

final report

Project code: A.MFS.0228

Prepared by: Conrad Blaney
AMIC

Date submitted: June 2011

Date published: July 2011

PUBLISHED BY
Meat & Livestock Australia Limited
Locked Bag 991
NORTH SYDNEY NSW 2059

Development and implementation of a revised plant performance rating system

Meat & Livestock Australia acknowledges the matching funds provided by the Australian Government and contributions from the Australian Meat Processor Corporation to support the research and development detailed in this publication.

This publication is published by Meat & Livestock Australia Limited ABN 39 081 678 364 (MLA). Care is taken to ensure the accuracy of the information contained in this publication. However MLA cannot accept responsibility for the accuracy or completeness of the information or opinions contained in the publication. You should make your own enquiries before making decisions concerning your interests. Reproduction in whole or in part of this publication is prohibited without prior written consent of MLA.

OBJECTIVE

AMIC and AQIS have worked jointly to develop and implement a revised Plant Performance Rating System based on a Product Hygiene Index (PHI). The new system is designed to utilize, as far as possible, existing plant systems for assessing plant and product hygiene against agreed, measurable Key Performance Indicators (KPIs).

The new Rating system underpins key elements of reforms to current meat inspection and verification arrangements being pursued with Government through the Ministerial Task Force.

BACKGROUND

For many years, meat processing plants were allocated a performance rating by AQIS based largely on audit findings during monthly reviews by AQIS Area Technical Managers (ATMs) although reports provided weekly by AQIS on plant staff were taken in to account.

The score allocated each month was determined by assessing compliance with all regulatory requirements relating to product hygiene, process control, product integrity, importing country requirements and animal welfare. These monthly assessments tended to be subjective and often reflected an individual ATMs priorities or biases. The audits were focused more on process and on compliance rather than on outcomes.

In the absence of nationally agreed KPIs for assessing product hygiene and an agreed system for objectively measuring performance, the scores allocated by AQIS were inevitably subjective and failed to adequately recognize company verification data or corrective action taken to deal with problems. As a result, the final score of a plant's performance did not necessarily reflect the standard of product hygiene being achieved and this was often overwhelmed by non compliance in areas such as animal welfare, product integrity, construction and equipment deficiencies or non compliance with a specific importing country requirement.

It was thus agreed by AMIC and AQIS to develop a more robust, reliable system focusing principally on product hygiene. A new Product Hygiene Index was developed based on agreed KPIs reflected in existing performance parameters in the MSQA programs adopted in all export registered plants. Under the PHI, it is performance reported by plants and verified by AQIS which now determines a plant's score against the product hygiene KPIs.

Compliance with other regulatory requirements relating to matters not directly impacting on product hygiene outcomes are now assessed and managed separately by AQIS as part of its overall verification program. Non compliance in these areas is not included in determining a plant's performance rating for product hygiene.

ACHIEVEMENTS TO DATE

Initially, a small number of plants which were already collecting and utilizing performance data volunteered to join the program commencing in October, 2009. The AQIS-AMIC Steering Committee considered it was preferable to stage manage the roll out of the system to ensure any problems with data collection and reporting could be dealt with prior to the new system's full implementation proposed for 1 April, 2010.

By the end of 2010, there had been problems identified with the separate submission of data from AQIS and plant QA staff. This resulted in missing or incomplete data sets and in the absence of an effective system for AQIS to pursue late or incomplete data returns, the Steering Committee agreed to a number of changes to the system which were covered off in a revised AQIS Notice.

This Notice confirmed an agreed AQIS-AMIC commitment to the PHI and extra steps were taken to ensure the system was in place in all meat processing plants by the middle of 2010.

Data collection and recording by company QA staff uses existing monitoring and verification systems (MHA on slaughter floors, offal and boning rooms, CMA, ESAM, contact surface TVCs). Plant QA staff compile weekly data in an agreed format which is provided to the AQIS OPV. AQIS on plant staff perform and record the results of their independent verification checks against the same criteria.

Both sets of data are combined and forwarded to AQIS Central Office monthly in a standard format. A system is in place to pursue any late or missing data reports. Each month, AQIS uses the company PHI data to calculate a performance score. The score does not take in to account reports generated by the independent checks undertaken by AQIS on plant staff.i.e. Plant scores are not moderated in any way based on the findings of AQIS independent verification checks, even where these are at odds with plant findings.

Any major inconsistencies between company QA or AQIS on plant staff findings are expected to be resolved at the plant level or, if necessary, by AQIS ATM intervention.

PHI data has been accumulated for all plants since the middle of 2010 but, to date, there has been no feedback of this consolidated data to plants. The Steering Committee concluded that it should wait until sufficient data sets were available to discern trend lines or to draw conclusions about a plant's performance. The accumulation of data would also allow the Steering Committee to evaluate the reliability of the individual KPIs and the weightings attributed to them.

AQIS and AMIC have now reached agreement on how this data should be packaged and reported back to plants. These reports are expected to be distributed by June 30, 2011.

The summary reports are intended to be used by plant QA staff to better understand the nature and frequency of problems and to assess the effectiveness of their corrective action responses. The reports should be useful to plants in their pursuit of continuous improvement. The reports will also allow plants to see how they are performing relative to national averages.

SUMMARY OF OUTCOMES AGAINST THE PROJECT OBJECTIVES

The new PHI has been completed and all processing plants and independent boning rooms have been submitting data since the middle of 2010.

The PHI utilizes existing company programs for data collection and recording based on existing verification checks required by AQIS against agreed KPIs which can be objectively measured, provided for in existing MSQA programs. In other words, the PHI is built on existing systems and does not increase workload.

The data generated allows AQIS and plant managements to monitor and measure product hygiene outcomes and the effectiveness of plant management of problems over time.

AQIS has available objective data to undertake trend analysis of emerging problems at a local or national level, to benchmark plants and to intervene quickly where plants are considered to be operating at a marginal level.

There is now more emphasis on performance over the entire audit period rather than on the day of an external audit. The PHI demonstrates to importing country authorities and foreign reviewers that there is ongoing monitoring in real time against standardized KPIs allowing AQIS to undertake timely interventions where necessary.

The PHI has provided a more robust, reliable and objective plant performance rating system focused on product hygiene. The KPIs are reflective of the performance measures contained in the HACCP component of the plant's MSQA combined with findings reported from microbiological testing (ESAM, contact surface TVCs) and physical checks for defects (e.g. CMA).

The revised rating system based on the PHI in effect acknowledges that product hygiene outcomes are as the most important determinant of a plant's performance. AQIS overall verification monitoring is designed to ensure that plants also comply with other regulatory requirements aimed at protecting access to export markets.

FURTHER WORK

The PHI has now been implemented and underpins a number of reforms to meat inspection and verification arrangements being pursued with AQIS. There is ongoing discussion with AQIS about the current KPIs and whether there are others which might be included. For example, the Refrigeration Index was initially excluded as a KPI but may be added because importing country authorities view refrigeration as a significant factor in maintaining product safety and wholesomeness.

A review of the Carton Meat Assessment requirements is also being considered, partly to differentiate between defects detected at the preboning trim and those which occur during the boning process,

In assessing the standing of plants against national benchmarks, the Steering Committee noted that the current weightings allocated to the KPIS is resulting in some clustering of performance scores. It is thus intended to review the current weightings allocated to some of the KPIs to determine if some adjustment might be advantageous in better differentiating between plant performance.

The AQIS – AMIC Steering Committee is also seeking feedback from plant QA staff on the value and usefulness of the soon to be released summary data reports and whether there are any suggested enhancements to the PHI. It is proposed to use the MINTRAC QA Network as a forum to evaluate the success of the implementation and derive feedback of any problems being experienced.

Discussions are continuing with AQIS for funding to design a purpose built system to interface with existing plant systems such as i-Leader to facilitate the automatic capture and transmission of company data from plants and for the automatic calculation of the PHI scores and the generation of reports back to plants

There is also a proposal under consideration for a revised performance based audit frequency whereby plants with a proven track record of performance under the PHI will qualify for a reduction in the current requirement for monthly audits. A plant's performance record under the PHI will also be a key consideration on whether plants can ultimately apply to move to an alternative risk based inspection model

The successful development and implementation of the revised plant rating system based on the PHI has been a key component in the significant reforms to meat inspection and verification now being progressed jointly by AQIS and AMIC. Used properly, reports from the performance rating system can be used by plants to improve and sustain their own performance levels. They can provide AQIS with a capacity to focus and direct scarce resources to areas of greatest need and to determine which plants are best placed to secure the full benefits of the revised ante and post mortem inspection options and the reduced frequency of AQIS audits where a high level of performance is demonstrated.