Date Introduced: 8 September 1983
House: House of Representatives
Presented by: Hon. K. Beazley, M.P., Special Minister of State on behalf of the Hon. J. Kerin, M.P., Minister for Primary Industry

Short Digest of Bill

Purpose

The Bill enacts legislation to permit the Commonwealth Department of Primary Industry to undertake domestic meat inspection in New South Wales and in any other State which subsequently refers its power of meat inspection to the Commonwealth.

Background

Both Commonwealth and State Governments have responsibilities for meat inspection. State Governments have a long standing responsibility to ensure that foodstuffs prepared for human consumption meet acceptable standards of hygiene. In the case of meat, this responsibility is vested usually in Departments of Agriculture/Primary Industry who employ inspectors to ensure that meat is fit for human consumption.

The Commonwealth Government has constitutional authority for the control of all exports, including foodstuffs. Legal authority enabling the Australian Government to impose controls over the export of foodstuffs include the Customs Act 1901, the Commerce (Trade Descriptions) Act 1905 and the Export Control Act 1982. The Commonwealth became actively involved in export meat inspection early this century after complaints from the United Kingdom and in 1916 established its own inspection staff in all States exporting meat.

The respective responsibilities imposed on both the Commonwealth and State Governments have resulted in the evolution of dual meat inspection systems. Meat which is to be consumed on the domestic market is the responsibility of inspectors employed by State Governments while meat produced for export is the responsibility of inspectors employed by the Commonwealth Government.
However, with the increase in Australia's meat exports in recent decades and the concurrent upgrading of slaughtering facilities to meet foreign government (principally the USA) veterinary standards, about 80 per cent of all the meat produced in Australia, and a large part of the meat consumed on the domestic market, is now slaughtered in export-registered abattoirs. In these establishments, Commonwealth and State meat inspectors often work side by side. This aspect of the meat inspection system has been the source of widespread dissatisfaction for some years. It causes considerable industrial disputation between Commonwealth and State inspectors and adds to cost overheads of export abattoirs.

During the 1970s there were many inquiries into the meat industry, including the meat inspection system. One of these was the Prices Justification Tribunal (PJT) inquiry into beef marketing and processing in 1978. As a part of this inquiry the Tribunal examined the administrative arrangements involved in meat inspection and recommended "...a thorough overhaul of Australian meat inspection, both from the standpoint of manpower and procedures, that duplication be eliminated and that there be a continuing scrutiny of such activities in the light of developing knowledge and circumstances".[1]

However, even before the PJT had completed its Inquiry and produced its Report, an industrial demarcation dispute developed between Commonwealth and State meat inspectors at the Tancred Brothers meatworks at Mt. Isa after it had been granted an export licence. As part of a compromise solution it was agreed between the Commonwealth and Queensland Governments to establish a Committee of Inquiry to examine Commonwealth and State meat inspection arrangements in Queensland. The Committee's terms of reference were widened subsequently to include meat inspection arrangements in all States and the Northern Territory. The text of a public statement issued on 3 December 1978 by the then Prime Minister, the Rt. Hon. M. Fraser, concerning the inquiry is set out in attachment A.

This Committee, headed by the Hon. C.R. Kelly, a former Commonwealth Minister, received a large number of submissions and virtually all participants in the industry expressed the view that the dual meat inspection system was unsatisfactory. "Most of the submissions advocated a single meat inspection service, albeit of differing composition namely, entirely State, entirely Commonwealth, or by an integrated authority (joint Commonwealth/State)."[2] The Committee considered six options but found itself only able to recommend the establishment of a single national meat inspection service - the Australian Meat Inspection Service
(AMIS). The then Minister for Primary Industry, the Hon. P. Nixon, tabled the Report in the House of Representatives on 27 February 1980. As far as can be ascertained no Ministerial Statement on the Report was made and none of the recommendations were implemented.

About 18 months after the Kelly Committee Report was published, the meat substitution scandal became publicly known in both Australia and the United States. Pressure from a variety of sources compelled the Commonwealth Government to establish a Royal Commission on 12 September 1981. The Commission's terms of reference were to investigate various aspects of the export meat industry including "whether existing administrative arrangements and procedures are adequate to ensure that export meat meets all legal requirements".[3]

While there was never any suggestion that the then operative administrative arrangements with respect to meat inspection were a cause of the scandal, nevertheless the Royal Commission examined and reported on the meat inspection system. The Commission recommended that the Commonwealth meat inspection service be removed from the Bureau of Animal Health and placed in a newly-formed Export Inspection Service. With respect to the dual Commonwealth-State inspection arrangements, the Commission did not recommend the formation of a single national service. Rather, it stated simply that "the relationship between the reformed Commonwealth service and the various state services [would] depend upon negotiations between respective governments".[4] With respect to Victoria the Commission "...recommended that a joint authority be established along the lines already negotiated..." A similar recommendation was made with respect to the Northern Territory.

However, after knowledge of the substitution became public, the Commonwealth began investigating and upgrading the administrative procedures with respect to the export of meat from Australia. One of the changes made was the reorganisation of the meat inspection service with responsibility for Commonwealth meat inspection being removed from the Bureau of Animal Health. On 16 March 1982 a new Export Inspection Service commenced operation under the administrative control of the Department of Primary Industry. This new service consolidated all of the export inspection activities of the DPI within the one administrative framework.

More recently, the Industries Assistance Commission (IAC) examined various aspects of meat inspection in its inquiry into the meat industry. With respect to the dual inspection system the IAC noted that "the duplication of
inspection within abattoirs is unwarranted".[5] While the IAC considered that the problems could be solved if there was one national meat inspection service, it did not make any specific proposals apart from stating that it "supports recent efforts to rationalise the present dual meat inspection arrangements".

Current Administrative Arrangements

The Commonwealth is solely responsible for meat inspection in the Australian Capital Territory, and under the Meat Inspection Arrangements Act 1964, has entered into arrangements with South Australia, Tasmania and Western Australia to undertake some inspection of meat intended for human consumption in those States. In addition, the Queensland and Commonwealth Governments have an arrangement whereby the Commonwealth provides inspection services at the large Canon Hill abattoir in Brisbane.

In early 1982, the New South Wales Government reviewed its policy of refusing to hand over its meat inspection powers and entered into negotiations with the Commonwealth regarding the transfer of these powers. As a result of these negotiations the Commonwealth became responsible for domestic meat inspection in New South Wales on 1 July 1983.

The two States which still maintain their own meat inspection systems are Queensland and Victoria. However, as the Minister noted in his Second Reading Speech, the Premier of Victoria has written to the Prime Minister proposing the formation of a working party of officials to examine arrangements necessary for a single inspection service in Victoria. To date there have been no announcements as to the formation of a working party. However, given the length of time involved in the NSW negotiations, it will be some time before there is any transfer of Victorian powers.

Queensland has given no indication of being prepared to transfer its inspection services.

Main Provisions

Clause 3 is a "housekeeping" clause. It defines various terms such as abattoir, abattoir animal, knackery, knackery animal, meat processing plant etc. It also defines "the processing of meat" in relation to both a meat processing plant and an animal food processing plant.

Clause 4 defines the object of the Act which "is to make provision with respect to the inspection of meat that is intended for human consumption or for use as an animal
food..." The Act is to extend to New South Wales and any other State or Territory which either adopts this Act or refers its meat inspection powers to the Commonwealth.

Part II of the Bill relates to the inspection of meat: Division 1 refers to abattoirs and meat processing plants; Division 2 refers to knackeries and animal food processing plants; and Division 3 refers to regulations with respect to inspection of meat. Clause 8 permits the regulations to prohibit, both absolutely and unless specified conditions or restrictions are complied with, the slaughter of abattoir animals included in a specified class at an abattoir. It also makes it an offence to contravene the regulations.

Section 10 permits the regulations to prohibit, both absolutely and unless certain conditions are complied with, the bringing into or removing from an abattoir, meat included in a specified class. The clause makes it an offence to contravene the regulations.

Clause 11 is similar to clause 10 in that it prohibits, both absolutely or unless specified conditions are complied with, the processing of meat included in a specified class at a meat processing plant.

Clause 12 is similar to clause 10 and makes it an offence to bring into, or remove from, a meat processing plant meat included in a specified class.

Clauses 14 to 19, inclusive, are identical to clauses 8 to 13, but relate to knackeries and animal food processing plants.

Clause 20 provides for regulations to make provision with respect to the inspection of meat intended for human consumption or for use as animal food. The clause provides specifically for regulations relating to the analysis of samples and circumstances in which a certificate of analysis can be prima facie evidence in respect of proceedings for an offence, the imposition of fines, keeping of records, etc.

Part III of the Bill relates to the transport of meat to and from certain States and Territories. Clause 21(1) prohibits persons from taking meat intended for human consumption into or out of a State or Territory to which this Act extends unless the meat is, under the regulations, fit for human consumption. Clause 21(2) makes the same provision with respect to meat intended for animal food.
Clause 22 relates to the bringing of meat, included in a specified prescribed class of meat, into State or Territory to which this Act extends. It provides that the meat, together with any covering in which it is contained, on entering a State or Territory is to be taken to an abattoir or meat processing plant, or animal food processing plant, for inspection by an authorised officer.

Part IV deals with official marks and trade descriptions. Clause 23 makes it an offence to manufacture, possess or in any way interfere with an official mark or manufacture, possess or apply a mark intended to resemble an official mark. Clause 24 makes it an offence to apply a false trade description to meat.

Remarks

This Bill is relatively straightforward. It establishes the necessary administrative arrangements for the Commonwealth to undertake domestic meat inspection in New South Wales.

As explained in the Minister's Second Reading speech, and as numerous inquiries in the 1970s pointed out, the existence of the dual meat inspection system imposed a considerable cost burden on the meat processing industry. As far as New South Wales is concerned the new administrative arrangements introduced by this Bill should improve this aspect of the meat inspection system. The way should now be clear for the Commonwealth to review meat inspector staffing levels in New South Wales abattoirs and thus achieve a more economic use of manpower.

It would be well, when considering this Bill, to bear in mind some very pertinent statements regarding the need for inspection procedures made by the PJT in its 1978 report on beef marketing. The thrust of these was that with the improvement in animal health and the success of animal disease eradication, the benefits of meat inspection should be closely examined with respect to their costs. The PJT stated that "... at least in respect of meat clearly destined for the domestic trade ... there is scope for action designed to reduce unnecessary costs". While the New South Wales Meat Industry Authority will retain responsibility for aspects such as the licensing of, construction and facilities standards in non-export abattoirs and slaughter houses, the fact that only one level of Government will have responsibility for meat inspection should make it considerably easier to achieve some simplification of domestic inspection procedures. Furthermore, due to the rising cost of providing meat inspection services and the fact that foreign governments
(particularly the USA) tend to use veterinary and health standards as non-tariff trade barriers, some rationalisation and simplification of domestic meat inspection procedures would seem desirable.

For further information, if required, contact:

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References


