

LAPCSESC
Submission 010

Friday, 22 July 2011

Research Director
Legal Affairs, Police, Corrective Services and Emergency Services Committee
Parliament House
George St
Brisbane Qld 4000

By email: lapcsesc@parliament.qld.gov.au

TO WHOM IT MAY CONCERN;

RE: INQUIRY INTO BILLS

Please find following the submission from Australian Livestock & Property Agents Association regarding the Inquiry into Bills.

As per telephone conversation with Gail (07 3406 7307) on Tuesday, 19 July an extension was granted for this submission due to incorrect contact details provided on the correspondence.

Regards

A handwritten signature in black ink, appearing to read 'Andrea Lethbridge', with a long horizontal flourish extending to the right.

Andrea Lethbridge
NORTHERN REGIONAL MANAGER

HEAD OFFICE

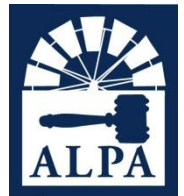
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SUBMISSION – INQUIRY INTO BILLS

Background

Australian Livestock & Property Agents Association (ALPA) is the peak national industry body representing more than 1,200 agency businesses across Australia. Collectively this group plays an important role in Livestock, Wool, Merchandise and Rural Property sales and marketing. ALPA Members handle in excess of 97% of agency business Australia Wide. It is one of the largest organisations of small rural business men and women, relied on to protect the interests of agents and producers nationally.

The strength of ALPA's national presence and representation has been recognised by our inclusion in the Property Agents Interim Advisory Committee responsible for providing advice to the COAG National Licensing Taskforce.

At the state level, ALPA received an invitation from the Hon Peter Lawlor MP to be a member of the industry working group for consultation on the split of the *Property Agents and Motor Dealers Act 2000* (PAMDA) into occupation specific laws.

Issues

As a peak national industry body ALPA objects to the proposed separation of PAMDA into occupation specific laws. The nature of the business conducted by our members as Stock and Station Agents cannot accommodate such a simplistic approach to the separation essentially of their livelihoods.

Of the four Bills that have been referred to the committee, the Association's greatest concerns are with the *Property Agents Bill 2010* and *Motor Dealers and Chattel Auctioneers Bill 2010*. The latter is of particular concern with the proposed introduction of a new licence category, being the Chattel Auctioneers Licence which will be unique to Queensland.

Our reasons for this disagreement and other objections will be explained in detail below:

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National Licensing System

The Council of Australian Governments (COAG) has agreed to the development of a National Licensing System (NLS) as part of its broader agenda for regulatory reform. All states and territories are signatories to this agreement (including Queensland).

COAG agreed to develop a national licensing system with the following characteristics:

- cooperative national legislation; national governance arrangements to handle standard setting and policy issues and to ensure consistent administration and compliance practices;
- all current holders of State and Territory licences being deemed across to the new licence system at its commencement;
- the establishment of a publicly available national register of licensees; and
- the Commonwealth having no legislative role in the establishment of the new system.

COAG's objective in establishing the national licensing system is to remove overlapping and inconsistent regulation between States in the way that they licence occupational areas. By moving towards a seamless national economy through the reform of business and other regulation, COAG's reforms will make it easier for businesses and workers to operate across State and Territory borders.

COAG claims NLS will provide benefits to businesses and individuals by allowing a licensee to work anywhere in Australia without having to re-apply for a licence when moving to another State. It will also assist consumers by providing easy access to information about licensees.

The proposed introduction of a Chattel Auctioneers Licence goes completely against the intention of the NLS which is to improve business efficiency and the competitiveness of the national economy, reduce red tape, improve labour mobility and enhance productivity.

From a regulatory reform perspective ALPA has concerns with the eagerness in which the Queensland state government is pursuing the reforms. The Regulatory Impact Statement for the NLS is yet to be released and to make any decisions prior to the completion of the feedback and consultation process to the RIS is in our opinion fraught with danger. It is foolhardy to make a change in legislation based on presumption rather than fact.

Auctioneers Licences

ALPA has grave concerns as to the path the Queensland government is pursuing by separating the auctioneer licence necessitating individuals who auction both real property and chattels (livestock) to hold both a property and a chattel auctioneer licence. By the very nature of the business conducted by our members, the majority of our member auctioneers act in this dual capacity. This is further evidenced by the common practice whereby an auctioneer who auctions a rural property will also conduct the clearing sale (chattels) on the property (not necessarily on the same day), they have recently auctioned. By duplicating the licensing requirements, livestock and property agents will be burdened with double the licence requirements, training and costs associated with holding both a property and chattel auctioneer licence. As a service provider to rural Queensland, this will become an additional impediment to conducting business in regional areas.

The Association also harbours great apprehension regarding the implementation of the chattel auctioneer licence. No other state or territory has a chattel auctioneer licence. As a national association, ALPA is concerned with the implications this will have for interstate members. Currently many members operate seamlessly across state borders with the benefit of dual state licences. This is a necessity due to seasonality of the industry and the niche environment in which we operate.

As an example, many of our members specialise in stud livestock auctions. Often at the request of a client they will provide an interstate specialist stud livestock auctioneer to conduct the auction to ensure a maximum result for their client. This example is by no means unique. On a regular occurrence interstate auctioneers will sell at border saleyards, for example, Goondiwindi and Warwick. Once again this practice occurs because the vendor has entrusted the agent with the sale of their livestock to ensure a maximum return, which culminates in their auction.

As a national association, ALPA is concerned with the implications this will have for interstate members. With the introduction of the chattel auctioneer licence, will this mean an interstate auctioneer will need to undergo the relevant training, licensing requirements and costs to be licensed in this capacity to auction livestock in Queensland?

To preclude interstate auctioneers and implement a completely new licence, that being the chattel auctioneer licence, goes completely the intention of the NLS which was discussed previously.

Deregulation of (non-auctioned) Livestock Sales

The Association questions the government's intention to deregulate the sale of non-auction livestock and the implication that consumer protection is no longer paramount. Why is consumer protection deemed no longer relevant based on the sales method? All property sales, regardless of method, that is, by private treaty, tender or by auction will continue to be regulated. In some instances we would argue that consumer protection is more warranted for paddock sales than auction as the single financial outlay can often be far greater than auction due to the larger numbers involved. Paddock sales can occur in many formats including private treaty, tender, forward sales to name a few and are often the vendor's preferred sales option when large numbers are involved.

An agent's role extends beyond the sales transaction and in addition to consumer protection, ALPA is also concerned with the potential impact deregulation poses to the livestock industry.

Some of these concerns are as follows:

- Animal welfare – people handling livestock in stressful situations such as saleyards need adequate training;
- Trade – Australia's multi-billion dollar livestock industry relies on its ability to export red meat to food safety conscious markets particularly in North Asia, USA and Europe. If agents act inappropriately, then major markets could be placed at risk;
- Disease control/biosecurity – animals that are diseased need to be managed to minimise welfare issues, and importantly to minimise the risk of diseases spreading; and
- Traceability/documentation – obligations on agents in relation to maintaining the traceability of livestock are considerable.

Economic Impact

As mentioned previously the proposed introduction of the chattel auctioneers licence will double the licensing costs for the majority of our members as they auction both property and livestock (chattels). It is not a question of which auctioneers licence they would retain, for as the job description of Stock and Station Agent implies, the licences are mutually exclusive.

In addition to increased licensing costs, the fact that the chattel auctioneers licence will be unique to Queensland has the potential to cause economic harm to all parties involved in the Queensland auction process. It may impair and restrict business opportunities for our interstate members, as the additional costs, training and licensing requirements for the chattel auctioneers licence may be deemed not cost effective. The vendor may forgo their opportunity to reap maximum return for their product as they will be restricted to appoint an auctioneer based on their location (state) and not on their ability to sell. Imposing such licensing barriers also has the potential to impact the state's livestock industry and ultimately Queensland's economy as large numbers of interstate livestock are auctioned on any given day in a Queensland saleyard.

Training Requirements

As the costs are doubled, so too are the training requirements. In addition to actual training fees, consideration also needs to be given to staff down time as they attend the required training courses. Course attendance is exacerbated for our members due to their regional and remote locations in which they work. They will need to factor in increased travelling costs, including time, to meet these additional training requirements.

As training requirements are increased it is also a concern if training service providers will be available to accommodate this increased demand.

Employment Opportunities

The stock and station agency industry is an essential employer within regional communities. The burden of increased training, licensing requirements and costs will impede employment opportunities as these are crucial factors in any business decision relating to staff allocation.

Community Consultation Process

As the peak national industry body ALPA was invited to be a member of the industry working group for consultation on the split of the *Property Agents and Motor Dealers Act 2000* (PAMDA) into occupation specific laws. The Association provided a submission to the community consultation process with regards splitting the *Property Agents and Motor Dealers Act 2000* into occupation specific Acts, that was sought in September last year. Several members also made similar submissions. To our knowledge none of these submissions have been acknowledged and therefore, ALPA strongly refutes the comment made by the former Minister for Tourism and Fair Trading that "The government's commitment to splitting PAMDA has widespread support from both industry and consumer stakeholders."¹ As the peak national industry body, together with individual separate member submissions did not support the splitting of PAMDA we request to have the results of the consultation process verified and be made publicly available.

¹ Queensland, Legislative Assembly (Hansard), 24 November 2010, Hon. PJ Lawlor, Minister for Tourism and Fair Trading, p4247

Recommendations

1. Wait for the completion of the feedback and consultation process of the Regulatory Impact Statement for the National Licensing System.
2. If a National Auctioneers License is adopted as per NLS give some consideration to the proposal that if an individual holds a National Auctioneer Licence that this would entitle the individual to the equivalent of an unrestricted auctioneers licence in Queensland. If the individual only auctions in Queensland, then they would hold the appropriate Queensland auctioneers licence.

To provide an analogy: a truck driver undertakes the necessary training and associated costs to be issued with a heavy vehicle licence. This entitles the driver to drive manual and automatic cars and trucks throughout Australia. If you only want an automatic car licence you are issued with this licence that limits you to driving that type of vehicle.

ALPA would suggest that if a national licence is recognised as adequate to sell multi-million dollar properties and recognised for providing the appropriate consumer protection for purchasers who are making the single most important purchase of their lives; that being the family home, then surely this licence would be adequate to auction lower value chattels.

Submission prepared on behalf of Australian Livestock & Property Agents Association, by Andrea Lethbridge, Northern Regional Manager.
July 2011