



Speech by

**Hon. HENRY PALASZCZUK**

**MEMBER FOR INALA**

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Hansard 10 November 1998

**PRIMARY INDUSTRIES LEGISLATION AMENDMENT BILL**

**PALA**

**Hon. H. PALASZCZUK** (Inala—ALP) (Minister for Primary Industries) (3.01 p.m.): I move—

"That the Bill be now read a second time."

This Bill brings before the House a number of simple yet significant amendments to several Acts in my portfolio. The Bill amends the Agricultural Standards Act 1994 to address particular wholesomeness and product integrity issues in relation to the sale of livestock. The primary issue of concern is the threat that chemical residues in meat poses to Australia's overseas markets. There have been a number of serious such threats over the past 25 years as a result of various incidents of avoidable chemical residue contamination of beef.

The cattle industry nationally has responded to these concerns with a voluntary declaration system—the National Vendor Declaration (Cattle)—in which sellers make and supply declarations about the chemical treatments and history of their sale cattle. However, the experience has been that solely market driven systems will not always work. Some people will be prepared to cheat on quality systems in order to seek short-term profit and, in so doing, place at risk the entire industry. Mistakes made through a lack of quality consciousness can have the same adverse effects.

There is national agreement to support the declaration with vendor declaration legislation. The concept involves significant regulatory penalties for making false declarations, with the deterrent effect from the penalties adding confidence and general rigour to the otherwise voluntary system. The case for Government intervention is the maintenance of viability of the \$1.5 billion export-based Queensland beef industry, with its beneficial flow-on effects to the Queensland economy and community generally.

The Bill will amend the Agricultural Standards Act in two ways to implement the vendor declaration concept. It will firstly broaden the objectives of the Act from its current emphasis on standards in relation to agricultural inputs to embrace issues surrounding the sale of stock. It will then create a new offence for sellers/vendors of stock to make false declarations or representations about the stock in relation to specific wholesomeness and product integrity issues. The Bill will provide for a maximum penalty of 100 penalty units, or \$7,500, to reflect the seriousness of the underlying issues.

As I mentioned, the main focus is initially on chemical residues in meat. However, this innovative legislation will be flexible enough to extend, if necessary, to support other industry quality assurance measures that emerge. The vendor declaration concept and the amendments to this Act are strongly supported by the beef industry.

The Bill contains some important amendments to the Brands Act 1915. The Bill contains three major initiatives in facilitating better branding practices in the cattle and horse racing industries. Firstly, it eliminates the ribs as a branding position for cattle. Queensland is one of the world's major exporters of cattle hides. However, it is well known that branding cattle on the ribs and other prime sites lowers the monetary value of hides and generally devalues the reputation of Queensland cattle hides in world markets. These amendments facilitate a commercial solution to this long-term commercial issue. They encourage improved branding practices by making it necessary to avoid rib branding. In effect, the Government through these changes will create the framework to encourage the very necessary

commercial linkages between producers and processors, such as value-based marketing systems for cattle hides.

Secondly, the Bill will prohibit the branding of cattle on the cheek. While the current legislation already limits the ability to brand on the cheek and it is not a widespread practice in Queensland, cheek branding has already been banned in the United States and in some other States of Australia. The Government has responded positively to community concerns that the practice be totally prohibited. This amendment will really strengthen the clean green image of Queensland beef.

Thirdly, for horses, the Government has also responded to legitimate requests from the racing industry to fix the discrepancy in which the branding of Queensland thoroughbred racehorses is out of kilter with all other States and New Zealand. The Bill will now allow stud numbers and age numbers to be branded on the off-side shoulder of Queensland thoroughbreds. This will be in accordance with current practices throughout the rest of this highly valuable industry.

Specifically, the Bill will eliminate the rib and cheek branding positions; include the twist as a new branding position; include the thigh as a separate branding position; allow branding on any angle; eliminate the mandatory order of branding; and allow flexible placement of age numerals and stud references in any of the prescribed branding positions. Again, these amendments to the Brands Act are strongly supported by industry.

The Bill also amends the City of Brisbane Market Act 1960 so that section 29 of the Act is sunsetted to expire on 31 August 1999. This section in effect provides the Brisbane Market Authority with the exclusive right to operate a wholesale fruit and vegetable market within the City of Brisbane. Termination of this exclusive right was a unanimous recommendation by the Brisbane Market Authority Review Committee in its report to Government in May this year.

The 31 August 1999 termination date will coincide with the removal of the legislative provision with the expiry of the current wholesaler selling floor leases at the market. This in turn allows the wholesalers to decide whether to exercise a five-year extension option on their leases to remain at the Rocklea market site or move to an alternative location. It is important that this amendment to the City of Brisbane Market Act be made this year, as it is considered to be only fair and equitable to give adequate notice of the date for termination of exclusivity to all interested parties.

The Bill also amends the Forestry Act 1959. The amendment will specifically authorise, for a period of one year, the sale of forest products by the Primary Industries Corporation. This sale is made under the native forest sawlog allocation system, and the authorisation is for the purposes of the Trade Practices Act 1974.

It is under the native forest sawlog allocation system that the Primary Industries Corporation allocates the majority of the native forest sawlog resource to sawmillers who are allocation holders. The Competition Policy Reform (Queensland) Act 1996 applies the TPA to the activities of Government businesses. It is thus important to ensure the necessary regulatory arrangements are made to protect activities of the Primary Industries Corporation from any possible action under the TPA.

Approximately 40% of the allocation holders have allocations under long-term contracts exempt from the TPA until their expiry between 2004 and 2007. To protect arrangements for the remaining 60% of allocation holders, a short-term authorisation of the allocation system was enacted through the Competition Policy Reform (Queensland Exemptions) Regulation 1996.

The Bill will extend the TPA exemption for one year. The extension will allow the Primary Industries Corporation to continue current allocations until a long-term policy for the allocation of native sawlogs can be developed. This timing will allow consideration of the Regional Forest Agreement in south-east Queensland, which is scheduled for completion by 31 December 1998, to be factored into the policy.

Finally, the Bill makes a few minor drafting changes to a number of Acts. The Bill amends the Grain Industry Restructuring Act 1991 so as to omit the Schedule. The Schedule deals with transitional provisions that were required on commencement of the Act. Now that the transitional period is over, the provisions in the Schedule are superfluous.

The Bill amends the Meat Industry Act 1993 so as to remove the requirement that standards made by the Queensland Livestock and Meat Authority be approved by regulation. This section is superfluous as, according to the Statutory Instruments Regulation 1992, such standards are subordinate legislation in any event. The Bill will insert a provision in the Act stating clearly that standards are subordinate legislation and thereby do not require approval by regulation. I commend the Bill to the House.

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