



## Stock Diseases Amendment (Artificial Breeding) Bill.

### Second Reading

**The Hon. HENRY TSANG** [Parliamentary Secretary] [5.42 p.m.]: I move:

That this bill be now read a second time.

The artificial breeding industry is a thriving and diverse industry. It has been instrumental in improving the performance, type and production of a wide range of animals, including cattle, sheep, goats, pigs and horses. The industry is not confined to domestic markets, but is an active player in the worldwide trade in genetic material, via frozen semen and embryos. For example, exports of bovine semen in 2003 were valued by the Australian Bureau of Statistics at \$1.63 million. Slightly more than 10 per cent of these exports came from New South Wales. These figures are anticipated to be substantially higher in 2004 due to the United States of America having its markets cut off due to an exotic disease incident last year.

Australian businesses market semen and ova to Europe, the United States of America, Argentina, Brazil, Chile and South Africa. The Chinese market for bovine semen is also set to expand significantly. Participants in this industry select, breed, offer and supply quality genetic material. Livestock producers wishing to use the services of the industry have access to a variety of breed improvement and progeny selection programs. These programs look to collect semen or embryos from superior sires or dams and subsequently distribute this elite genetic material into the on-farm production sector. For the information of the House, particularly those honourable members who rarely leave the city, I will briefly outline what is actually involved in this process.

The term "artificial breeding" means artificial insemination and embryo transfer. Artificial insemination is the most common procedure. It involves collection of semen from high-quality male stock and diluting it and freezing it in straws. A large number of straws can be produced in this way from a single animal. These straws are stored and later thawed and inseminated into cows. The net effect is that one male animal can produce a very much larger number of offspring than is possible with natural mating. Embryo transfer operates by collecting a large number of donor eggs from high-quality donor cows using a technique called super ovulation. The eggs are fertilised with high-quality semen and usually frozen to suspend their development. The fertilised ova are then implanted into recipient cows. In this way, genetically superior cows can produce many times more progeny than they could with natural mating. The actual insemination of semen or placement of fertilised eggs in the female animals usually occurs on the property.

Commercial operations, where donor male and female animals are brought to a central location for their sperm and eggs to be collected, currently must be licensed. However, people may conduct artificial breeding procedures on their own stock on their own property without being licensed. The Stock (Artificial Breeding) Act 1985 regulates artificial breeding procedures involving livestock. This includes cattle, horses, sheep, goats, swine, deer, buffalo, poultry and any other species of animal declared to be stock for the purposes of the Act. The Act also provides that only premises meeting certain standards can be licensed. It also establishes a licensing scheme and makes it an offence in New South Wales to do certain things that are artificial breeding procedures at unlicensed premises. Those procedures include things like semen and embryo collection, and embryo transfer.

There are currently 34 licensed collection centres in New South Wales and six of these export artificial breeding material on a regular or irregular basis. Thirty-one premises are licensed as distribution centres. The Act also requires that certain procedures can only be carried out or directly overseen by an approved supervisor. A procedure involving a surgical incision or laparoscopy must be undertaken by a veterinary surgeon. The Stock (Artificial Breeding) Act 1985 had also previously licensed other things, involving certificates of competency, course approvals and instructors certificates for artificial breeding purposes. These were occupational licensing, rather than premises licensing, provisions. These provisions were repealed following a general review of occupational licensing and the subsequent introduction of the Regulatory Reduction Act 1996.

Artificial breeding of livestock has been regulated in New South Wales since the implementation of the Stock (Artificial Insemination) Act 1948. This Act was introduced because it was foreseen that artificial insemination would play an important part in the future of livestock breeding in New South Wales. Because of technological advancements that had occurred in the field of artificial breeding, the Stock (Artificial Insemination) Act 1948 was, by 1985, seriously outdated. Consequently a new Act, the Stock (Artificial Breeding) Act 1985, was made by Parliament. Now, almost 20 years later, it has become apparent that some change is again warranted.

The matters addressed in this bill have arisen primarily from a competition policy review of the Act. This review assessed whether the Act continues to provide net public benefits. It also considered whether the identified net public benefits could be achieved in alternative ways that minimise the restrictions on competition. Consideration was also given to regulatory best practice issues. This review was conducted by an expert panel, including representatives of the

then Board of Veterinary Surgeons of New South Wales, the artificial breeding industry, and NSW Agriculture. Public submissions were called for, with more than 150 being received. Public meetings were also held in Dubbo, Parramatta, Wagga Wagga and Armidale. The review found that most of the provisions of the Act generate public benefits and should be retained.

It was considered, however, that it would be more efficient and effective to regulate the artificial breeding industry through the general legislation controlling veterinary practices and stock diseases, rather than through a separate Act. The main concerns in relation to the artificial breeding industry are to prevent the spread of genetic or other diseases of livestock, to protect consumers of the services of that industry, and to protect animal welfare. A further concern is to protect our access to export markets for artificial breeding material. The review found that registration and licensing of artificial breeding practitioners and premises who operated purely within the domestic livestock industries did not serve a purpose that warranted retention of legislative control. The only justification found for retaining licensing was the internationally imposed requirement for Australian exporters to be government approved.

Since international trade and quarantine is constitutionally a Commonwealth responsibility, the review also recommended that licensing of artificial breeding centres for export purposes should be through a national scheme administered by the Federal Government, rather than under State legislation. In fact, many participants in the artificial breeding industry are not licensed, and do not have to be. Veterinarians, for example, and technicians employed by farmers to collect semen or embryos on the farmer's property, do not have to be licensed. The licensing provisions also do not apply to farmers or their employees carrying out artificial breeding procedures on their own stock on their own land. It is therefore proposed that, except in relation to export premises, licensing of artificial breeding premises will be abandoned.

Let me hasten to assure the House that this will not give rise to any increased risk of disease transmission or exotic disease outbreaks. Nor will it in any way diminish our disease response capability. This Government is well aware of the importance of artificial breeding facilities and practices in relation to the control of diseases of livestock. It is obvious, for example, that the collection of semen or embryos from animals incubating disease and the subsequent use of that material could lead to the rapid and diverse spread of the disease. However, licensing of premises is not considered necessary to deal with this type of problem.

In this regard, I would point out that we do not have licensing requirements for individual livestock producers, but still have a very effective system for managing endemic and emergency animal diseases. In addition, AUSVETPLAN—the national plan for managing emergency animal diseases—already covers artificial breeding centres, and will continue to do so. However, as an added disease control precaution, NSW Agriculture will compile a register of known artificial breeding premises. This register will assist inspectors to speedily locate premises for inspection if the need arises. Information about the location of these businesses is readily available because they operate as commercial businesses. Of course, the provisions of the Privacy and Personal Information Protection Act will be complied with in respect of the register.

As I will explain, passage of this bill will increase the potential regulatory control on artificial breeding centres and practices for disease control purposes, by extending many of the provisions of the Stock Diseases Act 1923 to cover artificial breeding material and equipment. As members would be aware, the Stock Diseases Act 1923 is the main regulatory instrument for the control of livestock diseases in this State. The key concern when dealing with the domestic livestock industry is to ensure that minimum acceptable standards of disease prevention and control are enforced. In New South Wales these standards are imposed through the Stock Diseases Act 1923. It follows that artificial breeding centres should have to meet requirements equivalent to those imposed under that Act. If additional requirements are imposed by international trading partners, meeting those requirements should be pursued through Commonwealth arrangements. These principles underpin the Stock Diseases Amendment (Artificial Breeding) Bill 2004.

The bill also recognises and accommodates the fact that, in the context of artificial breeding, the concept of "disease" needs to be extended to include undesirable genetic conditions or deformities. Given the close similarity between the objectives of the Stock Diseases Act 1923 and the Stock (Artificial Breeding) Act 1985, and the desirability of consistent regulatory treatment of similar problems, it is proposed to bring the artificial breeding industry under the umbrella of the Stock Diseases Act 1923. The Stock Diseases Amendment (Artificial Breeding) Bill 2004 therefore provides for amendments to the Stock Diseases Act 1923 to include the control of diseases, deformities and conditions which can be transmitted by artificial breeding procedures or artificial breeding material.

As a result of these amendments, the array of disease control and prevention powers under the Stock Diseases Act 1923 will also apply to artificial breeding. This will ensure that treatment of this issue is consistent with the disease control measures applied to livestock industries across the State. For example, under the amended Act it will be possible to order tests of animals used to source artificial breeding material, to prohibit the sourcing of artificial breeding material from animals affected by certain diseases or genetic weaknesses, and to order the destruction of affected artificial breeding material. It will also be possible to control or prohibit the movement of affected artificial breeding material into and out of protected zones and quarantine areas. Currently, it is a condition of the granting of a licence to collect semen or embryos that certain disease-related tests be carried out on the source animals. An example of this is testing rams for ovine brucellosis. The amendments will allow this type of requirement to be applied by a regulation under the Stock Diseases Act 1923.

There will, of course, be full public consultation on the regulations that will be required to apply appropriate and necessary disease control provisions to the artificial breeding industry. And the current Act will not be repealed until these regulations are in place. These are all sensible provisions to ensure that artificial breeding activities do not become vectors for the transmission of infectious stock diseases or undesirable genetic traits in animals.

These provisions will support and underpin the efforts of organisations like the Australian Embryo Transfer Society, the Australian Dairy Herd Improvement Scheme and other groups that use artificial breeding services and techniques to ensure the quality and safety of artificial breeding material. The review recommended that only veterinary practitioners be permitted to carry out artificial breeding procedures that involve surgery. The Veterinary Practice Act 2003 already accommodates this recommendation. The Act provides for the list of veterinary procedures that can be performed only by a veterinary practitioner to be set out in the regulation. An advisory committee will make recommendations as to the procedures that should be listed and will consider artificial breeding procedures involving surgery.

The Act already provides that artificial breeding procedures that do not involve surgery, that is those with low animal welfare implications, are able to be carried out by any person. The Stock Diseases Amendment (Artificial Breeding) Bill does not re-create licensing or approvals of artificial breeding centres in New South Wales to export semen and embryos. However, this should not be a cause of alarm to the industry. The Australian Quarantine and Inspection Service, the Federal agency responsible for compliance with international quarantine requirements, already approved these premises. The current arrangement is that rather than having independent licensing arrangements the Commonwealth approval refers to the New South Wales licence. If an official artificial breeding centre is licensed by New South Wales Agriculture it can also be approved for export purposes.

This type of double licensing is unnecessary and inefficient for both government and industry. New South Wales is advised that the Australian Quarantine and Inspection Service is moving towards the establishment of an independent national licensing system for export centres. Therefore it is intended to maintain the existing licensing arrangements in New South Wales only until such time as a national system is put in place. When this happens licensing will transfer to the national system and the licensing scheme under the Stock (Artificial Breeding) Act 1985 will be able to be repealed. This approach will ensure continued compliance with the requirement for export centres to be government approved. Let me assure the House that the proposals in the Stock Diseases Amendment (Artificial Breeding) Bill are fully intended to protect, not threaten, our export trade in artificial breeding material.

I repeat, we will not remove our licensing arrangements until and unless we are confident that an effective national system is operating; nor will exporters face any additional requirements. The export standards established by the Australian Quarantine and Inspection Service and international industry code of practice already apply in New South Wales. Exporters are already familiar with these standards, and will benefit by being able to deal directly and only with the Federal service in seeking export approval. The experts who reviewed the Stock (Artificial Breeding) Act 1985 were unanimous that these changes should be made, and more recent consultation indicates that the bill has the support of the industry. In summary, I believe the Stock Diseases Amendment (Artificial Breeding) Bill introduces a number of simple, yet significant, reforms that will protect livestock producers, exporters of artificial breeding material and animal welfare by ensuring that the artificial breeding industry continues to be controlled appropriately. I commend the bill to the House.

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