LEGISLATIVE COUNCIL SELECT COMMITTEE ON THE USE OF BATTERY CAGES FOR HENS IN THE EGG PRODUCTION INDUSTRY

Answers to supplementary questions: Mr Scott Hansen, Mr Alex Russell and Ms Joanna Blunden, Department of Primary Industries

1. *At the hearing, the DPI said the cost to phase out battery cages in Australia over 10 years would be approximately $1.5 billion. However, DPI's written submissions state (at p. 12) that "if conventional cages are phased out over a 10 year period, caged layer hen businesses would bear an additional $655.03 million in costs". The RSPCA also disputed the $1.5 billion figure at the hearing. Could you please explain the disparity between these figures?*

The $1.5 billion cost quoted by DPI at the inquiry was the total cost of implementing the standards and guidelines as drafted, as well as a phase out of cages over 10 years for the poultry industry as per Table 30 of the national consultation Regulatory Impact Statement (RIS) (ie. including meat chickens, ducks, turkeys and layer hens).

The DPI submission considered the cost of implementing the draft national standards and guidelines for layer hens only ($517.01 million), as well as identifying the estimated additional costs of implementing a phase out of cages over a 10 year period for the layer hen industry ($655.03 million) as per Table A5.7 of the national consultation RIS. This table of the RIS also shows that a 10 year phase out of cages was estimated to incur $167.14 million of additional costs in implementing the proposed standards and guidelines on top of the additional cage phase out costs, and a total cost of $1,339 million to the layer hen industry.

The difference between the total costs of a 10 year phase out along with the proposed standards and guidelines for the layer industry and the figure quoted by DPI at the hearing, are the costs incurred by the remainder of the poultry industry as a result of changes to the proposed standards and guidelines and a 10 year phase out of cages.

2. *At the hearing, the DPI referred to economic modelling currently being undertaken on the impact of a battery hen phase out on NSW. Can you please provide the committee with a copy of this economic modelling, if it has been completed since the hearing?*

As per Mr Hansen's response during the hearing "I know that is one likely to be looked at in a future regulatory impact statement because it is quite a detailed piece of economic modelling and costing around that. At the moment we are trying to do a standalone piece of economic modelling in New South Wales to work out what the impact might be in New South Wales. We know this will be a key question as we make a decision about future models. We are not comfortable just relying on a national total and trying to extrapolate from that how it might impact New South Wales. We want to get the best figure we can for New South Wales so we are aware of the impacts. That work is out in the field at the moment in terms of some survey work, trying to get that information and some data back in. Hopefully we will be able to share that with the Committee before you arrive at your final report."

DPI's economic modelling is ongoing.

3. *How many battery/conventional cage producers are there in Australia, and in NSW specifically?*

As per Mr Hansen's response during the hearing "We actually have no way of knowing who keeps a bird in a cage in their own backyard, which makes it an almost impossible answer to provide."

Answers to additional questions sent to the Food Authority

4. *How many licenced egg production facilities are there currently in New South Wales, and how many were held over the last five years?*

Egg producers are businesses that produce more than 20 dozen (240) eggs for sale in any week. These businesses may also assess eggs for quality (for example, by weight or size) and dry clean dirty eggs.

Licenced egg production businesses:

- Current (as at 30 August 2019) = 287
- 2018/19 = 312
- 2017/18 = 326
- 2016/17 = 310
- 2015/16 = 289
- 2014/15 = 263

5. *What is the breakdown of current licenced facilities by any applicable category or size?*

The breakdown of current licenced facilities (as at 30 August 2019) by any applicable category or size is as follows:

- Egg production only: 20 - 100 dozen eggs in any given week = 3 facilities
- Egg production only: over 100 dozen eggs in any given week = 95 facilities
- Egg production and/or crack detection: 20 - 100 dozen eggs in any given week = 72 facilities
- Egg production and/or crack detection: over 100 dozen eggs in any given week = 117 facilities

6. *How many small egg farms are there in New South Wales?*

Small egg farms are those that produce fewer than 20 dozen (240) eggs for sale in any week. There are currently 476 small egg farms that have notified the Food Authority of their business details and food activities (as at 30 August 2019).

Small egg farms do not need to apply for a NSW Food Authority licence. However, they need to 'notify' the Food Authority of their business details and food activities. Routine audits or inspections are not required for small egg farms, however they may be inspected in response to an incident or complaint.

7. *How many applications for new egg production licences or notifications of small egg farms are currently under review or awaiting processing?*

There are currently 11 licence applications under review (as at 30 August 2019).

8. *How many inspections of egg facilities have been undertaken over the last five years, and on what basis?*

All egg producers must be licenced by the NSW Food Authority if they produce more than 20 dozen eggs (240 eggs) per week. Egg producers are required under Standard 3.2.1 of the Food Standards Code to implement a documented food safety management program.

The NSW Food Authority uses a risk based compliance model to determine whether inspections or audits are required. Businesses are proactively audited or inspected based on their food safety risk. Audits include assessment and compliance of their systems and record keeping, as well as inspection of facilities. Inspections involve checking the production facilities with regard to things like hygiene and pest control.

The audits and inspections of egg facilities that have been undertaken over the last five years are as follows:

Financial Year	Audits	Inspections
2018-19	119	194
2017-18	169	80
2016-17	169	56
2015-16	131	92
2014-15	96	136