

## SECOND READING SPEECH

### **PRIMARY PRODUCE SAFETY BILL 2011**

Mr Speaker, I move that the Bill be now read a second time.

This Bill has four equally important statutory objectives.

First, to provide for the application in Tasmania of the Australia New Zealand Food Standards Code as it relates to primary production activities.

Second, to develop food safety schemes for primary industries that reduce risks to consumers associated with unsafe or unsuitable produce.

Third, to promote consumer confidence in the safety and integrity of Tasmanian primary produce.

And fourth, to facilitate the trade of Tasmanian primary produce by ensuring it meets national and international food safety standards.

Food safety regulation in Australia is based around international and national standards. These standards are implemented by State and Territory governments.

In Tasmania, the responsibility is shared between the Department of Health and Human Services, Local Government, the Tasmanian Dairy Industry Authority and

the Department of Primary Industries Parks, Water and Environment (referred to from here on as “the Department”).

The consistent application of food safety standards is extremely important to allow food to be traded between states and overseas.

The Department presently regulates primary production activities involving the highest potential safety risk. Meat processing is regulated under the *Meat Hygiene Act 1985* and egg production under the *Egg Industry Act 2002*. Shellfish harvesting and growing is regulated under the *Food Act 2003*, on an interim basis, in anticipation of the present Bill.

The Tasmanian Dairy Industry Authority regulates dairy production and processing under the *Dairy Industry Act 1994*.

In 2002, the Australia and New Zealand Food Regulation Ministerial Council gave Food Standards Australia New Zealand (Australia’s national food standards agency) the responsibility to extend its standard-setting process to primary food production and processing.

The resulting Primary Production and Processing Standards (or “PPP Standards”) have been incorporated into Chapter 4 of the Australia New Zealand Food Standards Code. PPP Standards focus on identifying and minimizing food-borne hazards at the earliest points in the

food chain where those hazards are introduced, rather than relying on finding a problem at the end of the process when it reaches the retail sector or consumers.

The advent of PPP Standards recognises that by applying principles of good agricultural practice, processing, animal husbandry and improving the environmental conditions under which animals are raised; the safety and quality of primary produce can be improved, reducing risks to end consumers.

The Tasmanian Government has entered intergovernmental agreements to incorporate the national PPP Standards into Tasmanian law. However the existing primary produce safety legislation is fragmented, outdated and does not provide a sufficiently robust framework for doing this. In particular, the existing legislation is not fully consistent with the *Food Act 2003*, and not well suited to enforcing modern “outcomes-based” standards.

This Bill overhauls and consolidates the legislative framework for primary produce safety. It will enable the creation (by subordinate regulations made under the Act) of sector specific food safety schemes to bring the national PPP Standards into force.

The Bill replaces the *Egg Industry Act 2002* and *Meat Hygiene Act 1985*. It will complement the *Food Act 2003* to achieve a consistent regulatory framework for food safety covering the whole food chain.

The Bill establishes an accreditation, certification and auditing system for primary producers. An accreditation system is crucial for primary industry. Apart from its value as a flexible enforcement tool, accreditation enables producers to demonstrate compliance with statutory food safety standards in order to gain access to domestic and international markets.

The Bill establishes the position of Chief Inspector of Primary Produce Safety to centrally administer the Act's producer accreditation, auditing and certification system.

The Bill creates offences which better reflect its focus on the primary production and supply end of the food chain, and which complement the retail and service focused offences in the *Food Act 2003*.

The Bill allows the Tasmanian Government to rapidly adjust and tailor its regulatory response to new and emerging food safety risks, and changes to national or international food standards.

The principal Act will establish the overarching legal framework for primary produce safety. However it will be regulations made under the Act that determine which industry sectors will be subject to direct regulation under a food safety scheme. In particular, the food safety schemes will specify which primary producers will need accreditation under the new Act.

The commodities and primary production activities

regulated by this legislation will be determined largely by national risk assessment processes, and the Department's capacity to regulate additional sectors. For example, because most horticultural commodities (like apples, onions and potatoes) are classified as low risk, their production is unlikely to ever warrant regulation under a food safety scheme.

Nationally gazetted PPP Standards for seafood (bivalve molluscs), poultry-meat production, dairy production, and egg production are currently available for adoption in Tasmania. Food Standards Australia New Zealand intends to present a standard for seed sprouts (one of the few high-risk horticultural commodities) to the Food Regulation Ministerial Council for endorsement later this year, and a PPP Standard for meat and meat products is at an early drafting stage.

Development of the regulations will commence after the Bill has been passed. Peak representatives of the meat, seafood and egg industries will be asked to participate in the development of food safety schemes applying to their particular sector when that occurs.

The Bill allows the Tasmanian Dairy Industry Authority to regulate dairy food safety under the new legislation should it decide to do so in the future.

The level of regulation imposed on businesses will be science and risk based, and will reflect the nationally agreed standards. For example, the new PPP Standard for meat and meat products will be much less prescriptive than the Australian Standards currently applying to meat processing under the *Meat Hygiene Act 1985*, and will include some “on farm” provisions.

The food safety schemes made under the Act will prescribe what outcomes need to be achieved rather than prescribing in minute detail what a business needs to do to comply. This enables businesses to innovate to achieve compliance outcomes in a variety of ways that best suit the scale and nature of their operation.

Food safety programs for higher risk products and food businesses have been an element of food safety policy and legislation in Australia for more than a decade. The Government presently requires risk-based food safety programs for dairy, meat, eggs and bivalve mollusc producers. These food safety programs are built around “Hazard Analysis Critical Control Point” principles, as endorsed through the international Codex Alimentarius and the Australia New Zealand Food Standards Code.

Most primary produce businesses requiring accreditation will need to prepare a food safety program before commencing operation. In other words, they will need to be able to demonstrate how they will achieve the outcomes required by the relevant food safety scheme as a

prerequisite for accreditation.

In many instances, small and medium sized businesses may wish to utilise a “template” food safety program. Such a template has already been developed by the Tasmanian oyster growing industry. The template allows industry members to meet the outcomes of the food safety scheme without incurring the cost of having to individually develop their own program. Similar template programs exist for other shellfish species, and for eggs and meat.

The Bill provides scope for businesses to apply to amend their food safety programs (and conditions of accreditation) as new methods, technology and their knowledge of how to meet food safety scheme requirements improves.

The Bill also provides the Chief Inspector of Primary Produce Safety with the power to require amendments to a food safety program or change the conditions of accreditation where this is considered necessary to comply with the food safety scheme, address changing business practices, or to reduce or eliminate new food safety risks.

To implement this framework, and to align with national policy agreements, the Bill provides for a system of third party auditing (i.e. private sector auditors conducting regulatory audits) to supplement the regulatory auditing conducted by the Department.

Private food safety auditors will report on business performance, including suspected breaches of legislative

requirements, but will not be empowered to impose regulatory sanctions.

In the absence of a third party auditing system (which is being introduced in all Australian jurisdictions) it is unlikely that State regulators will have sufficient resources to adequately implement and enforce the new national PPP Standards.

Cost savings should also be delivered to industry under a third party auditing system. That is because private auditors already conducting commercial audits of producers for major retailers can be approved under the new legislation to conduct regulatory audits as well. For example, from a single audit of a primary produce business an auditor could provide a regulatory compliance report for the Department, and a quality assurance report for a retail supermarket chain.

To put it another way, private third party auditing allows for the “killing of two birds with the one stone” with respect to regulation and commercial quality assurance, and this has potential for substantial time and cost savings to industry.

The Department, through the Chief Inspector of Primary Produce Safety and authorised officers, will act as a “system auditor” to ensure third party auditors are doing their job properly (a ‘check the checker’ role). The Bill establishes an auditor approval system involving analysis of reports, random inspections and other methods to enable the Chief Inspector to monitor industry, private

auditors and the integrity of the Department's own systems.

Mr Speaker, I wish to emphasise that it is not the Government's intention to introduce, with this Bill, a heavy-handed, inflexible regime that imposes unreasonable regulatory burdens on industry. On the contrary, fairness and flexibility are built into the Bill. It creates extensive appeal rights for primary producers and third party auditors in relation to the regulatory and administrative decisions made under the legislation that may affect their interests.

The Bill allows for a graduated and more flexible approach to enforcement by providing tools such as infringement notices and the ability to direct a business to take specific actions to reduce or eliminate risks through the issuing of compliance notices and prohibition orders. Compliance notices and prohibition orders will only apply to primary production activities that are regulated under a food safety scheme.

The Bill also provides some scope to exempt businesses or classes of businesses from statutory fees and charges, and from other requirements of food safety schemes. Of course such exemptions will only be given where it is appropriate and equitable to do so, and where it would not result in any likelihood of increased risks to the community or industry.

Finally, the Bill contains savings and transitional provisions to ensure that existing primary producers can be transitioned to the new system in a way that will minimise any costs or disruption to their business.

In conclusion, the Bill will see Tasmania adopt a tandem legislation model for food safety similar to ones that have been operating successfully in South Australia and Queensland for several years. It will achieve a consistent regulatory framework for food safety covering the whole food chain, while recognising the functional differences between the primary production and food retail sectors. Importantly, it will allow State and local government agencies to perform their food safety roles more effectively, using existing resources.

Mr Speaker, this Bill represents a significant step forward in the maturation and expansion of Tasmania's food production industry, and it comes at a critical time for Tasmania's economic development.

I commend the Bill to the House.