

EXPORT CONTROL (MILK AND MILK PRODUCTS) ORDERS 2005

Understanding

SCHEDULE 2 - MANAGEMENT OF FOOD SAFETY AND SUITABILITY

THE PURPOSE OF THIS INFORMATION SHEET

The objective of this information sheet on schedule 2 is to provide an update on the new legislative requirements effecting dairy manufacturers and exporters.

This guide will also (where applicable) advise on any changes or additions to similar requirements of the old Export Control (Processed Food) Orders, and any transitional timeframes in complying.

WHAT IS SCHEDULE 2

Schedule two details the requirements of Management of food safety and suitability, as well as the minimum requirements of an “Approved Arrangement”.

Schedule 2 replaces the old schedule’s 7 and 8 of the Export Control (Processed Food) Orders and removes any reference to FPA (Food Processing Accreditation.) and AQA (Approved Quality Assurance) systems. The intent of this schedule is to have one food safety/quality system that meets our legislative and importing country obligations.

Many of the changes reflect current domestic requirements and those practices generally employed by the dairy industry.

The approved arrangement requirements strengthen the verification and system documentation normally associated with an ISO (International Organization for Standardization) based system, without imposing onerous documentation requirements.

WHAT’S NEW IN THIS SCHEDULE?

- The occupier of a registered establishment must now have a documented statement outlining their commitment to food safety, to the objectives of the orders, to compliance with the orders and all importing country requirements.
- Documenting of the controls used to ensure the orders are complied with.
- Identifying importing country requirements.
- Having procedures in place to verify that the HACCP plan is being followed.
- The inclusion of Management practices being documented to ensure compliance.
- Having a person in management or control of the operations present whenever operations to prepare processed food for export as food are in progress.
- Verification that Export standards for processed food meet the applicable requirements of the Schedules.
- Corrective and preventative action guidelines where legislative orders or an importing country requirement is not complied with.
- Internal audits and reviews of management practices.
- Sampling and analysis has now changed to align with the Food Standards Code.

WHAT'S NEW IN THIS SCHEDULE CONTINUED.....

- Notifying AQIS if an animal from which processed food is derived has a notifiable disease.
- All Documents in the processed food chain must now be retained for a minimum of 3 years.
- Changes to wording and the introduction of “Approved Arrangements” in lieu of FPA & AQA systems
- Variations to an Approved Arrangement must be notified to AQIS and approved prior to implementation.

WHAT DOES AN ESTABLISHMENT CURRENTLY REGISTERED WITH AQIS NEED PUT IN PLACE IN ORDER TO COMPLY WITH THE NEW LEGISLATION IN SCHEDULE 2?

- Have a documented statement that outlines the occupiers commitment to food safety, the objectives of the orders and compliance to all importing country requirements which now is required to be included as part of the Approved Arrangement of the establishment preparing processed food for export as food. This includes dairy stores.
- Registered premises need to now document the controls used at the premise to ensure that the applicable requirements of the Orders (other than a requirement of Schedule 3) are complied with. In essence this means that the company has to provide evidence of how they meet specific requirements (as appropriate). It must be a documented procedure, supported by evidence of compliance, such as test results, calibration records etc. Again this includes stores.
- Be able to identify importing country requirements (where they differ to the Orders) and document the controls used to ensure that these requirements will be complied with.
- HACCP plans must now identify procedures used to verify compliance with the HACCP plan. The frequency with which these procedures are to be performed must also be included.
- The management practices, organisational structure, provision of resources, personnel and their competence (including knowledge, training, skills and experience) must now be documented and appropriate to ensure the applicable requirements of these Orders and the applicable importing country requirements are met.
- As part of the approved arrangement, a person listed in management or control of the operations at the registered establishment must now be present whenever operations to prepare processed food for export as food are in progress. This needs to be auditable to show compliance and includes those registered stores
- Premises will need verification measures in place that ensure export standards for processed food made by an establishment engaged in the preparation of processed food for export meet the applicable requirements of;
 - (a) Schedule 3 (Structural requirements);
 - (b) Schedule 4 (Operational hygiene);
 - (c) Schedule 5 (Preparation and transport);
 - (d) Schedule 6 (Product standards);
 - (e) Schedule 7 (Trade description);
 - (f) Schedule 8 (Identification, tracing systems, integrity and transfer).

- Companies must now document corrective and preventative action where those parts of the Orders or an importing country requirement identified in the approved arrangement is not complied with or is not likely to be complied with. The effectiveness of the action taken must be assessed.
- Incorporate internal audits and management reviews of the effectiveness of the practices at the establishment in meeting the requirements of Division III of Part 3 of the Orders and the importing country requirements identified in the approved arrangement must be conducted at least once every twelve months and a written record must be made of all the internal audits and management reviews conducted and also the results of the audits and reviews. These need to be part of the approved arrangement at the premise.
- Provides that sampling and analysis must now be in accordance with methods specified in the Orders and if no methods are specified a method specified in the *Food Standards Code*, in an Australian Standard or any other validated, science based method that is appropriate and accurate may be used. The approved arrangement must document the appropriate test parameters for the particular dairy commodity and the specific test method to be used.

The Approved arrangement must also include limits and corrective action. The Approved arrangement must also document that when an Australian Standards or FSC method is not used, the means of validation for the alternative test method must be provided

- A procedure must be included in the approved arrangement where processed food may have been derived from an animal that is affected by a notifiable disease, or suspected of being affected by a notifiable disease, then the occupier of the establishment must notify an authorized officer without delay.
- All documents used by or in the possession of the occupier of an establishment used to prepare processed food for export and documents relevant to compliance with the Act or Orders, must be kept for at least three years. The approved arrangement must now include appropriate procedures for record keeping (including electronic records) that reflect this change
- Approved Arrangements (Old AQA Approved Quality Arrangement – FPA Food Processing Accreditation) must include all elements of the new Orders.
- Variations to Approved Arrangements where the change has the potential to adversely effect importing country requirements, Human consumption integrity or compliance with the Orders must be made by written application to AQIS prior to implementation.

NOTE: This schedule may not impact your current arrangements however there may be other requirements in the new legislation that must be met by currently registered establishments

GETTING AN APPROVED ARRANGEMENT

Where an existing company has amendments to their food safety program (both in practices and documentation) to reflect the new requirements approval must be sought from the relevant State Regulatory Authority prior to implementation.

Any new establishment must meet all the requirements from day 1 (after the 1st of July)

TRANSITION AND NEW ESTABLISHMENTS

Existing approvals remain in place until 30 June 2007 unless changed prior for:

- FPA or AQA systems
- Water sampler approvals
- Transfer documentation systems
- Authorised signatories
- Alternative Export Clearance Procedures.

From July 1st 2007 all registered establishments must meet all the regulations of the Export Control (Milk and Milk Products) Orders 2005

FURTHER INFORMATION

A copy of the Export Control (Milk and Milk Products) Orders 2005, legislation can be found at <http://www.comlaw.gov.au/>

For information on food standards and HACCP principles the Food Standards Code web address is http://www.foodstandards.gov.au/foodstandardscode/index.cfm#_FSCchapter1

State Dairy Authority Contacts are;

State/Region	Authority	Contact Number
Victoria	Dairy Food Safety Victoria	03 9810-5900
New South Wales	NSW Food Authority	02 9741 4777
Queensland	Safe Food Queensland	07 3253 9800
Tasmania	Tasmanian Dairy Industry Authority	03 6421-7638
Western Australia	Western Australian Dept. of Health	08 9388 4958
South Australia	Dairy Authority of South Australia	08 8223-2277
Northern Territory	Dairy Program Officer AQIS	08 8305 9700
ACT	NSW Food Authority	02 9741 4777

For any further information please feel free to contact the Dairy Review Unit during business hours on the numbers listed below

Dairy Review Unit Contacts are;

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FREQUENTLY ASKED QUESTIONS

WHAT'S AN APPROVED ARRANGEMENT?

An approved arrangement replaces existing FPA/AQA food safety systems. The intent of an approved arrangement is to have one documented food safety/quality system (based on Codex) that meets our legislative and importing country obligations. Many of the changes are reflective of domestic requirements and are generally common practices employed by the dairy industry. The approved arrangement requirements strengthen the verification and system documentation normally associated with an ISO based system, without imposing onerous documentation requirements.

The purpose of an approved arrangement is to provide assurance to AQIS through an auditable system that the approved arrangement complies with subclause 2.1 of Schedule 2 and that compliance with the controls specified in the approved arrangement will ensure that the applicable requirements of the Orders will be complied with, the importing country requirements specified in the arrangement will be complied with and that there is a sound basis for giving export permits and for issuing government certificates.

WHAT IF I WANT TO MAKE THE CHANGES BEFORE THE TWO-YEAR TRANSITION EXPIRES, CAN I?

Yes, if you want to implement any or all of the changes prior to 2007 then you can do so. You will need to submit your amendments to the relevant state regulatory authority for approval.

HOW DO I KNOW WHAT THE SPECIFIC IMPORTING COUNTRY REQUIREMENTS ARE?

The Dairy Review Unit provides a list of importing country requirements. And is a useful starting point in determining what you need to have in place in order to meet the specific export market.

Most of the information in this document is based on Government-to-Government certification and does not deal with commercial requirements. You are best to check with your overseas buyer for any additional requirements

It is worth noting that AQIS will only provide Government-to-Government certification and will not provide commercial documents.

The Dairy Export Program often gets requests to provide additional certification or amend the wording on our certificates, this cannot be done unless it is an official request from the importing government. The approved arrangement must include reference to importing country requirements and provide appropriate evidence about how compliance will be achieved.

HOW DO I KNOW WHAT THE IMPORTING COUNTRY REQUIREMENTS ARE WHEN I DON'T ALWAYS KNOW WHERE THE PRODUCT IS GOING?

Generally it is the responsibility of the exporter to ensure that the specific importing country requirements have been met and to that end should be advising the manufacturer of the country to which the products will be exported.

Once the manufacturer knows the country of destination then they are able to manufacture the product in accordance with the specific requirements.

DO I HAVE TO SUBMIT MY APPROVED ARRANGEMENT TO AQIS FOR APPROVAL?

Yes, All approved arrangements must be evaluated by the state regulatory authority or AQIS to ensure that the arrangement complies with subclause 2.1 of Schedule 2 and that compliance with the controls specified in the arrangement will ensure that the applicable requirements of the Orders will be complied with, that importing country requirements specified in the arrangement will be complied with and that there is a sound basis for giving an export permit or issuing a government certificate.

When all components of an arrangement have been written and implemented the company may then apply for approval of the arrangement. When the state regulatory authority and or AQIS is satisfied that all the relevant requirements have been appropriately addressed in the approved arrangement an initial site audit will be conducted. The purpose of this audit is to ensure that the procedures documented in the approved arrangement are being followed and are effective in practice.

The initial audit findings, recommendations and any requests for further information will be provided to the establishment for rectification. Once all the nonconformities/requests have been rectified/addressed and a reassessment carried out, the approved arrangement will be approved by the Secretary (or delegate of the Secretary) and a notice will be provided to formalise the arrangement.

WHAT HAPPENS IF I DON'T MAKE THE REQUIRED CHANGES BEFORE 2007, CAN I GET AN EXTENSION?

If you fail to make all of the necessary changes prior to the 1st of July 2007 then your AQIS registration will be suspended or cancelled until such time as your food safety system has been upgraded and approved.

WHAT ARE THE DOCUMENTED MANAGEMENT PRACTICES?

The arrangement must document the:

- Management practices - a mission statement/policy statement
- Organisational structure – this should include an organisation chart of senior management, including all persons in management and control of operations at the establishment.
- The provision of resources – this should include a description of the establishment, equipment, materials, etc required for the activities carried out at the establishment
- The provision of personnel and their competence – this should include information regarding the allocation of appropriately qualified staff and details about their competence, including how competence will be assessed and maintained.

The management practices, organisational structure, resources and competence must be appropriate to ensure that the applicable requirements of these Orders and importing country requirements are met. (Schedule 2, clause 4).

DO I HAVE TO PROVIDE A DECLARATION OF COMPLIANCE WITH EACH SHIPMENT THAT IS EXPORTED?

Yes each consignment of processed Dairy food for export as food requires a declaration of compliance to be eligible for export. The declaration must be provided by the manufacturer of the particular product being exported.

- The declaration can be provided either manually or electronically.
- The declaration of compliance must contain the following;
 - Identify the specific dairy product(s) the declaration relates to,
 - State that the specific dairy product complies with the conditions and restrictions specified in part 4 of the new orders (Part 4 talks about operational hygiene, microbial limits, pest control and other food safety and processing requirements conditions and restrictions on export of processed food, and any specific importing country requirements)
 - State that the information is true and complete
 - Must be signed by the maker of the declaration

WHAT IS CORRECTIVE AND PREVENTATIVE ACTION?

The approved arrangement must include a record of all action taken (corrective or preventative) where a requirement of Division III, Part 3 of these Orders is not complied with or not likely to be complied with. The action taken must address the non-compliance, must ensure that the failure will not recur and assess the effectiveness of the action taken (Schedule 2, clause 7). Corrective action related to food safety must be included in the HACCP Plan.

I AM CONFUSED ABOUT WHAT DAIRY PRODUCT IS, CAN YOU PLEASE DESCRIBE IT FOR ME?

- From a legislative point of view a dairy product is any product where the major component is dairy (bovine milk only). AQIS do not cover or control sheep or goat milk products unless required by the importing authority.
- Reference to major component does not mean that the product must have at least 50% dairy product, it simply means that the sum total of all the dairy ingredients must be the largest component. Mostly this can be decided by checking if a dairy ingredient is listed first on the label.
- Shipments under 10kg, or 10 litres (per consignment), ships stores and product to New Zealand are also not considered a prescribed good and therefore no export requirements apply (unless it is an importing country requirement, you should always check with your buyer first)

NOW THAT MY TRADE DESCRIPTIONS MUST COMPLY WITH THE TRADE PRACTICES ACT, CAN I USE 100% IMPORTED INGREDIENTS AND STILL CALL IT MADE IN AUSTRALIA AND THEN GET CERTIFICATION FROM AQIS?

Further guidelines will be developed to clarify this issue.

I HAVE NEVER CONDUCTED AN INTERNAL REVIEW BEFORE, WHAT DOES THIS MEAN?

The arrangement must provide procedures for internal audit and management review.

Internal audit should review the systems established to ensure compliance with legislative requirements, policies and procedures that could have a significant impact on operations. Additionally internal audit should review the operations to ascertain whether results are consistent with established objectives and goals and whether the operations are being carried out as planned.

Management review should include an assessment of the entire system and take into consideration findings from both internal and external reviews.

Both internal audit and management review must be conducted at least once every twelve months. Records of such reviews and audits must be maintained. Establishments employing less than 3 people are not required to conduct internal review provided a management review is conducted. (Schedule 2, clause 8)

WHAT IF THERE ARE NO PRODUCT STANDARDS IN THE FOOD STANDARDS CODE DO I STILL HAVE TO CONDUCT TESTING OF THAT PRODUCT?

As a company you should conduct your own risk assessment to determine what are the appropriate controls that you need to put in place to minimise risks and what additional product testing may be required.

Rather than nominating additional tests AQIS has left it up to companies to determine the appropriate product testing required (over and above the Food Standards Code)

WHAT ARE OPERATIONAL HYGIENE CONTROLS?

A program of operational controls for the hygienic preparation of processed food must be documented and in place at premises used to prepare processed food. These operational controls should include procedures for:

- Cleaning and sanitising of premises, equipment and transport vehicles (Schedule 4, clauses 2, 3 & 4)
- Maintenance of establishments and equipment (Schedule 4, clauses 3 & 4)
- Measures to prevent environmental contamination (including water borne and air borne contamination) (Schedule 4, clause 5)
- Exclusions of animals (Schedule 4, clause 6)
- Pest control program (Schedule 4, clause 7)
- Use and storage of hazardous substances (Schedule 4, clauses 8 & 9)
- General controls for processed food and ingredients, including protection from contamination, storage, handling and transportation (schedule 4, clause 10)
- Calibration of measuring equipment (Schedule 4, clause 11)
- Validation of refrigeration chambers (schedule 4, clause 12)
- Controls for ingredients including fitness for purpose, labelling, storage and handling (Schedule 4, clause 13)
- Water usage and testing (including reused water, recirculated water, clean sea water, ice and steam) (Schedule 4, clauses 14 – 18)
- Use of compressed air and other gases (Schedule 4, clause 19)
- Personal hygienic and health requirements (Schedule 4, clauses 20 – 25)