance would include removal of accreditation and/or heavy fines. There would be no limit to the number of organisations that could become accredited. Accredited organisations form the membership of the company from which the Executive Board would be chosen.

Advantages:

- This accreditation company would be independent;

- The 'Executive Board' could contain representation from various sectors of the industry including producers and consumers of meat; and

- As a separate organisation to government there would be some incentives for efficiency through Executive Board representation. There would also be competition in the supply of meat inspection.

Disadvantages:

- This proposal involves the establishment of a separate organisation with establishment costs and the resolution of where the establishment funds are to come from.
4.1.4 Industry-based Inspection

Domestic and export meat establishments employ meat inspectors according to inspection requirements determined by the DPIE. Meat inspectors would be required to be registered on the basis of qualifications and training in order to practice. The DPIE would be responsible for continuous on-going assessments of the meat inspection system with a senior government inspector permanently located in each export establishment. Domestic meat establishments would be subject to random audits performed by senior government inspectors. Assessments would be on the basis of compliance with meat inspection standards and breach of the standards would expose operators to substantial fines and meat inspectors to cancellation of registration.

Advantages:

. Industry employment would provide incentives for efficiency gains;

. Industry and meat inspectors would be fully accountable for the meat inspection service;

. Government would be continually involved in monitoring standards compliance;

. The senior government inspectors would be expected to have further qualifications beyond the meat inspector level; and

. Registration of meat inspectors would provide professional recognition.

Disadvantages:

. This proposal does not fully ensure independence of the meat inspection service; and

. Fines for breach of meat inspection standards would need to be sufficient to ensure compliance.
4.2 Meat Establishment Licensing

The Committee recommends that the Victorian Abattoir and Meat Inspection Authority cease to exist.

The Committee recommends that the Victorian Meat Establishment Licensing Authority (VMELA) be established with primary responsibilities for the licensing of domestic meat establishments.

The Committee recommends that export meat establishment licensing be the responsibility of the national organisation that is responsible for meat inspection.

4.2.1 Functions of the Authority

The Committee recommends that the functions of the Authority are to:

- licence, according to compliance with construction and equipment standards, domestic establishments in the edible and inedible meat industry which include:
  - meat establishments that produce edible meat;
  - pet meat establishments;
  - poultry processing establishments; and
  - game meat processing establishments.

- licence vehicles used for the transport of edible meat; and

- evaluate its own procedures from time to time by conducting surveys of standards compliance, and reporting the findings to the Victorian Minister for Agriculture and Rural Affairs.
evaluate its own procedures from time to time by conducting surveys of standards compliance, and reporting the findings to the Victorian Minister for Agriculture and Rural Affairs.

4.2.2 Membership of the Authority

The Committee recommends that the membership of the Authority comprises representation from:

Department of Agriculture and Rural Affairs (with at least one member a veterinary officer) 2 Members

The organisation responsible for national meat inspection 1 Member

Health Department Victoria 1 Member

Victorian Trades Hall Council 1 Member

Victorian Farmers Federation 1 Member

Meat and Allied Trades Federation 1 Member

Knackery and Pet Meat Establishments 1 Member

Poultry Processing Establishments 1 Member

9 Members

The Authority will be the State licensing body of meat establishments. The two DARA representatives would ensure adequate representation of State agriculture interests and provide advice on Government procedures and requirements. Representation on the Authority by the organisation that is responsible for national meat inspection will ensure effective communication between the inspection service and the licensing service. The Health Department Victoria should be represented by a
medical practitioner who is necessary for human health considerations. The employment of a large work force in the meat industry necessitates employee representation. The impact of industry decisions on the producers of stock require VFF representation. The membership of the Authority is completed by representatives of the Meat and Allied Trades Federation, knackery and poultry processors. The Chairperson would be nominated by the Authority and approved by the Minister for Agriculture and Rural Affairs.

4.3 Implications of Restructure

In order to perform the recommended functions, the VMELA will require staff for licensing. The Committee considers that full compliance with the Australian Code of Practice for Construction and Equipment in Abattoirs will result in a reduction in the required level of red meat establishment inspection, and staffing levels will fall from current levels. Inspection will focus on maintenance in these establishments and the licensing of poultry processing plants.

4.4 Game Meat Industry Regulation

The demand for game meat (particularly kangaroo) for human consumption is increasing in many states. Currently in Victoria only rabbits, hares and kangaroo tail soup can be sold for human consumption, under the Abattoir and Meat Inspection Act 1973 and the Meat Control Act 1981. In response to the increased demand, national standards are being developed by the Australian Agricultural Council to protect public health during the handling and processing of game meat and the welfare of animals slaughtered in the field.

The Committee considers that the proposed Victorian Meat Establishment Licensing Authority should be responsible for licensing game packing houses, where game carcasses are processed, handled, packed and stored, once the code of practice for game meat for human consumption is completed and adopted in legislation.
The Committee recommends that the Victorian Meat Establishment Licensing Authority adopts responsibility for licensing game packing houses once the code of practice for game meat for human consumption is completed and adopted in legislation.

* * * * *

Committee Room
28 November 1990.

* * * * *
LIST OF REFERENCES


*Abattoir and Meat Inspection (Amendment) Act 1982 (Vic.)*.

*Abattoir and Meat Inspection (Arrangements) Act 1987 (Vic.)*.

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*Abattoir and Meat Inspection Act 1973 (Vic.)*.

Abattoir and Meat Inspection Regulations 1982 (Vic.).

*Arrangement Between the Commonwealth of Australia and the State of Victoria 1988*.

*Export Control Act 1982 (Cwlth.)*.

*Food Act 1984 (Vic.)*.

*Health (Amendment) Act 1985 (Vic.)*.

*Health (General Amendment) Act 1988 (Vic.)*.

*Health Act 1958 (Vic.)*.

*Meat Control Act 1981 (Vic.)*.

*Meat Inspection Act 1983 (Cwlth.)*.

*Poultry Processing Act 1968 (Vic.)*.

*Poultry Processing Regulations 1988 (Vic.)*.


Victorian Abattoir and Meat Inspection Authority (VAMIA), Annual Reports, 1974 to 1989.

Stock Diseases Act 1967 (Vic.).

Swine Compensation Act 1982 (Vic.).
CHART A

AUSTRALIAN AND VICTORIAN MEAT PRODUCTION
1973 TO 1989

- Australia  - Victoria

FINANCIAL YEAR TO 30 SEPTEMBER
### TABLE A

**AUSTRALIAN AND VICTORIAN MEAT PRODUCTION, 1973 TO 1989**

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<th>Year</th>
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<td>1989</td>
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CHART B
MEAT EXPORTS

Australia □ Victoria


### TABLE B

**MEAT EXPORTS**

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<th>Year</th>
<th>Victoria '000 Tonnes**</th>
<th>Aust. '000 Tonnes**</th>
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* Includes beef, mutton and lamb, pork and ham.

** Shipped weight.

CHART C

PRICES OF AUSTRALIAN MEAT EXPORTS

- Boneless Bull
- Boneless Cow

FINANCIAL YEARS TO 30 JUNE
### TABLE C

**PRICES OF AUSTRALIAN MEAT EXPORTS**

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<tr>
<td>1989</td>
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<td>265.94</td>
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</table>

*Australian cents/kg.*

*Source: Australian Meat and Livestock Corporation.*
APPENDIX 2
### TABLE D

**REVENUE NOT RECEIVED (IN REAL DOLLARS OF 1989) BETWEEN 1987 AND 1989**

<table>
<thead>
<tr>
<th>Licence Fees 1987 (A)</th>
<th>Licence Fees 1988 (B)</th>
<th>Difference in Licence Fees 1987-88 (A) - (B) = (C)</th>
<th>Number of Establishments</th>
<th>Revenue Foregone 1988 (C)(D) = (E)</th>
<th>Licence Fees 1989 For 89/90 (F)</th>
<th>Difference in Licence Fees 1987-89 (A) - (F) = (G)</th>
<th>Number of Establishments 1989 (H)</th>
<th>Revenue Foregone 1989</th>
<th>Total Revenue Foregone $</th>
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<tbody>
<tr>
<td>Export Abattoir</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Licence Application</td>
<td>740.57</td>
<td>722.14</td>
<td>18.43</td>
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<td>Local Abattoir</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licence Application</td>
<td>740.57</td>
<td>722.14</td>
<td>18.43</td>
<td>Nil</td>
<td>Nil</td>
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<td>Killing House*</td>
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<tr>
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<td>574.48</td>
<td>15.19</td>
<td>Nil</td>
<td>Nil</td>
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<td>56.67</td>
<td>2</td>
<td>113.34</td>
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<tr>
<td>Licence Renewal</td>
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<td>287.78</td>
<td>7.05</td>
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<td>133.95</td>
<td>267.00</td>
<td>27.83</td>
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<td>7.05</td>
<td>13</td>
<td>91.65</td>
<td>267.00</td>
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<td>12</td>
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<tr>
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<td>143.35</td>
<td>4.07</td>
<td>174</td>
<td>708.18</td>
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<td>15.19</td>
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<td>15.19</td>
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<td><strong>Total</strong></td>
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<td><strong>12,417.50</strong></td>
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</tbody>
</table>

*Slaughterhouse.

N.B. Licence Fees are paid in advance in October for the forthcoming financial year, October to September.
The Minutes of the Proceedings of the Committee show Divisions which took place during the consideration of the Draft Report. A summary of those proceedings follows:

THURSDAY, 22 NOVEMBER 1990

Part II, Paragraph 4.2.2 Authority Restructure

Mr. Dollis moved, as an amendment, That in Recommendation 26, the words 'Representative of the Meat Inspectors' Association - 1 Member' be amended to read 'Representative of the Trades Hall Council - 1 Member' and the words 'Meat and Allied Trades Federation - 2 Members' be amended to read 'Meat and Allied Trades Federation - 1 Member'.

Question - That the words proposed to be omitted stand part of the paragraph - put.

The Committee divided - Mr. Harrowfield in the Chair

AYES, 1
Mr. Smith

NOES, 9
Mr. Andrianopoulos
Mr. Ashman
Mr. Cunningham
Mr. Delzoppo
Mr. Dollis
Mr. Hall
Mr. Harrowfield
Mr. Heffernan
Mr. Seitz

And so it was passed in the negative.

Question - That the words proposed to be inserted in place of the words omitted be so inserted and that the paragraph, as amended, stand part of the Report - put.

The Committee divided - Mr Harrowfield in the Chair

AYES, 9
Mr. Andrianopoulos
Mr. Ashman
Mr. Cunningham
Mr. Delzoppo
Mr. Dollis
Mr. Hall
Mr. Harrowfield
Mr. Heffernan
Mr. Seitz

NOES, 1
Mr. Smith

And so it was resolved in the affirmative.
Adoption of the Report

Question - That the Chairman's report, as amended, be the Report of the Committee put.

The Committee divided - Mr. Harrowfield in the Chair

AYES, 8            NOES, 1
Mr. Andrianopoulos  Mr. Smith
Mr. Ashman
Mr. Cunningham
Mr. Delzoppo
Mr. Dollis
Mr. Hall
Mr. Harrowfield
Mr. Seitz

And so it was resolved in the affirmative.
ATTACHMENT 1

LIST OF SUBMISSIONS AND PUBLIC HEARING PARTICULARS
LIST OF WRITTEN SUBMISSIONS

Australasian Meat Industry Employees Union (Victorian Branch)

Australian Institute of Health Surveyors (Victorian Division)

Commonwealth Department of Primary Industries and Energy - Melbourne Regional Office

Mr. P.M. Evans, Colac

Health Department Victoria

Livestock Industry Advisory Council

Mr. Frank McCarthy, Dennington

Meat and Allied Trades Federation of Australia (Victorian Division) (two submissions)

The Meat Exporters Association of Victoria

Municipal Saleyards Association (Victoria)

Mr. David Preece, Camperdown

Victorian Abattoir and Meat Inspection Authority (two submissions)

Victorian Farmers and Graziers Association - Pastoral Group

Victorian Farmers and Graziers Association - Pig Council

Victorian Farmers Federation - Pastoral Group

Victorian Stock Agents' Association

P.J. Seletto (Overseas) Pty. Ltd.

Messrs. K.J., E.M. & A.J. Walsh, Robinvale
PUBLIC HEARING PARTICULARS

7 March 1990 - Victorian Abattoir and Meat Inspection Authority
- Chairman
- Deputy Chairman
- Former Chairman
- Executive Officer
- Technical Officer

16 March 1990 - Victorian Abattoir and Meat Inspection Authority
- Chairman
- Deputy Chairman
- Former Chairman
- Technical Officer
- Slaughterhouse Operator, Korumburra
- Minister for Agriculture and Rural Affairs
- General Manager, Operations, Department of Agriculture and Rural Affairs
- Perfect Pork Pty. Ltd.
  - Export Sales Manager
- Australian Institute of Environmental Health
  - President
- Victorian Stock Agents' Association
  - Executive Director

28 March 1990 - Commonwealth Department of Primary Industries and Energy
- Regional Director
- Chief Veterinary Officer
- Victorian Farmers Federation
  - Director of Pastoral Group
  - President, Commodities Council
- Knackery Pet Food Association
  - Secretary
- Knackery and Pet Food Establishment Owner
- Municipal Saleyards Association (Victoria)
  - Executive Director

The Committee also held a number of 'in camera' hearings and informal discussions at its' Offices with various individuals and groups.
DECLARATION OF PECUNIARY INTEREST
9th October 1989

Mr David Ali, Secretary
Public Bodies Review Committee
35 Spring street
MELBOURNE 3000

Dear Mr Ali,

Further to my verbal notification, I now write to inform you that I am a member of the Meat Industry Employees Union.

This information I supply for the public record because of my participation in the Inquiry into the Victorian Abattoir and Meat Inspection Authority.

Yours sincerely,

DEMETRI DOLISIS, M.P.
MEMBER FOR RICHMOND
MINORITY REPORT

by

THE HON. KEN SMITH, M.L.C.

Pursuant to s.4N(4) of the
Parliamentary Committees Act 1968
In my opinion many of the Committee's Recommendations do not reflect the Sub-committee's findings and, in fact, have not made the necessary recommendations that will address the problems that are created by the Department of Primary Industry and Energy's (DPIE) inspectorial services in Victorian abattoirs.

The Sub-committee, during its investigation, spoke to many people both on and off the record (the latter for fear of reprisals by the meat inspectors) and many instances of disgraceful work practices by the inspectors were highlighted, as was a lack of immediate support for industry by D.P.I.E. during disputes.

What does not appear in the report is the absolute crisis that, currently, encompasses all of the Australian and Victorian meat industry both export and domestic, by the meat inspectors and the members of the Australian Meat Industry Employees Union, who are working hand in hand to bring the meat industry to its knees.

When the legislation to transfer the inspectors from State to Federal control occurred in 1988 all of the problems currently faced by the Victorian meat industry were predicted, yet the Federal Minister for Primary Industry, Mr Kerin, stated that Victorian abattoirs needed financial assistance and that after the transfer "they will be no worse off than they are under present arrangements."

In less than two years both export and domestic abattoirs in Victoria are far worse off, with the current work practices by the DPIE. inspectors and the costs that are levied against the abattoirs by the Federal Government for the inspectors' services.

This was predictable and, in fact, the Department of Primary Industry was criticised during the Royal Commission Report on meat substitution by Mr. Justice Woodward, who commented:

> In this connection it must be remembered that the DPI's own assessment of its past performance to be inefficient, costly, poorly managed, over staffed and in some respects corrupt. The Hon. Peter overstuffed, Minister for Primary Industry, agreed with this assessment. So do I.
Yet Mr. Justice Woodward was supportive of VAMIA and I quote again from paragraph 5.68:

*As I shall indicate, in Chapter 5B below, the State inspection service in Victoria, when compared to its DPI counterpart, appears superior in management and efficiency, and less prone to corruption.*

I believe it is essential to raise these points to highlight the unnecessary and expensive transfer of inspectors from the State to Federal level. One must question why the government was so insistent on the change, when the DPIE service offered was already a proven failure, when it had been proven at the Mudginberri dispute that the meat inspectors were a militant bunch of ratbags, who did not consider the consequences of their actions, and when it would allow people of the calibre of the AMIEU Secretary, Wally Curran, to join forces with the inspectors on a nationwide basis to bastardise the meat industry, one can only assume that it was because of union control of the abattoirs.

I believe it is essential to Victoria's financial reliance on domestic and export meat sales that the service is brought back to Victoria on a restructured basis.

**MY RECOMMENDATIONS:**

I consider that efficiencies can be generated through combining the domestic meat inspection and establishment inspection services into a single more effective service that is State-operated.

I recommend that the Victorian Abattoir and Meat Inspection Authority cease to exist.

I recommend that the Victorian Meat Industry Licensing Authority (VMILA) be established with primary responsibilities for licensing domestic meat establishments and ensuring compliance with meat inspection and quality assurance standards for meat produced.
I am particularly concerned with the performance of meat inspection under the current arrangements and, therefore, recommend that:

(i) Domestic and export meat establishments employ meat inspectors according to inspection requirements determined by the Victorian Meat Industry Licensing Authority and the Department of Primary Industries and Energy, respectively.

(ii) The VMILA and the DPIE be responsible for meat establishment licensing in domestic and export establishments, respectively. Licensing will be on the basis of:

- compliance with establishment and equipment hygiene standards; and
- evidence of adequate quality assurance of meat produced by establishments.

(iii) To ensure compliance with meat inspection standards and hygiene during slaughter and processing:

- the VMILA be responsible for frequent random assessments of the industry-based inspection service within domestic establishments; and
- the DPIE be responsible for continuous ongoing assessments with a senior government inspector located in each establishment.

(iv) All meat inspectors be registered by the Meat Inspectors' Registration Board.
Details of Recommendations:

(i) Domestic and export meat establishments directly employ meat inspectors according to inspection requirements determined by the VMILA and the DPIE, respectively.

Currently, meat inspectors are employed by DPIE which, until recently, charged meat establishments 60 per cent of the cost of employing the inspectors according to the number of inspectors required per establishment. This charge will increase to 100 per cent in February, 1991. I consider that meat inspectors should be directly employed by meat establishments in a system of quality control to ensure the standards of meat produced are not compromised through this employment arrangement.

(ii) The VMILA and the DPIE be responsible for meat establishment licensing in domestic and export establishments, respectively. Licensing will be on the basis of:

- compliance with establishment hygiene standards; and
- evidence of adequate quality assurance of meat produced by establishments.

This process would ensure accountability by operators for meat quality. Breach of quality assurance standards would be pursued through the punitive measures currently available in the establishment licensing processes.

(iii) To ensure compliance with meat inspection standards and hygiene during slaughter and processing:

- the VMILA be responsible for frequent random assessments of the industry-based inspection service within domestic establishments; and
- The DPIE be responsible for continuous ongoing assessments with a senior government inspector located in each establishment.
I consider that meat inspection under industry control would require monitoring by a regulatory body to ensure public health. A requisite number of senior government inspectors would, randomly, assess the industry-based inspection systems and report findings back to the respective organisation (VMILA or DPIE). The findings would be available for establishment licensing and meat inspector disciplinary deliberations.

I consider that the broad role of these senior government inspectors would further require qualifications beyond the meat inspector level.

(iv) All meat inspectors be registered by the Meat Inspectors' Registration Board.

I am concerned with the lack of accountability and supervision of meat inspectors under the present system and consider that accountability needs to be vested in the providers of the service. The registration of meat inspectors, in a similar manner as currently occurs with environmental health officers (health surveyors) and building surveyors, would help facilitate accountability.

All meat inspectors would be required to be registered with the Meat Inspectors' Registration Board before they are allowed to operate. Inspectors who are alleged to be:

. negligent or incompetent; or

. guilty of discreditable conduct; or

. incapable of performing the required duties of office;

would be required to appear before the Board who could admonish or cancel their registration if found guilty.

N.B. All meat inspectors who are practising as such on the date of introduction of this system would be entitled to automatic registration.
The Victorian Meat Industry Licensing Authority:

1. Functions of the Authority

I recommend that the Victorian Meat Industry Licensing Authority be responsible for:

- licensing of domestic/local establishments in the edible and inedible meat industry including:
  - meat establishments that produce edible meat;
  - pet meat establishments;
  - poultry processing establishments; and
  - game meat processing establishments.

Licences would be granted subject to compliance with construction and equipment hygiene standards and quality assurance standards;

- compliance with meat inspection and quality assurance standards in domestic establishments;

- the licensing of vehicles used for the transport of edible meat; and

- the evaluation of its procedures from time to time by conducting surveys of standards compliance, and reporting the findings to the Victorian Minister for Agriculture and Rural Affairs.
2. Membership of the Authority

I recommend that the membership of the Authority comprises representation from:

- Department of Agriculture and Rural Affairs: 2 Members
- Commonwealth Department of Primary Industries and Energy: 1 Member
- Health Department Victoria: 1 Member
- Representative of the Meat Inspectors' Association: 1 Member
- Victorian Farmers Federation: 1 Member
- Meat and Allied Trades Federation Australia: 2 Members
- Knackery and Pet Meat Establishments: 1 Member
- Poultry Processing Establishments: 1 Member

The Authority will be the State licensing body. Representation on the Authority by the DPIE would ensure consistency and uniformity in the application of inspection standards throughout Australia. The two DARA representatives would ensure adequate representation of State agriculture interests and provide advice on Government procedures and requirements. It is recommended that at least one of the DARA officers is a qualified veterinary officer. The Health Department Victoria should be represented by a medical practitioner who is necessary for human health considerations. The employment of a large workforce in the meat industry necessitates employee representation, who should represent the inspectors directly. The impact of
industry decisions on the producers of stock require VFF representation. The membership of the Authority is completed by representatives of the MATFA, knackery and poultry processors.

3. Implications of Re-structure:

In order to perform the recommended functions, the VMILA will require staff for licensing and quality assurance assessment. I consider that full compliance with the Australian Code of Practice for Construction and Equipment in Abattoirs will necessitate a reduction in the level of establishment inspection, as inspection will focus on maintenance. Staff resources will be freed to assess quality assurance and meat inspection standards. The staff requirement for these areas will depend on the level of compliance that exists.

Establishment inspections and reporting to the Victorian Abattoir and Meat Inspection Authority, under the current arrangements, consumes 75% of the Meat Industry Standards and Information Unit resources. With the adoption of this function by the VMILA on behalf of the State the need for the MISU to continue must be questioned. Table 1 lists the remaining functions currently performed by the Unit, and the organisations that could adopt these functions under the proposed restructure.

I recommend that the Meat Industry Standards and Information Unit (MISU) cease to exist, and that Department of Agriculture and Rural Affairs adopt the responsibilities for the monitoring and prosecution of illegal slaughtering and chemical residue testing.

VAMIA: PROPOSED TRANSFER OF MISU FUNCTIONS

<table>
<thead>
<tr>
<th>Function</th>
<th>Performed By</th>
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<tbody>
<tr>
<td>Poultry Processor Licensing</td>
<td>Inspections and licensing carried out by the Victorian Meat Industry Licensing Authority.</td>
</tr>
<tr>
<td>Licensing and Inspection of Meat Transport Vehicles</td>
<td>Inspection and licensing carried out by the VMILA.</td>
</tr>
<tr>
<td>Monitoring and Prosecution of illegal Slaughtering</td>
<td>Inspection and monitoring performed by stock inspectors with DARA.</td>
</tr>
<tr>
<td>Chemical Residue Testing</td>
<td>DARA.</td>
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</table>
4. Game Meat Industry Regulation

The consumption of game meat, particularly kangaroo, is increasing in many states as consumer demand increases. Currently, in Victoria only rabbits, hares and kangaroo tail soup can be sold for human consumption, under the Abattoir and Meat Inspection Act 1973 and the Meat Control Act 1981. In response to demand, national standards are being developed by the Australian Agriculture Council, to protect public health during the handling and processing of game meat and the welfare of animals slaughtered in the field.

I consider that the proposed Victorian Meat Industry Licensing Authority should be responsible for licensing game packing houses, where game carcasses are processed, handled, packed and stored, once the code of practice for game meat for human consumption is completed and adopted in legislation.

I recommend that the Victorian Meat Industry Licensing Authority adopts responsibility for licensing game packing houses once the code of practice for game meat for human consumption is completed and adopted in legislation.

5. The Meat Inspector Registration Board

I recommend that the Meat Inspector Registration Board be established to license meat inspectors.

(1) Functions of the Board

I recommend that the Meat Inspector Registration Board be responsible for:

- prescribing the qualifications to be held by a meat inspector to be employed and practise as such;
- prescribing the courses of study or training to obtain prescribed qualifications;
- the issuing of certificates or registration;
keeping a register of persons holding certificates;

conducting inquiries into the practice of individuals holding certificates and;

the suspension or cancellation of the registration of any inspector.

(2) Membership of the Board

I recommend that the Board be a separate entity to the VMILA to ensure that the Board maintains independence when making inquiries into the practice of particular meat inspectors.

I recommend that the Board consist of 6 members which comprise:

- a representative of an accredited meat inspection course;
- a representative of the Australian Meat Inspectors' Association;
- a representative of meat establishment operators;
- the senior VMILA meat industry surveyor;
- a medical officer from the Department of Health Victoria (nominated by the Minister for Health); and
- the Chairperson of the VMILA.

The representative of the accredited meat inspection course is necessary to enable the Board to prescribe training requirements for the attainment of qualifications. Representation from the Australian Meat Inspectors' Association would enable the involvement of meat inspectors. Board representation of meat establishment operators allows the employer perspective to be considered. The inclusion of the chief meat industry surveyor on the Board ensures operator and meat inspector activities observed through the assessment of standards compliance in establishments,
contributed to Board deliberations. Board representation by the Chairperson of VMILA would provide the link between the Board and VMILA.

I believe the transfer back to Victoria can occur on the same basis as the quarantine officers were transferred from Federal to State jurisdiction.

There was some concern expressed by the Committee for the proposal of industry employed inspectors, but I believe that the public are protected from diseased or unhealthy meat by the threat of deregistration of the establishment, delicensing of the inspectors and the random inspections of either DPIE or VMILA senior inspectors.

The opportunity for real productivity increase in abattoirs under this scheme is immense. The inspectors will be accountable for their work practices, not only to their employers, but also to their fellow employees on the shop floor.

I find it unfortunate that it has been necessary to submit this minority report, but because of the crisis in the meat industry and the holding to ransom of the abattoir owner by the meat inspectors and the union, I could not support a report that I did not believe recommended a proper course of action to overcome the difficulties that we face in this State.