



Speech by

Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

Hansard 6 August 1998

TRANS-TASMAN MUTUAL RECOGNITION (QUEENSLAND) BILL

Hon. P. D. BEATTIE (Brisbane Central— ALP) (Premier) (11.31 a.m.): I move—

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

This legislation is designed to help promote free trade in goods and services between Australia and New Zealand through the mutual recognition of regulatory standards for goods and services in both countries. Trade means jobs and my Government will do everything in its power to encourage trade. That is why I am introducing this Bill as early as possible in the 49th Parliament. New South Wales is advantaged by the current circumstances. Jobs are being lost to New South Wales and we need to move quickly. It is yet more proof that I will act as quickly as possible where there are opportunities to create new jobs.

It was more than two years ago that the Trans-Tasman Mutual Recognition Agreement was signed by heads of Government. New Zealand's legislation was enacted nearly a year ago, and the relevant Commonwealth and New South Wales Acts were enacted more than six months ago, which is why New South Wales has ended with up with an advantage over Queensland, and I am correcting that advantage today. The previous Queensland Government did not introduce this legislation to Parliament until 17 March this year, but it failed to progress beyond the second reading before the State election. It is crucial that Queensland should not waste any further time in passing the legislation to enable this agreement to take effect.

The genesis of this legislation occurred in July 1990, when the Commonwealth Government established an agreement between Australia and New Zealand for the reduction of trade barriers between the two countries. The Australia-New Zealand Closer Economic Relations Trade Agreement—the CER—sought to develop a single market focus for Australia and New Zealand and to widen opportunities for trading within forums such as APEC. Australian heads of Government signed a Mutual Recognition Agreement in May 1992 which was designed to establish a national economy, free of trade and occupational barriers between States and Territories.

This agreement, the Australian Mutual Recognition Agreement—MRA—was underpinned by legislation which sought to ensure that certain sections of the Australian Constitution would work as envisaged, that is, that there would be free trade between States and that there would be no discrimination on the grounds of residence—sections 92 and 117 of the Constitution. The Australian MRA was established in 1992, with the Queensland Parliament enacting legislation in December 1992 to give effect to the agreement. Part of the Australian MRA provided for an extension of the scheme to include New Zealand, consistent with the original intent of the CER.

In April 1995, three years after the introduction of the Australian MRA, negotiations commenced with New Zealand to establish the TTMRA. The framework of the negotiations was the existing Australian MRA with appropriate enhancements to reflect the trans-Tasman nature of the scheme. The principles underpinning the existing Australian MRA were endorsed as being consistent for the purposes of establishing a TTMRA.

Following extensive negotiations by a select working group of officials from the Commonwealth, New South Wales, Queensland and the New Zealand Governments—with New South Wales and Queensland representing all States and Territories—the TTMRA was finalised in early 1996. Heads of

Government signed the arrangement at the Council of Australian Governments meeting on 14 June 1996, and the Prime Minister of New Zealand signed it on 9 July 1996.

The TTMRA will promote free trade in goods and services between Australia and New Zealand through the mutual recognition of regulatory standards for goods and occupations in both countries. The Trans-Tasman Mutual Recognition Arrangement is an extension of the Australian Mutual Recognition Agreement. The TTMRA will build on the success of the Australian MRA, extending the scheme to the market in goods and services between Australia and New Zealand, and benefiting the people of both countries, especially those in Queensland.

The success of the Australian MRA is a strong indication that the implementation of the TTMRA will benefit all jurisdictions through—

- expanding the market in goods and labour between Australia and New Zealand;
- increasing the competitiveness of the market;
- minimising regulatory impediments to free trade in goods and labour between Australia and New Zealand;
- increasing consumer choice in the market;
- decreasing compliance costs to business and industry;
- increasing mobility of people in registered occupations to practise in other jurisdictions with a minimum of regulatory impost; and
- greater opportunities for Australia and New Zealand to enhance their influence internationally through bodies such as the APEC forum—in other words, put us on the world stage with some clout.

Queensland, because of its proximity to New Zealand, is well placed to take maximum advantage in relation to expanded trade opportunities. The TTMRA legislation will implement two mutual recognition principles regarding freedom of trade in goods and services. The first principle is that, if goods may be legally sold in Australia, the goods may be sold in New Zealand, and vice versa. The second principle is that, if a person is registered to practise an occupation in Australia, he or she will be entitled to practise an equivalent occupation in New Zealand, and vice versa. These principles are underpinned by the premise that the existing regulatory standards regarding goods and occupations in one participating jurisdiction should satisfy public expectations across all participating jurisdictions.

As far as possible, the scheme established under the TTMRA is consistent with the scheme established under the Australian MRA. The scheme will not affect the operation of Queensland laws regulating—

- the manner of sale of goods;
- the transportation, storage or handling of goods if the laws are directed at protecting health and safety or preventing environmental pollution; or
- the inspection of goods if the inspection is not a prerequisite to sale and the laws are directed at protecting health and safety or preventing environmental pollution. Those safeguard exist.

Laws which mutual recognition might unintentionally affect, including laws relating to customs controls and tariffs, intellectual property and trademarks, taxation and other specified international conventions, are the subject of an exclusion—Schedule 1, and I draw the attention of members to that Schedule. Laws which the jurisdictions deem not desirable to include in the scheme, including laws relating to quarantine and endangered species, firearms, fireworks, gaming machines, indecent or pornographic material, ozone protection, the registration of agricultural and veterinary chemicals, and high risk foods, are the subject of a permanent exemption—and I stress that to the House—and they are covered in Schedule 2.

Certain regulatory sectors are provided with a special exemption for a period of 12 months to enable jurisdictions to address the differences in regulatory standards, and that is set out in Schedule 3. These include—

- therapeutic goods;
- hazardous substances, industrial chemicals and dangerous goods; and
- electromagnetic compatibility and radio communications equipment.

The scheme will not apply to medical practitioners, and an exemption is provided under Schedule 4 of the Commonwealth Act. Under an existing reciprocal agreement, New Zealand doctors can register to practise in Australia, and vice versa. Doctors whose qualifications were gained in a third country, however, cannot register to practise in Australia by first registering in New Zealand. That protects the standard of medical practice in this State and this country.

The scheme has a temporary exemption mechanism which participating parties can use to unilaterally ban the sale of goods in their jurisdiction to protect public health and safety or prevent environmental pollution. Exemptions invoked under this mechanism must be referred to the relevant Ministerial Council in order to achieve permanent exemption or common standards for the goods. Under the Commonwealth Act, the Governor-General can amend a Schedule to the Act via regulation, but this exercise of power is subject to the consent of all participating jurisdictions.

Australia and New Zealand are implementing the Trans-Tasman Mutual Recognition Arrangement through a legislative scheme which will include an Australian component and a New Zealand component. The New Zealand component of the scheme is the Trans-Tasman Mutual Recognition Act 1997 which was enacted on 20 August 1997. The Australian component of the scheme will require the Commonwealth, States and Territories to enact legislation. The jurisdiction leading the implementation of the TTMRA in Australia is New South Wales. The Trans-Tasman Mutual Recognition (New South Wales) Act 1997 was enacted on 25 November 1997. The New South Wales Act is legislation referring power to the Commonwealth to legislate under section 51(xxxvii) of the Commonwealth Constitution for the passage of the Trans-Tasman Mutual Recognition legislation.

The Commonwealth Legislation is the Trans-Tasman Mutual Recognition (Commonwealth) Act 1998 which was enacted on 7 December 1997. The States and Territories will legislate to either refer power to the Commonwealth or adopt the Commonwealth legislation to participate in the scheme. Amending the Commonwealth Act is a matter which will require the unanimous consent of the participating jurisdictions.

The Trans-Tasman Mutual Recognition (Queensland) Bill 1998 will adopt the Commonwealth legislation, making Queensland a participating jurisdiction. The Queensland legislation will adopt the Commonwealth Act for a period of five years, which is consistent with the length of the adoption period for the Australian MRA. The participating parties will review the TTMRA and the Australian MRA simultaneously every five years.

In conclusion, the TTMRA is a simple, low-cost and low-maintenance mechanism for overcoming unnecessary regulatory impediments to trade between Australia and New Zealand. It will benefit consumers, business and service providers by reducing or eliminating regulatory impediments to trade in goods and the mobility of registered occupations between both countries. The potential exists for significant benefits to be gained by all Queenslanders who participate under this arrangement. Increased trade between Queensland and New Zealand will also generate new jobs. We will take back from New South Wales the current favourable position it enjoys.
