

ECONOMICS AND INDUSTRY STANDING COMMITTEE

Fourth Report - Inquiry into the Production and Marketing of Foodstuffs

MS J.A. RADISICH (Swan Hills) [10.15 am]: It gives me great joy and rapture to present the Economics and Industry Standing Committee's fourth report for tabling.

[See papers 1369 to 1374.]

Ms J.A. RADISICH: I demonstrate to members the size of the committee's 277-page inquiry report by tabling four full lever arch files plus an appendix. This is the most comprehensive report that the state has seen on the production and marketing of foodstuffs. As many members have said this morning, producing the report was akin to giving birth. It has been in gestation for approximately nine months and has probably been about as painful - not that I have had that experience. I thank all the witnesses who attended the hearings, everyone who made a submission, and the departmental and private sector representatives who briefed the committee, which enabled it to present the most thorough analysis of these issues that it could possibly present.

This house submitted the terms of reference for the inquiry to the Economics and Industry Standing Committee last year. The terms of reference cover a range of issues, including the market dominance of retail chains in this state, the health and safety of food, the labelling of food and the market dominance of the retail traders, and the roles of the Australian Competition and Consumer Commission and the Trade Practices Act. An inquiry could have been formed into each of those matters. The committee undertook this massive task with great fervour and interest.

The report contains 165 findings, which have been distilled to 11 recommendations. Some of the findings are cursory and others are controversial and quite concerning. I will highlight those in due course. The recommendations largely relate to what the state can do to improve the quality of food that is eaten in Western Australia. The committee also has taken the liberty of making some recommendations that apply directly to the federal government. Although the state cannot compel the federal government to respond to the committee's recommendations, in light of the broad scope of the terms of reference with which the committee was charged, it nevertheless considered it necessary to make those recommendations to the federal government. We sincerely hope that the relevant federal departments will take an interest in and make use of this report.

I will refer to some of the committee's major findings before I focus on two of the main sections of the report. It is a common perception in Western Australia that imported foodstuffs do not meet the same standards as local foods. The report proves that this is true in some cases. The Western Australian Departments of Agriculture and Fisheries report that some imported foodstuffs being sold in Western Australia are substandard or unsafe. The committee identified that some imported foods contain persistent organic pollutant pesticides that are known to cause cancer, organ dysfunction, reproductive dysfunction and other illnesses. The types of organochlorines that cause those effects include Dichloro diphenyl trichloroethane or DDT, Dieldrin, and Dicofol. DDT was banned in China in 1983. However, the committee has evidence that these chemicals are still being used on some farms in China. What can we do about this problem? There are 300 million farmers in China. Australia has a population of 22 million people. This is a massive issue that needs to be dealt with internally by China, and also by organisations such as the World Trade Organisation and the World Health Organisation, to support that country in raising its standards so that the entire world can benefit. The WHO has also reported that 30 per cent of pesticides used in some developing countries do not meet the internationally accepted quality standards. That means that the pesticides might be contaminated in some way and are therefore not of a proper quality.

One of the major countries from which Australia imports is Thailand. The committee found that significant levels of contamination exist in Thailand's inland and coastal waterways. In particular, Thailand has a major problem with its ability to properly dispose of and process solid waste. This impacts on the environment in which food is grown in Thailand. Therefore, the imported food from Thailand is also affected by this environmental issue. The committee found that some Thai farmers also continue to use banned pesticides. Certainly, we do not suggest that this is in any way intentional. However, we are talking about countries that are highly populated. Their traditional economic base has been agriculture, and they have little education in these fields. In the past, we have generally been speaking about fairly low levels of production, and the farmers formed cooperatives to provide the quantities to export. We are not pointing the finger at any farms or farmers; we are talking about issues that have evolved from a system in a developing country, which clearly needs support from the international community.

I pose an important question: is Australian food safe? The general response to this question is yes. However, the committee found some disturbing results in some of its research. For example, the Department of Health undertook a survey in 2002-03 of fresh fruit and vegetables in Western Australia. That survey gave no indication regarding whether the food assessed was imported or locally grown. However, there was a 9.3 per

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cent failure rate of the more than 300 samples tested; that is, they failed to comply with the Food Standards Code. More than two per cent of the food tested by the Department of Health exceeded the maximum residue limits for contaminants, and 7.3 per cent of the products tested were shown to contain pesticides that were not permitted to be used on those products. This is known as a technical breach, but it still needs to be followed up as a matter of urgency. In attempting to analyse the safety of Western Australian food compared with that of our counterparts in the eastern states, we found, as a result of the evidence provided by the Department of Health, that Western Australian food may well be less safe than that in Victoria, New South Wales and New Zealand. There are recommendations in our report that attempt to address this issue.

One of the most controversial aspects of the report is, of course, chapter 4, which relates to labelling. As members will be aware, in September last year the committee presented an interim report on labelling. The committee has made representations to Food Standards Australia New Zealand, as have the Minister for Health and the Minister for Agriculture and Food, to try to improve country-of-origin labelling. We are very pleased that the representations made by the committee and others were taken up by FSANZ. As from 8 July, there will be a rollout of more stringent measures for country-of-origin labelling in Australia. That is a good thing. Now we will know which country our food is from, as opposed to whether or not it is imported. The committee also looked at the issue of state-of-origin labelling. The legal advice received by the committee for its interim report pointed out that it would be a breach of the Australian Constitution for Western Australia to implement a compulsory state-of-origin labelling scheme. Recommendation 12 of the interim report recommends the implementation of a voluntary state-of-origin certification and marketing program. Discussions ensued about that proposal.

In its final report, the committee has proposed a new scheme to promote the marketing of food. The committee has called the new model Buy WA Food First. I will go into some of the aspects of that model in a moment. It is important to reflect on the current Buy WA First scheme that is in place under the auspices of the Department of Industry and Resources. I regret to say that the Buy WA First scheme is fundamentally flawed. I concur with the comments of the Australian Competition and Consumer Commission in its recent correspondence to the Department of Industry and Resources that the scheme must be urgently either withdrawn or reviewed. Suppliers and retailers are at grave risk of being in breach of the Trade Practices Act because of the country-of-origin requirements of that act. The Buy WA First scheme has a requirement that 50 per cent or more of the wholesale price of a product must be created in Western Australia in order for the product to carry the logo. That could mean that the profit margin alone could be enough for a product to carry the logo. There is no monitoring, registration or enforcement of the Buy WA First scheme. If a product is imported and put in a plastic bag, and if the costs of the plastic bag and the factory costs of the labour and the electricity are high enough, produce that is 100 per cent imported can be sold under the Buy WA First logo. That is simply not good enough. That is why the committee has recommended a revamped Buy WA First program, so that consumers in Western Australia know that the food they are getting is from this state. This is particularly important because the Department of Industry and Resources undertook two surveys: one in 2004 and one in 2005. In both cases, it was demonstrated by a sample of over 2 000 customers that approximately 90 per cent of the customers were grossly misled about what Buy WA First meant. Most of the consumers surveyed thought that either the business was Western Australian owned or that the food was produced in Western Australia. Under the current scheme, neither is necessarily the case.

Aspects of the proposed Buy WA Food First scheme include local content. The characterising ingredient of the food must be Western Australian; that is, it must be grown, farmed or fished in Western Australia. That is what customers expect and that is what the committee recommends the government ensure is the case. The committee also recommends stringent safety and quality standards be applied to foods that come under the new program. Most growers implement HACCP Australia quality assured programs such as SQF 1000, Freshcare and the like. Growers are already making an investment to make sure that their products meet proper quality and safety standards. They should be recognised for that investment. Growers should be eligible to register for Buy WA Food First - or whatever it will be known as - only if they comply with the quality assurance provisions. That is what consumers expect and want. We are in a position to deliver that.

The third main aspect of the new proposal would include the registration of users. Under the current scheme a company, whether a retailer, grower or supplier, can download the logos for Buy WA First from the department's web site and apply them to its products. The only enforcement mechanism that exists is following a complaint. Consumers who buy strawberries in the shop do not really know whether they are a Western Australian product. They make an assumption that the strawberries are Western Australian products because they have a Buy WA First sticker on them, but under the current scheme, it is not necessarily the case that they are WA produce. Anybody who wishes to participate in the new scheme, whether they be growers, suppliers or in some cases retailers, should be required to register with the department so that there can be some follow-up and traceability in the event that any concerns are raised about the product.

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Finally, the committee recommends that the government provide adequate marketing and administrative support for this program. To date, the Buy WA First program has survived on a very modest budget. Although the government committed reasonable funds in the early stages of the program, those funds need to be beefed up. There is a clear desire in the community for information about the food we eat. It is the government's responsibility to provide that information. It is in a position to do that, and the committee has recommended a model that can be implemented to achieve those ends. The recommended model will make sure that consumers get the information they want, provide an economic return for producers and enable the government to do its job and support both stakeholder groups and the community to achieve the best outcome.

I did not get much sleep last night, Mr Acting Speaker - we have been working on this baby for quite a while!

The Buy WA Food First program is exciting. The committee hopes that the government will take its recommendations on board. There is one proviso. Clearly, any new scheme which involves industry registration, and which will have an impact on consumers at the checkout, must involve proper consultation. The committee has recommended the best possible model based on the evidence presented to it. However, it is the role of government to go back to industry and consumer groups to ensure that the model the committee is presenting is the most appropriate and can be implemented with a reasonable level of resources, that an education campaign will accompany the introduction of the model so that consumers understand what it means for them and that there is a proper financial return for businesses that sign up.

I only have a few minutes left and I would like to make a few thank-yous. However, before I do that, I again refer to the 165 findings and 11 recommendations in the committee's report. We did not arrive at these lightly. I hope that people who are interested in these issues take the time - even if they cannot read the whole report - to read the findings and recommendations as well as the executive summary so that they can understand the breadth of the issues that the committee has been considering for many months. I thank my parliamentary colleagues who have participated so fully in the preparation of this report. Most of them are in the chamber today. I particularly thank the member for Stirling, whose original motion contributed to the creation of this inquiry, for his ongoing interest in the matter. I thank all the members of the committee, particularly the members for Mandurah and Vasse, who no longer serve on the committee but who contributed to the report in its early stages. Finally, I thank the committee staff, who have not had any sleep for about a week, particularly Jovita Hogan, the research officer, and Dr Karen Hall, who is the principal author of the report. Unfortunately, Dr Hall will leave the committee at the conclusion of this report. We wish her all the best in her new role and I am sure that her new employer will be just as enamoured of her work as we are. Here is to safe, fresh food in Western Australia!

MR G.A. WOODHAMS (Greenough) [10.35 am]: I follow the member for Swan Hills in commending the work of our research officers Dr Karen Hall and Jovita Hogan. I also acknowledge the work done by my colleagues on the committee. It has been a rather large committee, including, at various times, the members for Swan Hills, Stirling, Serpentine-Jarrahdale, Vasse, Warren-Blackwood, Maylands, Collie-Wellington and Mandurah. I also make the house aware of the cooperation between the members. It has been a wonderful committee to serve on. The report was a very difficult document to put together, and I acknowledge the work of the committee chair.

I will take a look at several issues arising from the report. I encourage members to read the report and take a look at the 165 findings. We faced some challenges during the inquiry. I had two particular concerns, surrounding two of the key position takers in the inquiry. The first is the role of the Australian Competition and Consumer Commission and the second is the perception in the community about the supermarket and grocery retail market. The ACCC gave the impression during the inquiry that it did not like being asked particular questions about its role in the pending takeover of the Action group in Western Australia by Woolworths and the process by which that was happening. Some would argue that the ACCC is a toothless tiger and an ineffective organisation. However, I suggest that on some occasions the ACCC is disturbingly removed from the reality of the marketplace. Our dealings with it were not always straightforward or easy; we had to read between the lines.

I turn now to the perception in the Western Australian community of the supermarket and retail grocery market. There seems to be a lack of trust on the part of the community in the two major players in the Western Australian market, Coles and Woolworth, and their domination and perceived manipulation of the market. Anecdotal evidence I have collected during the past week in Geraldton suggests that, prior to the opening of the super IGA building, as it is known, in Geraldton - it was referred to in previous conversations as the Action building - it was reasonably well known that the consortium operating it was owned and directed by Woolworths. The important consequence of this surrounds the viability of the small independents remaining in the Geraldton area. One of those independents has closed its doors as of last night, with the opening of the super IGA building today, as a result of an alleged deal with Woolworths. There is a perception on the part of the public that the two major players cannot be trusted.

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The two considerations I have outlined - the ACCC and the perception of the supermarket and grocery retail market - forced a certain shape on the considerations undertaken by the committee. I will elaborate on several other aspects that are relevant to the report tabled today. I realise that I have a limited amount of time. One of the aspects is finding 8, dealing with supermarket requirements and production specifications. I quote finding 8 so that members can see where I am coming from -

There is a high level of concern, particularly amongst growers, that due to inequality of bargaining power between small suppliers and the major supermarket chains, there is considerable pressure to accept less than favourable terms of trade, and that margins for growers have not increased compared to retailer margins.

One of the relevant comments provided to us in relation to the development of finding 8 was from the Department of Treasury and Finance in Western Australia. The committee report indicates that it made the following comment -

The possibility of buyer power being exploited is more likely to occur in industries where major retail chains are purchasing from smaller market participants, such as individual agricultural producers. Smaller producers can strengthen their market position by engaging in collective bargaining, if it can be demonstrated that such an arrangement is in the public interest.

It is often very difficult. I know that there are a lot of horticultural producers in the electorate that you represent, Mr Acting Speaker (Mr P.B. Watson). I suggest that many smaller producers find it very difficult to act in a cooperative sense, not because they do not want to, but because they find themselves isolated and played off against each other by the major retail marketers. Once again, I urge the house to read the findings of the committee, and in particular finding 8.

I move now to a concept developed within the context of this report; that is, there is the potential that Western Australia does not need a food industry, because the major retail companies will quite happily be able to import from the eastern states or overseas. The member for Swan Hills, the chair of the committee, referred to some of our concerns about the importation of foodstuffs from overseas. The Western Australian food industry finds itself under threat, and this report will well and truly suggest to members that that is the case.

Two very successful stories of Western Australian food producers are highlighted in the report. One of those successful stories is the Western Australian Olive Council and the other is the Western Australian Fishing Industry Council. In previous years those councils have been able to supply the Action Supermarkets Pty Ltd chain in particular with locally grown produce. In fact, in 2004 the Western Australian Fishing Industry Council presented the Action Supermarkets chain with an award acknowledging its contribution to the Western Australian fishing industry. With the takeover of Action by the Woolworths group, that relationship is now seriously in doubt. Once again, if members of the house and others outside it are prepared to spend time reading this report, they will find that that situation may not continue into the future. In 2006 it might be on shaky ground, but in 2007 it could be somewhere near Big Bank off Kalbarri, well and truly under water and no longer with us.

The corporate operators have secured shelf space, but many small operators in Western Australia that have invested in the olive industry, with the encouragement of the current and previous governments, will find themselves unable to secure shelf space because the major corporate operators, Coles and Woolworths, have preferred deals with either one or two suppliers or with their own private home brands. I hope I have been able to evidence that this report develops some major concerns with the future of the food industry in Western Australia. I do not have time to go into the food safety aspects, but many people from Western Australia gave evidence and made submissions to the committee that they are doing absolutely everything in their capacity to meet the food safety requirements currently imposed on them, and that they are more than willing to continue to travel that path in the future on behalf of the Western Australian food industry. If overseas and interstate products are to dominate the Western Australian market in the future, some of those food safety requirements will need to be visited again and again, and certainly this report evidences that.

Finally, I endorse the comments of the chair of the Economics and Industry Standing Committee on the Buy WA Food First model that we have developed. I encourage members of the house to invest in that program.

MR D.T. REDMAN (Stirling) [10.45 am]: I would like to make some comments about the "Report on the Inquiry into the Production and Marketing of Foodstuffs". I highlight that this report is not reflective of one of those tests in which placing greater weight on the scales results in a higher score. It is a quality document, and I acknowledge the efforts of all members of the committee. I particularly acknowledge the efforts of the chair for playing an inclusive role and the coopted members for their input. I also acknowledge the efforts of Dr Karen

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Hall and Jovita Hogan in undertaking this huge exercise over a substantial period. I strongly encourage members of the house to read the document; it is tremendous reading.

I will start by saying that I have greatly enjoyed my involvement with the inquiry. This was an issue we raised last year, and there has been some strong debate about the issues that this inquiry has examined. I might add that in 99 per cent of cases, the issues raised last year have been reinforced in the report. The challenge is in addressing these issues. In some cases, good recommendations have been made; however, in other cases, it was felt that not enough could be done because either the committee did not have the requisite scope or it was not within the state government's power to make certain changes.

The key issues for me were the market dominance of supermarket chains in Western Australia and labelling. I start by looking at market dominance. When this debate took place last year, a frequently bandied-about statistic was that the two big players, Coles and Woolworths, controlled about 80 per cent of the packaged grocery market in Australia, but in Western Australia their market position was only about 60 per cent. I firmly believe that is a good level; however, that is my personal view. Western Australia has a strong independent sector in the grocery market, and we need to try to maintain that. During the inquiry, several reasons for the larger chains not having a greater hold in Western Australia emerged. Western Australia does not cater well to the supermarket chains' need for large volumes, a centralised buying office or distribution centres that achieve efficiencies of scale. I find it very frustrating that it is those sorts of environmental limits that have put a natural cap on things, rather than legislative control by the government. It concerns me that as time goes on, there will not be any control over the supermarket chains and they will gain substantially greater control of the Western Australian market.

I do not see myself as a protectionist; however, I believe steps should be taken to maintain current limitations and encourage competition in the Western Australian grocery market. I found it very frustrating to listen to comments of the representatives from the Australian Competition and Consumer Commission, who cited their limitations under the Trade Practices Act in dealing with this sort of issue. I do not believe that the ACCC has the teeth to manage this issue. A number of changes have been put in place; certainly, recommendations have been made by some of the federal committees. Some of those things are in train and others are being looked at. I hope that some changes are made at a federal level to give the ACCC more teeth to deal with these sorts of issues across our nation. One of the recommendations that the committee made was simply to support and try to expedite that process at a federal level - that was as far as the committee could go. That does not diminish the frustration at the fact that the ACCC and similar bodies are not able to manage or deal with the issue of market dominance.

Mr C.J. Barnett: They do not care about Western Australia.

Mr D.T. REDMAN: There is no doubt about that.

Mr R.C. Kucera: You have hit the nail on the head. Section 46 needs to be changed.

Mr D.T. REDMAN: There are some huge concerns. Recommendations in that regard have been made by federal inquiries. I make no bones about it. It needs to be changed. Some action needs to be taken, and it has to happen at the federal level. I have not got much time left to talk, so I will make every effort to carry on. In the absence of state control, there are some things we can consider at the state level. During debates on other legislation, we must consider the market dominance issue. The trading hours legislation will indirectly control big changes to market domination, and we must strongly consider that at the state legislation level. Indirect control may be gained through other state legislation, so there is a role for the state to play. It is not up-front and formal; however, we must consider that when we make legislative change in Western Australia.

Some serious issues and concerns arise regarding the health and safety of imported foodstuffs, as was mentioned by the member for Swan Hills. The products exported by some countries, such as the United States, Ireland and New Zealand in particular, are of a high standard. There are concerns about the health and safety of imported foodstuffs from countries such as China and Thailand. As was mentioned by the member for Swan Hills, those countries are still developing. However, from a consumer point of view, it is important that we put checks and balances in place when assessing the health and safety of imported foodstuffs. The committee's recommendations strongly support that position. One recommendation relating to the health and safety of foodstuffs may be somewhat controversial from the point of view of farmers in particular, because it would require farm workers involved in the handling of chemicals to undertake formal training. I support that notion. However, I have some concerns about the resourcing of that program and the capacity of farmers to pick it up quickly. I believe that legislation that is being drafted relating to the agricultural sector will address those issues. If we place requirements on imported foodstuffs, we must manage foodstuffs produced in this state.

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Regular pesticide residue surveys is another recommendation from the committee arising from concern about pesticide levels in both imported and local products. It is important that we put a regime in place to make that assessment.

I move on now to country-of-origin labelling. The federal government has taken up the challenge of requiring country-of-origin labelling through Food Standards Australia New Zealand. I am concerned about the labelling requirement of having to provide details down to the last ingredient. The committee did not support that proposal in its interim report because of the compliance requirements to be placed on producers and suppliers. To take that to a political level, the National Party has been pushing for and supporting a state-of-origin labelling scheme. We considered having such a scheme mandated. However, the legal advice we received suggested that a mandatory scheme would contradict the Constitution. Hence, we have had to back-up to the voluntary scheme, which we also fully support. However, this scheme, again, would apply to the principal ingredient of the foodstuff. It would be a concern if in taking up these recommendations the government looked at outlining ingredient levels. I would be concerned about producer and supplier compliance with such a scheme. We certainly support the voluntary scheme with regards to people not only making a choice based on their perceptions of what is healthy and safe, but also supporting our local growers and producers. Only last week I tabled a number of products in the house that came from my electorate. The quality and value of what is being produced in my electorate is good and at a high level. Some producers are having difficulty making a dollar. It is important that Western Australians strongly support our local producers not only because of the quality of their products, but also because of the standards at which they produce them.

DR J.M. EDWARDS (Maylands) [10.55 am]: I have been a member of the Economics and Industry Standing Committee for only three weeks. Even though I came in at the tail end of this inquiry, I was very pleased to be able join the committee and take part in this inquiry. As other members have said, this report is a fascinating read. I can tell members that they will be able to bore their family members witless by saying to them, every time they eat anything, "Did you know", and rushing off to the cupboard to check where it came from, what the ingredients are and what the level of contamination is likely to be. This is a great committee. I congratulate all the members, the chair, and the staff. Dr Karen Hall has authored a very fine report, and Jovita Hogan has given great support. From what I have seen in my three weeks as a member of this committee, members have approached their task with a great deal of cooperation, enthusiasm and interest. I hope that, with my medical and public health expertise, and my experience as a former Minister for the Environment, I have been able to make a contribution to this committee.

Given that my time is limited I will focus my comments on the health and safety of Australian and imported foods. That matter is dealt with in chapter 3 of the report. When I became a member of the committee, I was incredibly surprised to learn that in developed countries, food-borne illnesses affect one in three people each year. That is different from what I have been told as a medical student and a doctor. It is certainly a higher level of morbidity than I would have suspected. In addition, figures from the federal Department of Health and Ageing show that in Australia there are 5.4 million cases of gastroenteritis from contaminated food each year, and 6 000 cases of other food-borne illnesses that are not gastroenteritis. This is probably an underestimate, because by the time people who are suffering from food poisoning have gone to a doctor and have had a laboratory sample confirmed, we have probably missed what actually caused their illness. We need to remember that we are talking only about biological contamination - that is, bacteria and viruses - that manifests as an acute recognisable illness for which people will go to a doctor. Food safety, and the impact that may have on our health, needs to be taken seriously. However, as the report spells out, the reality is that there are other contaminants apart from biological contaminants. The United States of America takes an approach to physical contamination that is somewhat different from the approach that we take in Western Australia and Australia. For example, the USA food defect action levels allow 925, or more, insect fragments per 10 grams of ground thyme - that is a lot of cockroach legs! - or two or more rodent hairs per 10 grams of ground thyme. I was out early this morning watering my herbs. In the face of those statistics, my herb garden has never looked so good! At least I have some control over what I grow and what I eat.

The committee also raised concern about veterinary, pesticide and chemical pollutants. A recent Pan American Health Organisation-World Health Organisation publication estimated that 1 500 active ingredients are registered as pesticides. However, when those ingredients are mixed with 900 inert ingredients, that creates a staggering 50 000 commercial pesticides that are registered for use. The committee concerned itself mainly with the group of 12 chemicals to which the chair referred. These are persistent organic pollutants, or POPs. People are becoming increasingly concerned about POPs. An international convention has been established to try to restrict, and, where feasible, eliminate, the use of POPs. The reason that persistent organic pollutants are being treated in this way is that they are stable and can persist in the environment for many years. They accumulate in organisms and food chains. In particular, they accumulate in fat cells. This can cause food contamination,

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particularly in foods of animal origin. There is also a concern that because an increasing number of people in the community are becoming obese, these chemicals will accumulate in the fat tissues that we all have.

The chemicals are toxic to humans and animals. They have chronic as well as acute effects. We know that they can disrupt reproductive, immune and endocrine systems, which are hormonal systems, as well as being carcinogenic. They can also be transported in the environment many thousands of kilometres from where they are released. On top of these persistent organic pollutants, there are also POP pesticides. Long-term toxicity is of great concern with POP pesticides, again for all the reasons I have just gone through. Scientific evidence, as spelt out in this report, suggests that chronic, low-level exposure to POP pesticides has the potential to cause cancer, hormonal imbalances and kidney and liver dysfunction, and the list goes on in the report.

The committee was alarmed to find that although the use of these pesticides and chemicals has been restricted since the 1970s, there continues to be illegal use, diversion and massive stockpiles around the world; in fact, in 2001 about 40 countries were still producing POP pesticides. The committee found that despite restriction and prohibition of POP pesticides, world trade does exist. In addition, a number of countries have specific exemptions to produce some of these chemicals and to use them, particularly for malaria control. Although that is an absolutely valid reason, we need to know where these chemicals are being used and the extent to which they are ending up in the food chain and in the food on our tables.

In recent years the levels of food importation have risen in Australia; in fact, from some countries, quite dramatically. There was a 130 per cent increase in food imports from China in the four years to 2004-05. There has been a 280 per cent increase in fish and seafood imports from China in the past three years. This has led the committee to make a number of recommendations urging the federal government to be more diligent and more vigilant in the testing it undertakes. I refer to recommendation 1, in which we recommend that the state government lobby Food Standards Australia New Zealand to amend its advice to the Australian Quarantine and Inspection Service, expanding the pesticides that are tested for; and recommendation 7, in which we recommend that AQIS be more open and release more fully the results from the food it tests.

The time available to me to speak is limited. This report draws a very compelling argument for all of us to be eating food that we know about. The more we can eat locally produced food, the safer we can feel. The compelling argument is that there is mounting evidence that long-term exposure results in long-term health effects from some of these chemicals that may well be in our food chain. I am referring to the POPs and the POP pesticides. Clearly, from evidence given to the community, we know our systems of regulation for food in Western Australia and Australia. We know that Australia has good health, environmental and agricultural systems of regulation. The committee has been able to ascertain that in countries such as New Zealand, Ireland and the United States of America, in that order, there are good systems, but countries in other parts of the world, such as Asia in particular, will have massive problems in coming to terms with the systems of regulation that are needed to be put in place to make sure that the food is safe. Indeed, some of the evidence given to the committee is quite alarming, with regard to the pesticide use and the physical environment within which food is grown in those countries.

I conclude by saying that I have touched on only one small part and one chapter. Other members have raised very significant issues for producers, and for the role of the federal government and the way in which it regulates these systems and the trade. I commend this report to members of Parliament. They should at least read the findings and recommendations. I urge the government to follow up on the report, and in particular to get serious about labelling, so that when people go to their cupboards and supermarket shelves they will be much better informed about where their food comes from, and will be assured of safety to the highest level possible.

MR A.J. SIMPSON (Serpentine-Jarrahdale) [11.04 am]: I too want to have my say as a late entry on the committee membership late last year. I have enjoyed my time on the committee very much. The findings in the report, as the member for Maylands said, are very interesting reading. It has been a very interesting and exciting time and I have enjoyed my time on the committee in bringing this report to the Parliament. I acknowledge and thank Dr Karen Hall and Jovita Hogan, and I thank the other members of the committee, especially our chairperson, the member for Swan Hills, for the work she did on the report. It has been a very interesting journey for us. I have learnt quite a lot. As my background was in the food industry, I thought I knew a lot about it, but I did not know about the whole process. The committee started off last year investigating the food labelling system in WA and where food comes from. That sounds like an interesting thing to say, but when we got into the nitty-gritty of the process, it got quite hard to put a tag on everything. Food products are grown and manufactured in Western Australia and products are imported. There were some challenging issues for us to deal with. The labelling system has a long way to go, but we believe we made some good findings in this report and hope that they will be dealt with. We also hope that the federal government will come on board and work with us on those findings.

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I wanted to add only a few comments on this report today and to say that I enjoyed my time as a committee member. I look forward to working again with the other committee members. This committee has been fantastic and I look forward to debate in the house on the report.

MR M.P. MURRAY (Collie-Wellington) [11.06 am]: I too add my thanks to the staff of the committee, especially Dr Karen Hall and Jovita Hogan, who are sitting in the chamber. They have done an excellent job. Special mention must be made of our chair, who took on the job and worked extremely hard. We probably lay back a little on it at times and let her do the bulk of the work.

Mr D.T. Redman: Speak for yourself!

Mr M.P. MURRAY: We will talk about that. Honestly, though, the chair worked extremely hard on this report, which I think was borne out by her nervousness today when speaking in the house.

Ms J.A. Radisich: You didn't have to point that out!

Mr M.P. MURRAY: However, that was the commitment from her. At times when I found it difficult to come from the country and attend meetings, she organised that the committee moved forward and kept going.

I should mention another couple of small points. I thank the rest of the committee members. I thank *The West Australian*, which took up the issue of food labelling with great passion in the first instance, and then followed it through. That immediately brought the issue out into the public arena. It is not very often that *The West Australian* gets thanks, but today it does from this side of the house. It took the issue to the community and the community became involved, which is a great thing from the reports I got back through my office. Certainly people stopped me in the street to talk about local content. Labelling, branding and those sorts of things have increased remarkably. However, it still comes down to a level crossing; that is, when people are in a supermarket, they tend to forget about branding and look for the cheapest products. There is, therefore, a problem there. Growers, manufacturers and a few other people involved in that line must get off their bums, to be quite honest, and start promoting local produce. They have sat back and are now looking for government leadership. No industry can afford to do that. They should be on the front line promoting their produce. It was quite interesting to note in our first meeting with the Chamber of Commerce and Industry of Western Australia that it did not support the process of labelling. It was worried about the costs that would come about with labelling, and identifying and removing food from shelves and putting it at one end of a supermarket.

Mr C.J. Barnett: Do you know why? It is because they now represent national industry, not Western Australian industry. That has been the transition in the past few years.

Mr M.P. MURRAY: Yes; however, we have an industry in WA, and that must be looked after first.

Mr C.J. Barnett: Absolutely!

Mr M.P. MURRAY: That should be put to one side and worked right through so that we look after our own. That is just one of the issues that I have seen come out of the report.

I refer now to representation of members on committees on which the member for Hillarys commented earlier when speaking to a previous report. It is all very well for members to make a noise in Parliament and to move to establish committees. However, when members are coopted onto a committee at their own behest and at that of their party, they should approach the job properly. I am referring now to the Deputy Leader of the Opposition - rather, the Leader of the Opposition.

Ms A.J.G. MacTiernan: It is difficult to keep track isn't it?

Mr M.P. MURRAY: It is very difficult to keep up with the game of chess played by members opposite.

Mr R.F. Johnson: You're not saying something nasty about me, are you?

Mr M.P. MURRAY: No, the member for Hillarys has not moved far at all; he has not even been promoted, so we cannot say much about him. The opposition sought to coopt members onto the Economics and Industry Standing Committee to which the government agreed. The member for Swan Hills attended 24 meetings, the member for Greenough attended 23 and I attended 20. The other members attended spasmodically. After all the noise the member for Warren-Blackwood made in this chamber about being coopted onto that committee, he attended three meetings. That is appalling. It is not the only time that has occurred. The same thing happened during the investigation into the dairy industry. The member for Warren-Blackwood made every effort to be coopted onto the committee for that investigation but did not turn up to do the work. It is one thing to make a noise; it is another to do the work. That is why I commend the Chair of the Economics and Industry Standing Committee. It is easy for a member to grandstand and receive press coverage as did the member for Warren-Blackwood. Is he here today to talk to the report? No. Did he turn up to do any work on the report? No. In

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future the attendance of members should be recorded at the front of the report. That will reveal which members have a genuine commitment to the issues the committee investigates.

Mr C.J. Barnett: Until now, we have had a constructive debate on the issue.

Mr M.P. MURRAY: I am responding to a remark made earlier by the member for Hillarys when he spoke to another committee report. It is appropriate that people be aware of which members do the work rather than seek to grandstand. I commend the report to the house.

MR C.J. BARNETT (Cottesloe) [11.12 am] - by leave: I congratulate and commend the committee on its work. I have not read the report but I have flicked through the executive summary. This is a very important issue for Western Australia. Since I have been a member of Parliament there has been much debate about the future of the mining and petroleum industries. However, there has been surprisingly little debate about the future of agriculture in this state, although we have heard a lot about problems in agriculture. As my father used to say to me, farmers always whinge, and we have heard a few whinges in this place. However, there has not been much debate about the long-term future of this industry, the second most important industry in Western Australia, and one that should have a very bright future. The comments of committee members about competition policy raises a point of difference. The Australian Competition and Consumer Commission seemed to have no difficulty whatsoever allowing Woolworths to take over the 22 Action supermarkets, despite the many issues involved. The same ACCC pursued so-called threats to our way of life such as those from the local newspaper and milk delivery rounds. They were pursued as though they would cause huge damage to Australian society. The takeover of the Action supermarkets will have a significant impact on the structure of the state's retail sector, particularly the ability of local agricultural and food producers to sell to the local market, yet the attitude of the ACCC towards that was dismissive. I make that point because - this might sound rather blunt - there is no point in this Parliament looking to the commonwealth government for assistance with or support for the future of our agricultural industry. Governments of the day will have to take a lead in advancing agricultural industry in this state. Another recent example was the deregulation of the dairy industry, a nationally driven issue. Farmers voted for the change and, therefore, to be paid out for their licences. What are we hearing now? People are saying that the dairy industry in Western Australia might die out and that we might have to rely on imported milk, powdered milk and the like.

Governments and Parliaments in Western Australia will need to take a proactive approach if we are to have a more sophisticated and strong future in agriculture, which we can and should have. The emphasis of the report on safe food and clean food is part of the future. It is not the whole answer, but certainly it is part of the future.

Similarly, this state, not by banning live sheep exports, but by setting safe and high standards of animal welfare, can take a lead both nationally and internationally by doing it proactively. I commend the members of this committee for taking on this task and for what is, obviously, a quality report. I hope it is acted upon in a sensible way.

As a simple farmer, I believe this industry has a great future in Western Australia, but the Parliament and the government have to take a lead. We cannot simply whinge about the commonwealth and say that it needs to do this or that. I reiterate what I said in the Parliament a couple of weeks ago: the commonwealth government does not care. Members should understand that point. It is not anti-Western Australia, but it is just indifferent and it will continue to be indifferent because any issue that comes up in any portfolio will be deemed to be national. It is all about who controls what.

This Parliament needs to assert itself and make sure that our agricultural industry is an expanding, more diversified industry, clean and green, strong in Western Australia, strong in export markets and known for its high standards of production and high standards of animal welfare. I hope we see more proactive and positive reports on farming and agriculture like this one.