



Livestock brands and earmarks in Queensland

Consultation Regulatory Impact Statement

November 2022

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Executive summary

Queensland's *Brands Act 1915* (the Brands Act) is over 100 years old and has not been significantly amended in decades. The system of identification of livestock branding no longer reflects current industry trends or community expectations.

The government recognises that there are some livestock owners that still find value in livestock branding to identify the ownership of livestock and there is no proposal to abolish this system.

This Consultation Regulatory Impact Statement (CRIS) examines feasible options for regulating livestock brands and earmarks in future. The government's objectives for regulating brands and earmarks are to:

- Ensure that livestock owners have an effective option for proving livestock ownership.
- Ensure that the public benefits of any regulatory requirements outweigh the costs to the community.
- Minimise the administrative and financial burden on livestock owners and others in the supply chain associated with brands and earmarks.
- Minimise the administrative and financial burden on government associated with brands and earmarks so resourcing can be directed to higher priority activities.
- Ensure those who benefit from brands and earmarks meet the cost of maintaining the system.

This RIS presents two key options for consideration:

1. Retaining the current legislative requirements for branding (the status quo) with the addition of a renewal fee, or
2. Providing choice about branding under a streamlined system with a renewal fee under two sub-options:
 - 2A – Giving owners the option of an exemption from mandatory branding of cattle or pigs (choice to opt-out).
 - 2B – Giving owners the option of voluntary branding of cattle or pigs (choice to opt-in).

Under all options, branding of horses, sheep, goats, and camels would remain optional as is the case now – livestock owners would continue to have choice about branding those animals.

Public consultation on these options will help the government understand the preferences of affected stakeholders and the public.

The information technology system that underpins the brands registration system has reached its end of life. At this time, no further upgrades to the system are possible and the only option for continuing to offer a government-operated registration system for brands and earmarks is to replace the system. As such, retaining the current system (including the current system of fees and charges) is not presented as an option as it is not feasible to continue the very high current degree of taxpayer subsidisation given branding no longer serves a biosecurity purpose, particularly given the significant investment that will be required in replacing the information technology system.

Fees are proposed to change under all options. The indicative fee ranges provided are estimates which will be refined further, including through information gathered in this consultation and the design of an information system for future regulation.

The RIS Supplement provides further information on fees and other topics.

Have your say

Submissions are open until 5pm, 15 January 2023 and feedback can be made via the Department of Agriculture and Fisheries Engagement Hub: daf.engagementhub.com.au/brands-consultation.

If you require assistance to submit feedback, contact the Customer Service Centre on 13 25 23 or via email: info@daf.qld.gov.au

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Background

Brands and earmarks have been used in Queensland for more than 100 years to show who owns livestock and as an on-farm management tool. The *Brands Act 1915* (the Brands Act) regulates the use of brands and earmarks and requires them to be registered with the Queensland Government.

There are different kinds of brands and earmarks in use – with requirements stipulating what kind of brand or mark can be used for a particular type of animal (mainly designed to ensure uniqueness of identifier) and other business process requirements relating to the application, use and retirement of a brand.

Brands and earmark requirements are complex and depend on animal type, brand, or mark type. The Consultation Regulatory Impact Statement (CRIS) Supplement¹ provides examples of the different kinds of brands and earmarks used.

Three-piece brands

Traditional three-piece brands are fire branded with a hot metal iron or freeze branded with liquid nitrogen. Paint brands using approved paints or pastes are another option for sheep and goats.

Symbol brands

Symbol brands are also used in Queensland on horses, cattle, camels, and sheep. They are a symbol, rather than the series of characters of a traditional three-piece brand.

Earmarks

Earmarks are voluntary on cattle, sheep, and goats, but where they are used, they must be used with a brand as earmarks are currently checked for uniqueness within a district but not across the state.

Use of brands and earmarks

There are a range of specific requirements for how brands and earmarks are applied including where they are positioned for readability and animal welfare.

A single brand may have multiple registered owners. Similarly, there may be multiple “in use” brands registered to a single property, particularly where a single property such as a family property is used for co-grazing multiple herds.

Under the current system, use of a brand (either a three-piece or symbol brand) is mandatory for cattle and for pigs in certain circumstances – while it is voluntary for other animals such as horses, camels, sheep, and goats.

Cattle

- Compulsory branding if cattle is for sale / slaughter and weighs more than 100kg (with some exemptions – see details under Option 1 below).
- Optional branding if cattle is not for sale or weighs 100kg or less.

¹ Available from the DAF engagement hub: daf.engagementhub.com.au/brands-consultation

Pigs

- Compulsory branding if pig is for sale and weighs more than 30kg (with some exemptions – see details under Option 1 below).
- Branding of pigs weighing 30kg or less is not permitted.

Table 1 outlines the number of brands and earmarks currently registered across Queensland which give some sense of the scale of current branding and earmarking activity under the Brands Act.

An annual 'return' must be completed for brands each year which includes confirming the details of the brands and earmarks, names of all registered owners and the properties where they are currently being used. Brands returns are used to:

- Update the brands register (<http://ibrands.daf.qld.gov.au/>).
- Identify brands being incorrectly used.
- Allow cancellation of brands no longer in use so they may be reissued to other applicants.
- Check that earmarks are being used in the correct district for which they are registered.
- Check that the brand is correctly registered.
- Identify the need for a transfer, change of address/name or other action as necessary.

If owners do not submit these returns for three consecutive years, brands may be cancelled (after a process giving the registered owner the opportunity to show cause why the brand should not be cancelled).

As at September 2022, there were 39,739 three piece horse and cattle brands (or 57 percent of the total brands and marks on issue) for which no return had been submitted for at least three years².

² As at September 2022

Table 1 Brand or mark, animal, and area check type by animal

	Horse and cattle three-piece brand	Cattle earmark	Distinctive brand***	Distinctive mark***	Pig slap brand (tattoo)	Sheep and goat three-piece brand	Sheep / goat earmark	Symbol brand
Animal	Horses, cattle and camels	Cattle	Horse, cattle and camel	Sheep and goats	Pigs	Sheep and goats	Sheep and goats	Horses, cattle, camels and sheep
Must be issued in conjunction with another brand*	NA	Yes (three-piece brand)	NA	NA	NA	NA	Yes (With a sheep brand (e.g. fire/paint etc))	Yes (three-piece brand)
Uniqueness check**	Yes (state-wide)	Yes (district)	No	No	Yes (state-wide)	Yes (state-wide)	Yes (district)	Yes (state-wide)
Registered brands/ earmarks as at Feb 2022	68, 688	23, 078	About 350	About 60	3,121	3,530	4,470	13,846

Notes:

* Note 2: Earmark and symbol brand holders must hold their mark in conjunction another type of brand outlined in the table.

** Note 3: District checks are done only within nominated districts, other uniqueness checks are done on a state-wide basis.

*** Note 4: Distinctive brands and marks are often used by government/ public bodies for administration of certain functions or to indicate some form of joint ownership between families or partnerships etc.

Identification of the problem

The Brands Act is now more than 100 years old and has not been significantly amended in several decades. The current system does not reflect industry trends or community expectations.

Some livestock owners may consider brands unnecessary and may want to choose whether they apply brands. Queensland's approach is now out-of-step with most other Australian jurisdictions – with Queensland and the Northern Territory being the only jurisdictions that still have compulsory registration of brands/mandate the branding of cattle³.

The major problems with the current system can be described in three parts:

1. Cattle branding no longer needs to be mandated for a biosecurity purpose (especially disease tracing).
2. The existing system supporting registration of brands and earmarks is no longer workable in its current form and needs replacement.
3. The current brands registration fees do not cover the costs of the system or meet the Queensland Government policy requirements for fees and changes.

Cattle brands no longer need to be mandated for a biosecurity purpose

Livestock branding no longer serves the significant biosecurity function it once did. There are much more effective systems of tracing animals today in the event of a disease outbreak, especially the National Livestock Identification System (NLIS).

The only residual biosecurity value that brands have is for certain sized pigs⁴. However, this is only because the NLIS still allows a tattoo (pig slap brand) as an alternative to an NLIS tag for pigs over 30kg and because most commercial piggeries are still likely to opt for brands over tags in practice. Smaller pigs must have tags because their size prohibits the rigour of branding. In short, this means that although the brand is the identifier, the actual traceability of the animal occurs because of the recording of that brand through the PigPass system. Without the NLIS/ PigPass systems, the brand would not be a truly effective traceability tool. There is no need to mandate application of brands under the Brands Act to maintain the effectiveness of those systems which provide brands as an identification option for tracing pigs under the *Biosecurity Act 2014*.

Instead of serving a biosecurity purpose, the primary use of livestock branding is now to visually identify strayed cattle or cattle grazed in common; to mitigate stock theft and reduce the cost of stock theft investigations; as a way of aging cattle (which can add value at sale); as a quasi-trademark; or as an object of cultural or family significance. These uses are predominantly for private or personal benefit.

System issues, usability, and failures

The processing of brands applications under the current framework, which is based on current legislative requirements, business rules and the accompanying information technology (IT) system, is complicated, inefficient, and labour intensive. For example, processing the registration of a new brand on a single application involves approximately 51 steps which can take about two and a half hours.

³ How brands and earmarks are regulated in other Australian jurisdictions is the RIS Supplement.

⁴ Pigs over 30kg may be branded with a slap brand also known as a tattoo. Pigs under 30kg only utilise NLIS tags for traceability.

This includes applicant validity checks, manual property searches and uniqueness searches. Due to a significant level of non-compliance with the brands return system and the complex requirements to offer an opportunity for the registered owner to show cause before brands not in use can be cancelled, livestock owners can find it difficult to propose a unique brand as there are many brands unavailable even though they are not being used.

Even if a brand is cancelled, it cannot be used for at least five years afterwards. This limits the number of unique identifiers available to be chosen from. On average, 50 percent of three-piece brand applications and 70 percent of symbol brand applications are initially rejected and need to be re-worked as they are too similar to other registered brands⁵. This process can be time consuming and increases the administrative burden on both the Department of Agriculture and Fisheries (DAF) and applicants.

A symbol brand cannot be registered without first registering a three-piece brand. Some livestock owners would prefer to use symbol brands as they offer greater personalisation and tend to be smaller in size than a three-piece brand. They are currently required to pay to register a three-piece brand as well, for no benefit.

Brands and earmarks can only be registered if they are sufficiently unique. A brand must be unique from all other brands registered in Queensland. For earmarks, which have fewer unique possibilities⁶, the earmark must be unique from those in neighbouring and nearby properties in the district.

Many of the uniqueness checks done for brands and earmarks may no longer be necessary in circumstances where farming practices have substantially changed (e.g. better fencing, more sophisticated animal management practice and a greater level of stock movement and vertical integration). Administering the current requirements means DAF must conduct detailed searches to guarantee exclusive use and to check other brands or earmarks are not too similar or easily convertible to what is being applied for.

Ensuring the uniqueness of earmarks in a district does not represent an appropriate use of government resources given earmarks are generally used as an on-farm management tool. The Queensland Police Service (QPS) has indicated that earmarks are generally not relied on in cattle theft investigations or prosecutions.

The IT solution currently used to support registration of brands and earmarks urgently requires replacement as it has reached its end of life. At this time, no further upgrades to the system are possible and the only option for continuing to offer a government-operated registration system for brands and earmarks is to replace the system.

⁵ Pre-COVID-19, DAF received on average around 42 applications a week, with average processing times ranging from 45 mins to 2.5 hours, with particularly complex applications requiring a whole day because of the manual verification process requirements involved.

⁶ There are approximately 50 earmark types/shapes that are available for registration. The chosen ear mark is then registered to one out of six possible locations for cattle (three points on each ear) and one of three earmark positions in sheep, giving a possible 300 combinations of location and shape for registration for cattle and 150 combinations for sheep. More information contained in RIS Supplement.

Current fees do not cover the cost of the system and divert resources away from work that serves a greater public benefit

The wider community is not benefitting significantly from the current system of brands and earmarks - yet it is heavily subsidising the cost of the system.

The current fee regime for brands and earmarks does not reflect the cost of the staffing levels, systems or corporate overheads needed to administer brands. As shown in Table 2, cost recovery is only approximately 11 percent. This means that the general taxpayer is subsidising around 89 percent of the cost of the government providing a service for a producer's private benefit. This is inconsistent with the Queensland Government's *Full Cost Pricing Policy* and Queensland Treasury's *Principles for Fees and Charges*⁷.

Table 2 Costs to government of delivering the brands registration system in 2021-22

User fees revenue	\$0.21 million (about 11%)
Taxpayer subsidy	\$1.76 million (about 89%)
Costs to government of delivering the brands registration system	\$1.97 million (not including development costs for IT system)

The estimated cost of replacing the IT solution currently used to support registration of brands and earmarks is likely to be between \$1 million to \$2 million which would be amortised (i.e. the cost of the IT asset would be evenly spread over its useful life). There would also be additional ongoing costs (including ongoing IT licensing costs, IT maintenance and staffing)⁸, broadly estimated at \$2.1 million per year, once the IT system is built and operational. Revenue from current fees will not be able to be meet these costs over the life of the replacement system.

Current government resources being used for the regulation of brands and earmarks could be put to better use, including to prevent, prepare and respond to significant biosecurity threats posed to livestock industries by emergency animal diseases such as foot-and-mouth disease and lumpy skin disease which have been reported north of Australia.

This Consultation Regulatory Impact Statement (CRIS) examines feasible options for regulating livestock brands and earmarks. Consultation will help build a better understanding of the preferences of affected stakeholders.

Objectives of government action

The government's objectives are to:

1. Ensure that livestock owners have an effective option for proving livestock ownership.
2. Ensure that the public benefits of any regulatory requirements outweigh the costs to the community.
3. Minimise the administrative and financial burden on livestock owners and others in the supply chain associated with brands and earmarks.

⁷ Refer to the RIS Supplement for more information.

⁸ Refer to the RIS Supplement for more information.

4. Minimise the administrative and financial burden on government associated with brands and earmarks so resourcing can be directed to higher priority activities.
5. Ensure those who benefit from brands and earmarks meet the cost of maintaining the system.

Consideration of options

This RIS presents two key options for consideration with respect to branding and the administrative system generally:

1. Retaining the current legislative requirements for branding (the status quo) with the addition of a renewal fee, or
2. Providing choice about branding under a streamlined system with a renewal fee under two sub-options that provide more choice about branding cattle and pigs:
 - 2A – Giving owners the option of an exemption from mandatory branding cattle or pigs (choice to opt-out).
 - 2B – Giving owners the option of voluntary branding of cattle or pigs (choice to opt-in).

Retaining the current system with current fees is not presented as an option as it is not feasible to continue the very high current degree of taxpayer subsidisation, especially given the significant investment required in replacing the IT system. The indicative fee ranges provided are estimates which will be refined further, including through information gathered in this consultation and the design of an IT system for future regulation. Should there be a significant departure from the fee ranges estimated in this RIS, further stakeholder consultation may be needed before they were introduced.

This RIS also includes some alternative options for consideration with respect to earmarking:

- Earmark Option 1 - Retaining the current legislative requirements for earmarks (the status quo).
- Earmark Option 2 - Retaining registration of earmarks but removing earmark districts.
- Earmark Option 3 - Allowing earmarking but not registering earmarks.

Option 1 – status quo with renewal fees

1. Brands would continue to be mandatory for cattle of the required size

All live cattle **in excess of 100kg live weight** offered for sale / slaughter must be branded.

Exemptions from this mandatory branding requirement exist for:

- cattle under the relevant live weight
- registered stud cattle sold at approved stud cattle sales
- cattle from another state or territory, if they are either:
 - taken directly to an abattoir, or
 - have been purchased over the scales at the feedlot in Queensland and are kept at a registered cattle feedlot in Queensland until they are slaughtered.

Note: a temporary branding exemption has been in place since the beginning of the COVID-19 global pandemic, permitting all cattle owners to sell cattle without first having been branded. This was because the action of branding is often done in close proximity, so the exemption is intended to assist livestock owners to manage their COVID-19 workplace health and safety obligations. This exemption will remain in place for the duration of the COVID-19 pandemic.

2. Brands would continue to be mandatory for pigs of the required size

Live **pigs in excess of 30kg** offered for sale must bear the owner's registered brand (tattoo).

Exemptions from this mandatory branding requirement apply for:

- pigs that weigh less than the relevant weight
- pig owners who own only one or two pigs
- pigs that are resold within seven days of being purchased provided they bear the previous owner's registered brand.

3. Brands and/ or earmarks would continue to be voluntary for horses, camels, sheep, and goats

The existing voluntary requirements for branding and/ or marking of horses, camels, sheep, and goats in the way outlined in Table 1, would continue to apply.

4. Symbol brands

- Symbol brands would continue to be voluntary, (and would continue to be an option for meeting the mandatory requirements for branding of cattle)
- Symbol brands must be linked to a three-piece brand before they can be registered (i.e. if not in use, the three-piece brand is in effect 'wasted' because it must be held only to register the symbol brand).
- Symbol brands must be checked for uniqueness before they can be registered.

5. Special, Distinctive and Distinguishing Brands would continue to be registered.

6. Earmarks must be linked to a three-piece brand before they can be registered.

7. Application and transfer fees

- Current fees would increase to allow full cost recovery⁹.
- Although IT design and build costs will affect the final fees, application fees for most new and transferred brands and earmarks are likely to be in between \$300 to \$400.
- A symbol brand is likely to be more expensive at around \$500 to \$600 given the larger amount of time likely to be taken to process applications for this kind of brand. However, it is noted that under this option - a three-piece brand (which costs \$330.31 now) will need to be purchased with a symbol brand - so the true net cost of a new symbol brand will be even more expensive.
- Refer to Table 5 below for a comparison of current fees versus indicative fees under cost recovery. The indicative fees represent an increase of approximately 300 percent, but this is reflective of the historically extremely low level of fees charged (about 11 percent) and the high rate of government subsidisation for the service (about 89 percent). It is important to note that the higher application fees represent a one-off fee for new applications and will not affect existing brand and earmark holders unless they wish to register a new brand or earmark or transfer a brand or earmark.

8. Annual renewal fees

- The largest change to the current system would be the introduction of an annual renewal fee on the brands return. This fee will distribute staffing cost and the cost of the new IT system amongst the existing user base (otherwise it would be all borne by new users through exorbitant application fees).
- It is anticipated that annual renewal fees would be in the order of \$60-70 per brand/earmark.

⁹ Fees would be indexed annually as currently occurs in accordance with Queensland Government policy.

- The current cancellation system would remain in place, where a three month show cause as to why the brand registration should not be cancelled can only occur after three years of no brand returns. However, unpaid renewal fees would be debts due to the State¹⁰.
- After cancellation, the brand would continue to not be able to be allocated to someone else for five years (as is currently the case).
- The introduction of the new annual brand return fee would also encourage those not using their brands to surrender them to eventually (after a number of years), ensure a better pool of brand availability for others.
- However, if registrants were happy to pay the annual brand return fee for 'unused' but registered brands (e.g. family heirlooms etc), they would still be unavailable to others.

9. Supply chain

- The Brands Act currently places certain obligations on some supply chain recipients to inspect for brands. For example, under section 21 of the Brands Act, all inspectors of slaughterhouses are required to give the inspector of brands for the district, a weekly list of the brands of cattle which are about to be slaughtered or which have been slaughtered in the last week. These kinds of 'inspections' have been superseded by the NLIS system, but under this option would remain in place.

Options 2A and 2B – Providing choice about branding under a streamlined system with renewal fees

Option 2 which provides choice about branding of cattle and pigs under a streamlined system with renewal fees has two sub-options:

- 2A – Giving owners the option of an exemption from mandatory branding cattle or pigs (choice to opt-out).
- 2B – Giving owners the option of voluntary branding of cattle or pigs (choice to opt-in).

Legislation would continue to protect the exclusive right to use a registered brand, regulate the appropriate use of brands and earmarks and retain offense provisions and penalties for various offenses such as tampering with or defacing brands.

2A – Giving owners the option of an exemption from mandatory branding cattle or pigs (choice to opt-out)

Under this Option, livestock owners would be able to "opt-out" of branding by registering for a self-exemption from branding of cattle and/or pigs. This may encourage livestock owners to continue to brand because they would have to take action to self-register if they wanted to exercise their choice not to brand – they would be committing an offence if they did not brand and had not registered a self-exemption. No reason would be required for registering the self-exemption and there would be no fee.

If a livestock owner did nothing, they would still be required to brand in all the situations where they are currently required to brand cattle or pigs. Most commercial piggeries would be likely to continue branding pigs of the relevant size. This is because pig owners who are subject to NLIS requirements, under the *Biosecurity Act 2014* would still need to either brand (tattoo) pigs if they were large enough or ear tag pigs to meet NLIS requirements.

¹⁰ For example, if a registrant does not cancel a brand or earmark that is no longer in use, they will be liable for renewal fees of \$60 - \$70 per year over three years and until the brand or earmark is cancelled.

If a livestock owner registered a self-exemption, it would be up to them to further decide whether they wanted to discontinue registration of their brand, given they were not required to use it due to having registered for a self-exemption. If they chose to maintain the registration of their brand, the livestock owner would continue to incur the annual renewal fee but would retain the option to use that brand if they chose in some situations or in the future. If they chose to also discontinue registration of the brand, branding would no longer be an option and the brand could be allocated to someone else. If registration of a brand was discontinued, its original owner would be required to dispose of the branding implements or render it unable to be easily used for branding¹¹ in order to avoid the offence of having possession, without lawful excuse, of a branding implement that they weren't entitled to use (see s22(1)(a)(ii) of the Brands Act). It is proposed that 96 days would be provided to dispose of the branding implements.

Noting that public consultation might lead to adjustment of some of the features, under this Option, it is proposed:

1. All live cattle in excess of 100kg live weight offered for sale / slaughter must be branded unless the owner of the cattle has registered a self-exemption from branding cattle in Queensland. Other exemptions from this mandatory branding requirement would exist for:
 - cattle under the relevant live weight
 - registered stud cattle sold at approved stud cattle sales
 - cattle from another state or territory, if they are either:
 - taken directly to an abattoir, or
 - have been purchased over the scales at the feedlot in Queensland and are kept at a registered cattle feedlot in Queensland until they are slaughtered.
2. Live pigs in excess of 30kg offered for sale must bear the owners registered brand (tattoo) unless the owner of the pigs has registered a self-exemption from branding pigs in Queensland. Other exemptions from this mandatory branding requirement would apply for:
 - pigs that weigh less than the relevant weight
 - pig owners who own only one or two pigs
 - pigs that are resold within seven days of being purchased provided they bear the previous owner's registered brand.

It is noted that there is a high uptake of branding in the pig sector and that it may remain this way because of the use of branding in the PigPass National Vendor Declaration (PigPass NVD) system for tracing of movement of pigs from their registered properties. Pig owners would continue to be required to either brand pigs over 30kg or use NLIS tags in order to comply with NLIS requirements under the *Biosecurity Act 2014*, and the vast majority of pig owners may continue to choose to use brands for commercial reasons. If they do choose to brand, then they must register the brand under the Brands Act.

2B – Giving owners the option of voluntary branding of cattle or pigs (choice to opt-in)

Under this Option, livestock owners would not have to do anything if they did not want to brand their cattle and/or pigs. There would be no offences for not branding cattle or pigs under the Brands Act,

¹¹ Although some persons may wish to retain branding equipment for family heritage value, keeping the branding equipment in easily usable condition would be problematic if they chose not to register the brand and it was then allocated to someone else.

but pig owners who are subject to NLIS requirements, under the *Biosecurity Act 2014* would still need to either brand (tattoo) pigs if they were large enough or ear tag pigs to meet NLIS requirements.

It would be up to a livestock owner who decided not to continue to brand, to further decide whether they wanted to discontinue registration of their brand. If they chose to maintain the registration of their brand, the livestock owner would continue to incur the annual renewal fee but would retain the option to use that brand if they chose in some situations or in the future. If they chose to also discontinue registration of the brand, branding would no longer be an option and the brand could be allocated to someone else.

If registration of a brand was discontinued, its original owner would be required to dispose of the branding implements or render it unable to be easily used for branding¹² in order to avoid the offence of having possession, without lawful excuse, of a branding implement that they weren't entitled to use (see s22(1)(a)(ii) of the Brands Act). It is proposed that 96 days would be provided to dispose of the branding implements.

Noting that public consultation might lead to adjustment of some of the features, it is proposed:

1. Cattle branding and earmarking would be voluntary
 - Livestock owners would be free to choose whether to brand their cattle or not (in-line with many other jurisdictions and the voluntary system of branding for most other livestock such as horses).
2. Pig branding and earmarking would be voluntary
 - Under the Brands Act, it would no longer be mandatory to brand any pigs but the requirement to either slap brand pigs over 30kg or use an NLIS ear tag would continue under Chapter 7 of the *Biosecurity Act 2014*.

It is noted that there is a high uptake of branding in the pig sector and that it may remain this way because of the use of branding in the PigPass National Vendor Declaration (PigPass NVD) system for tracing of movement of pigs from their registered properties. Pig owners would continue to be required to either brand pigs over 30kg or use NLIS tags in order to comply with NLIS requirements under the *Biosecurity Act 2014*, and the vast majority of pig owners may continue to choose to use brands for commercial reasons. If they do choose to brand, then they must register the brand under the Brands Act.

Features that Option 2A and 2B would have in common – a streamlined framework with renewal fees

Both Options 2A and 2B would involve a significantly streamlined arrangements and a renewal fee. The features these options would have in common would be:

3. Brands and/ or earmarks would continue to be voluntary for horses, camels, sheep, and goats. The existing voluntary requirements for branding and/ or marking of horses, camels, sheep, and goats in the way outlined in Table 1, would continue to apply.

¹² Although some persons may wish to retain branding equipment for family heritage value, keeping the branding equipment in easily usable condition would be problematic if they chose not to register the brand and it was then allocated to someone else.

4. Supply chain
 - People in the supply chain would no longer have any obligation to check brands for compliance, which would better reflect the reality of commercial practice given that the NLIS is used rather than brands to record livestock movements.
5. A symbol brand would not need to be associated with a three-piece brand
 - Livestock owners who prefer to use a symbol brand would no longer be required to also register a three-piece brand.
6. Existing special, distinctive, and distinguishing brands would be transitioned to symbol brands and no new brands would be registered in these categories.
7. An earmark would not need to be associated with a three-piece brand.
8. Application and transfer fees would be set to cover the cost of the system.
 - Fees would be set to achieve full cost recovery. This reflects a Queensland Government policy objective.
 - Although IT design and build costs will affect the final fees, application fees and transfer fees are likely to be in the order of \$300 to \$400 for most kinds of applications.
 - A symbol brand is likely to be more expensive at around \$500 to \$600 given the larger amount of time likely to be taken to process this kind of brand. However, it is noted that under this option, a three-piece brand (which costs \$330.31 now) will no longer need to be purchased with a symbol brand. The net true cost of a new symbol brand will be only marginally more expensive.
 - Refer to Table 4 below for a comparison of current fees versus indicative fees under cost recovery. The indicative fees represent an increase of approximately 300 percent, but this is reflective of the historically extremely low level of fees charged (about 11 percent) and the high rate of Government subsidisation for the service (about 89 percent). It is important to note that the higher application fees represent a one-off fee for new applications and will not affect existing brand holders unless they wish to register a new brand or earmark or transfer a brand or earmark.
9. Renewals
 - Registration renewal would replace the brands return and there would be a renewal fee for registration. It is anticipated that renewal fees would be in the order of \$60 - \$70 per brand/earmark per year.
 - Feedback on whether renewal should be annual or three yearly is sought as part of the survey accompanying this RIS.
 - Annual fees – likely to be in the realm of \$60-\$70 fee each year; or
 - Fees payable every three years – likely to be in the range of \$180 - \$210 every three years
 - Failure to pay the brand renewal fee would result in a notice being issued inviting the registered owner to pay the renewal fee with a late payment penalty or else show cause as to why their brand should not be cancelled.
 - After the end of the show cause period, the brand would be able to be promptly available for someone else (compared to the current system which prevents re-allocation to someone else for 5 years).

Earmark Option 1

There are three options for earmarking that are compatible with either Option 1, 2A or 2B.

Under Earmark Option 1 (the status quo), earmarks would continue to be registered within earmark districts:

- The government would continue to register earmarks.
- Earmarks would continue to be voluntary but if someone wanted to use an earmark it must be registered.
- Earmarks must be checked for uniqueness within a district before they can be registered.

Earmark Option 2

Under Earmark Option 2, earmarks would continue to be registered but for use anywhere in the state:

- The government would continue to register earmarks.
- Earmarks would continue to be voluntary but if someone wanted to use an earmark it must be registered
- Earmark districts would be discontinued - earmarks would be registered on a state-wide basis and hence could not be unique.
- New registrants and livestock owners who move properties would be encouraged to check with their neighbours that the mark they wish to register is not too similar to a mark already registered to a neighbouring property.

Earmark Option 3

Further de-regulation of earmarks could be considered if it was supported by stakeholders. Under Earmark Option 3:

- The Brands Act would provide for a range of permitted earmarks and requirements for earmark use (including to protect the welfare of livestock).
- Livestock owners would no longer need to register which earmarks they were using. This would save the need to build functionality in the IT system for registering earmarks and save producers or livestock owners the renewal fee for their earmarks.

Other models

There are several other options whereby government would be less involved in the delivery and/or regulation of the brands registration system. These have not been canvassed at this time as an assessment was made that these options do not reflect Queensland's current circumstances or that key requirements for viability are not present at this time. These other models include:

1. Complete deregulation with no register provided by anyone.
2. A historical government register without legislative backing (i.e. similar to the NSW model).
3. An industry run register with legislative backing (international examples exist¹³).

¹³ See for example in Alberta Canada - <https://lis-ab.com/about/about-us/>

Informal consultation with peak industry bodies over several years has failed to identify any support for options with no legislative backing due to the high value placed on brands by some livestock owners and the unique context in which livestock is produced in northern Australia, such as the size and remoteness of many Queensland grazing properties (where a visual check on animals is more difficult than more densely populated paddocks as is the case in southern states)¹⁴. Livestock production systems differ in other jurisdictions where those other models have been pursued. Further discussion about this is included in the RIS Supplement.

A regulatory solution for brands is needed as soon as possible because the current information system requires urgent replacement. An industry run model with legislative backing is unlikely to be viable in that timeframe because of the complex financial and operating arrangements that would require development. However, the information solution and regulatory framework could be designed in such a way to simplify a future transition to being industry-run if this became a viable option.

For example, the new information solution could be built independently of other government systems so that it could be transferred to an industry-owned entity in future. Benefits and costs of an industry-run register could be explored further in future if the industry were interested in investing in this option. Careful exploration of potential privacy and other issues associated with the model would also be required.

Because none of these options are likely to be supported and/or are viable in the immediate future, they are not explored further in this RIS. Feedback about other options is invited as part of the consultation survey accompanying this RIS.

Impact analysis of the options

Regulatory burdens

The compulsory brands system imposes a range of potentially unnecessary regulatory burdens which are difficult to justify given branding no longer serves a biosecurity purpose. These include:

- fees and administration associated with registering a brand and the burden of completing a 'brand return' (to check on accuracy and continued usage of the brand) annually¹⁵
- the cost of materials (branding implements and pain reduction methods if used), labour and logistics to undertake branding
- brands may reduce the value of hides¹⁶
- the compliance burden placed on some entities in the supply chain who are required to brand during the sale process¹⁷ or who are technically required inspect brands (see s21 of the Brands Act).

¹⁴ Refer to the RIS Supplement for further information about the structure of the Queensland cattle industry.

¹⁵ For example, despite some system and process redesign of application forms, its estimated that more than 35 percent of application forms still have material errors that require significant time and costs to follow up and address.

¹⁶ For more information on how brands may affect the sale price achieve for hides see the RIS Supplement

¹⁷ Certain 'sale carveouts' can assist in reducing these obligations, but they are not universal. For further detail, see the RIS Supplement or <https://www.beefcentral.com/lotfeeding/feedlot-sector-welcomes-clarification-over-branding-legislation/>.

Role of brands in mitigating and investigating stock theft

The QPS has a team of 35 officers attached to the Rural and Stock Crime Squad, which is responsible for stock theft investigations. They advise that brands assist in mitigating stock theft and have the effect of reducing the cost of stock theft investigations.

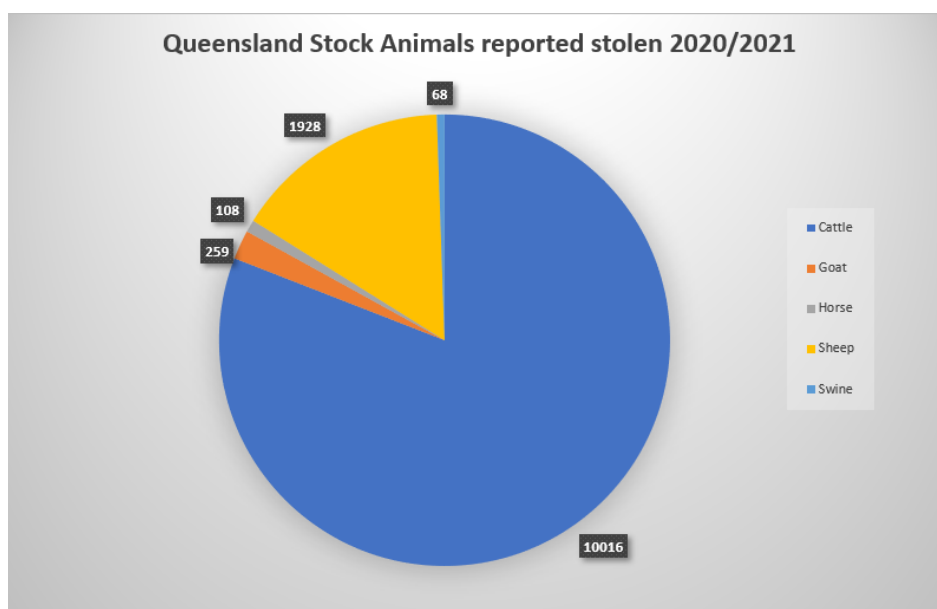
Stock theft is a serious rural crime, but one of relatively low occurrence. However, depending on the size and scale of the theft, and the particular circumstances of the victim, it can have devastating economic consequences, create significant community harm and damage confidence for individual livestock owners.

As indicated in Figure 1 below, cattle make up approximately 80 percent of reported stock theft cases, with approximately 10,016 head of cattle reported stolen in 2020 – 2021 (the full dataset for 2021-2022 was not yet available at the time of preparation of this RIS). QPS have indicated that they have a recovery rate of approximately 5 to 10 percent of stolen stock. The majority of recovered stock are located alive, with QPS noting that once stock are slaughtered, it is difficult to retrieve hides and nearly impossible to prove theft beyond reasonable doubt.

Figure 1:
Queensland
Stock Animals
Reported Stolen
in 2020/ 2021

Both branded and unbranded animals are the subject of this crime.

QPS notes that the majority of stolen cattle are branded (a result of the current legislative requirements).



Stolen (branded) cattle have been known to have passed through saleyards, abattoirs and transported interstate or kept for breeding purposes.

Brands are a more immutable form of identification than NLIS tags, but where there is intent to frustrate identification, existing brands may be tampered with or cattle unlawfully cross branded, reducing their efficacy for identifying livestock and/or proving ownership¹⁸. Despite these issues, and although altered or defaced brands present an impediment, they are still part of the investigative strategy under the current system, and QPS advises that the absence of a brand can be an important indicator of unlawful activity and defaced or cross brands enable a quick assessment and investigative response which increases the likelihood of recovering stolen cattle and preservation of evidence.

¹⁸ In March 2017 a 44-year-old Chinchilla man was charged with stock stealing and illegal branding. In December 2020, a Mundubbera man was charged with several counts of stock stealing and fraud after engaging in re-identification and on-selling of cattle.

Investigations and prosecutions are possible in the case of stolen unbranded livestock, but it is more difficult and more heavily reliant on other forms of evidence such as eyewitness testimony and DNA testing. DNA testing is conducted interstate at a current cost of \$44.00 per test (plus additional costs for a court certificate if required).

QPS advise that DNA sampling has been used since about 1999 and indicate that it is a very useful tool to assist in establishing ownership. However, it is primarily used towards the end of an investigation to support allegations. QPS are of the opinion that there are limited alternatives to brands for investigating and establishing ownership.

QPS reports that while there have been several high-profile large-scale stock theft incidents in recent years¹⁹, the vast majority of stock theft cases are small scale and opportunistic in nature.

QPS estimate that around 65 percent of cases involve neighbours or a suspicion that a neighbour is involved. It is also acknowledged that many incidents of stock theft are not reported.

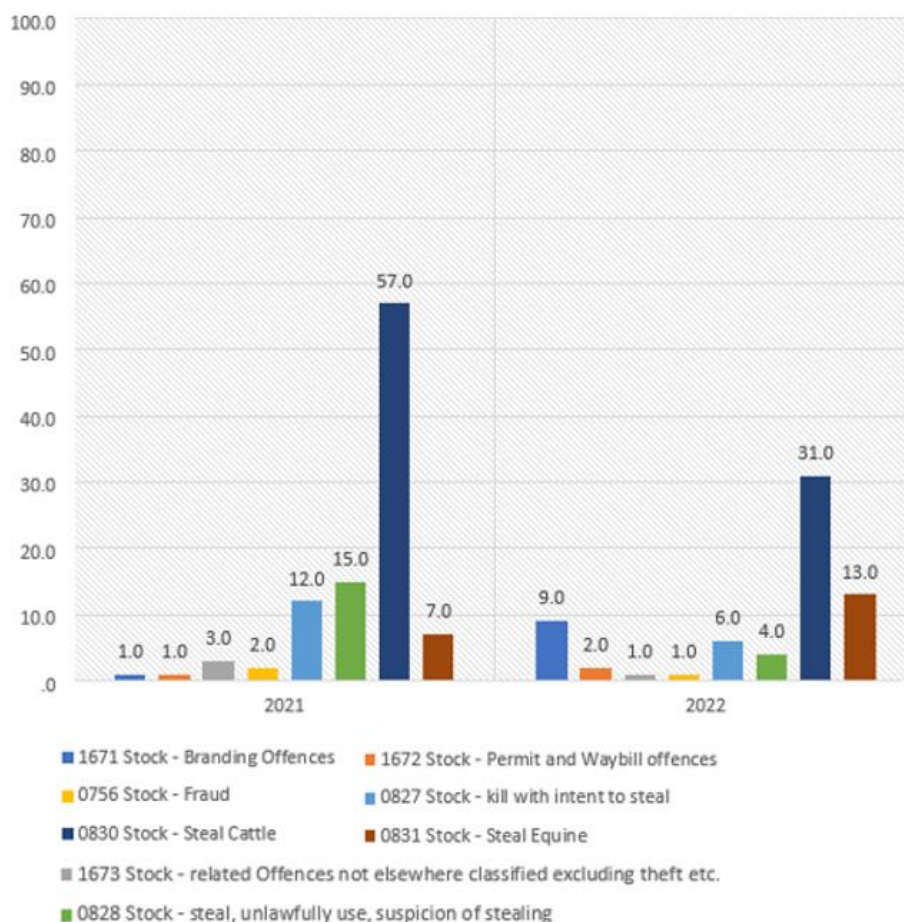
QPS have advised that it is difficult to provide any costing with regards to investigations of stock theft involving branded vs unbranded livestock.

Stock theft investigations are undertaken on a case-by-case basis with the circumstances of the crime and the number and type of livestock varying significantly in each matter. Case studies included in the RIS Information Supplement outline the role that brands have played in successfully identifying and charging people in relation to stock theft incidents.

Overall, branding is the primary means investigators utilise as a means of ownership, which can progress an investigation much more quickly, saving police time, as well as the cost of agisting at public expense if ownership is contested. Beyond investigating stock theft, brands also have a wider application as a useful policing tool in relation to other stock related offenses such as those demonstrated in Figure 2 below (note: not all of the cattle in the reported offences below were necessarily branded).

¹⁹ See the RIS Supplement for further detail.

Figure 2: Queensland reported stock offences per year, 2021 – 2022



Animal welfare implications

Livestock branding and ear-marking is lawful in all states²⁰, despite some livestock welfare impacts. Those impacts are more difficult to justify when branding no longer serves a biosecurity purpose and the individual livestock owner does not want to brand their cattle.

Meat and Livestock Australia (MLA) have expressed the view that:

“From a welfare perspective, branding is not the preferred method of identifying livestock. Other methods, in particular National Livestock Identification (NLIS) devices such as an ear tag or rumen bolus, are preferred.”²¹

Similarly, RSPCA Australia have taken the position that²²:

- The identification of farm animals must not occur through painful or distressing means.

²⁰ The use of hot iron branding of livestock including cattle, horses and other animals is still legal in all States and Territories of Australia, with some regional variances around conditions (further information on those conditions can be found via the RSPCA’s [Is hot iron branding of cattle legal in Australia? – RSPCA Knowledgebase](https://www.mla.com.au/research-and-development/animal-health-welfare-and-biosecurity/husbandry/branding/#)

²¹ <https://www.mla.com.au/research-and-development/animal-health-welfare-and-biosecurity/husbandry/branding/#>

²² <https://kb.rspca.org.au/knowledge-base/rspca-policy-b4-handling-husbandry-and-management/>

- Where branding is mandatory or where it is performed, freeze branding must be used. The branding site must be chosen to avoid sensitive areas, including the head.

RSPCA Australia oppose hot iron (fire) branding and ear mutilation (notching/cutting). The Australian Animal Welfare Standards and Guidelines for Cattle indicates that:

“A person must use the most appropriate and least painful method to identify cattle that is applicable to the jurisdiction and the production system²³.”

For those livestock owners who wish to address animal welfare concerns, its estimated that an additional \$1-\$1.50 per head (or more) might be incurred for pain reduction methods to be deployed²⁴.

Option 1

Regulatory burden

Livestock owners would not have a choice about whether they wanted to brand when selling cattle and pigs of relevant weight categories. Livestock owners would incur the administrative and financial burden associated with branding even if they did not benefit in their circumstances²⁵.

Some supply chain operators would continue to carry an unnecessary administrative and financial burden of checking and reporting brands in the supply chain and at the point of sale. Processors may also have to bear the impost of a lower hide value than may be attained if branding were not mandatory for certain sized cattle and pigs (as those lower prices may be partially attributable to the mandatory branding requirements²⁶).

Livestock owners who only wanted to use an earmark or symbol brand would continue to have to pay a fee to register a three-piece brand under the status quo option. As a result, there would continue to be brands being registered unnecessarily which adds to the administrative and financial cost of the system to livestock owners and government.

Fees would be increased to cost recovered levels which would be achieved through a mix of application, transfer, and renewal fees. The introduction of a new annual brands return renewal fee would represent a modest impost on those registering their brands. Those who already participate in the register on a voluntary basis could avoid the fees by ceasing to register if they chose.

The introduction of the new annual brand registration fees would encourage those not using their brands to surrender them to ensure a better pool of brand availability for others. If registrants were happy to pay the annual brand return fee for ‘unused’ but registered brands (e.g. family heirlooms etc), they would still be unavailable to others.

The government would continue to undertake checks to ensure earmarks are unique within a district before they are registered. This would continue to add significantly to the cost of administering the system.

As a significant majority of the cost of the current system (89 percent)²⁷ is borne by taxpayers, full cost recovery would allow those funds to be diverted to services which are much more valuable to

²³ http://www.animalwelfarestandards.net.au/files/2011/01/Cattle-Standards-and-Guidelines-Endorsed-Jan-2016-061017_.pdf

²⁴ [Pain relief production extension | Meat & Livestock Australia \(mla.com.au\)](#)

²⁵ Refer to the RIS Supplement for discussion about the costs of branding and case studies

²⁶ For example, Queensland hide prices are lower than Victorian and NSW hides, even accounting for ticks - see p11 <https://www.mla.com.au/globalassets/mla-corporate/prices--markets/documents/trends--analysis/co-products/co-product-market-report-january-2020.pdf> For more information see the RIS Supplement.

²⁷ See RIS Supplement for quantitative amounts.

livestock industries, such as prevention, preparedness and response to emergency animal diseases such as lumpy skin disease and foot-and-mouth disease.

Impact on stock theft

Brands would continue to be mandatory (for cattle and pigs) and remain available as a tool for stock theft investigation and prosecution where relevant. Noting that at present, not all livestock are branded (including cattle and pigs) e.g. if they are not being offered for sale or fit other exemption criteria.

Animal welfare impacts

The extent that branding remained compulsory for certain animals, those animals would continue to experience pain associated with branding even where it was considered unnecessary by their owners.

Option 2

Regulatory burden under Option 2A (choice to opt-out)

Both Option 2A and Option 2B provide choice about branding cattle and pigs that isn't currently available to livestock owners and potentially offer a streamlined approach to management of brands and earmarks, removing a number of redundant practices from the brands framework without jeopardising Queensland's livestock tracing system which continues to be supported by the NLIS requirements under Chapter 7 of the *Biosecurity Act 2014*²⁸.

Although Option 2A provides a choice for livestock owners about branding cattle and pigs, it still imposes a higher regulatory burden on livestock owners (when compared with Option 2B) requiring them to take active steps to opt-out of branding by registering for a self-exemption.

The need to opt out under Option 2A compared to doing nothing under Option 2B may result in differing levels of participation in branding. For example, because people must take active steps to register a self-exemption under Option 2A, it may be that this Option results in more people continuing to brand.

The regulatory burden on the government would be much greater under option 2A than option 2B. The government would need to provide for registering for a self-exemption. Much more significantly, enforcing compliance with branding requirements for those who had not registered a self-exemption would be complex, sometimes the owner of other cattle and/or pigs being sold without a brand would be committing an offence while other owner might be selling cattle and/or pigs without a brand because the owner had registered for a self-exemption. Without the redirection of significant resources to monitoring compliance with the requirement to register for a self-exemption, it would be difficult to enforce option 2A.

Regulatory burden under Option 2B (choice to opt-in)

The greatest amount of personal choice is offered by option 2B where nothing needs to be done if a livestock owner wishes to stop branding or avoid future fees – if annual renewal fees remained unpaid after the allotted time and a show cause process, the registration of a brand would be cancelled.

Under Option 2B there may be some concern for those who want to continue to brand that less participation might result in a higher fee for those remaining. Without knowing how many people would participate under Option 2A or 2B long term certainty around fees is difficult because

²⁸ Although branding of pigs would not be mandatory under the Brands Act under Option 2A or Option 2B, pigs would still need to be branded or tagged to meet the NLIS requirements under the *Biosecurity Act 2014*.

government fees are reviewed every few years and fees may be adjusted to reflect the user numbers across which costs would need to be spread. However, preliminary testing clearly demonstrates that the fee structures are not particularly sensitive to participation rates. For example, it suggests participation rates could drop from 100 percent down to 30 percent, with only a 5.4 percent increase in average fees. The RIS Supplement provides further details around the rationale for this outcome.

Regulatory burden under common features of both Option 2A and Option 2B

Under both option 2A and 2B, livestock owners who benefit from branding their livestock could continue to do so because brands would still be able to be registered and exclusively used. For those who chose not to use brands, future costs associated with it would not be occurred. Their animals would not experience pain associated with branding where they considered it unnecessary.

Under both option 2A and 2B, those in the supply chain who are complying with the requirement to check brands would have that obligation removed. Processors may benefit from an increased number of higher value unbranded hides within the system (more so for Option 2B if that resulted in a lower participation rate).

Giving livestock owner's choice about branding, especially option 2B, would see Queensland's branding legislation more aligned with other Australian jurisdictions.

In relation to those livestock owners that wanted to continue to brand:

- Those who wanted to use a symbol or earmark could choose not to register a three-piece brand. This would also be likely to reduce the number of brands being registered unnecessarily.
- The introduction of the new renewal fees would also encourage those not using their brands to surrender them to ensure a better pool of brand availability for others.
- The impact of cost recovered fees and annual brands registration fee would be similar to Option 1, but:
 - Everyone would have the option to avoid the fee if they wished, and
 - There would be less people to spread the system costs across in the long term. Without knowing how many people would participate in a streamlined system, long term certainty around fees is difficult because government fees are reviewed every few years and fees may be adjusted to reflect the user numbers across which costs would need to be spread.

The relatively recent introduction of voluntary branding in Western Australia may provide some indication of likely drop off rates, however the transition to a voluntary model only occurred in January 2022, as such there is very little data available. The consultation on the RIS will be informative as to the number of producers or livestock owners likely to opt out of branding if the system were to be made voluntary and a modest renewal fee were to be required.

Beyond this, for livestock owners who wish to continue to register and use brands, a simplified and streamlined system is likely to increase efficiency and provide a higher quality user experience.

Regulatory burden of earmark options

Earmark Option 2 would reduce the current regulatory burden for livestock owners and government by simplifying the current system, while still providing a registration framework and service.

Earmark Option 3 presents the lowest regulatory burden. Under this option, the government would permit earmarks but no longer register them which would reduce regulatory and administrative burden for both livestock owners and government. If adopted, this would save owners the expense of

registration and renewal fees for earmarks and the government the expense of administering the requirement for registration.

Impact on stock theft

Because Option 2A and 2B provide choice (and potentially less branding as a consequence), some additional burden may be placed on law enforcement in dealing with ownership disputes and local government in locating the owners of lost cattle and pigs that don't have NLIS tags. Option 2A may lessen the impact on police as the need to take action to register to opt out of the system may result in more people continuing to brand (a higher 'participation rate').

The earmark options would be unlikely to differ in their impact on stock theft. QPS has indicated that earmarks are generally not relied on in cattle theft investigations or prosecutions.

Animal welfare impacts

Animal welfare impacts will be reduced to the extent that people choose not to brand cattle and pigs. The avoidance of animal welfare issues may be better under Option 2B reflecting the possibly lower participation rate compared to Option 2A.

The earmark options would be unlikely to differ in their animal welfare impacts. Earmarks would continue to be permitted under all the options and those restrictions to protect the welfare of animals would continue.

Cost benefit analysis

Table 3 summarises the costs and benefits of the main options. The costs and benefits of the earmark options are summarised in Table 4.

Further details about information within this cost benefit analysis of the options are provided in section 8 of the RIS Supplement. The RIS Supplement also provides further industry information which provides industry context for the tables below (e.g. number of brands on issue, how many animals are likely to be branded, average herd sizes etc).

Table 3: Cost benefit analysis of main options

Stakeholder	Status quo	Option 1 - compared to status quo	Option 2A (opt out model) - compared to status quo	Option 2B (opt in model) - compared to status quo
Community	<p><u>Benefits</u></p> <ul style="list-style-type: none"> Nil biosecurity benefits. <p><u>Costs:</u></p> <ul style="list-style-type: none"> Minor animal welfare concerns - can be mitigated with pain relief. Taxpayers subsidising branding which predominantly has only private benefits. 	<p><u>Benefits</u></p> <ul style="list-style-type: none"> Biosecurity benefits are the same as status quo. Community/ taxpayers not subsidising branding registration fees, when branding predominantly has only private benefits. <p><u>Costs:</u></p> <ul style="list-style-type: none"> Minor animal welfare concerns - can be mitigated with pain relief. 	<p><u>Benefits</u></p> <ul style="list-style-type: none"> Biosecurity benefits are the same as status quo. Community / taxpayers not subsidising branding registration fees, when branding predominantly has only private benefits. Some social / community benefit through improved animal welfare outcomes associated with the reduced number of animals being branded under a scheme which allows choice. 	<p><u>Benefits</u></p> <ul style="list-style-type: none"> Biosecurity benefits are the same as status quo. Community/ taxpayers not subsidising branding registration fees, when branding predominantly has only private benefits. Some social / community benefit through improved animal welfare outcomes associated with the reduced number of animals being branded under a scheme which allows even more choice than Option 2A.
Livestock owners who prefer to brand	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> Branding can mitigate the risk of stock theft, assist in the recovery of strayed stock, and can be used as a means of 	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> As per status quo for stock theft. Potential for a minor increase in the 	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> As per status quo for stock theft (because owners can continue to protect 	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> As per status quo for stock theft (because owners can continue to protect

Stakeholder	Status quo	Option 1 - compared to status quo	Option 2A (opt out model) - compared to status quo	Option 2B (opt in model) - compared to status quo
	<p>identification or mark of family heritage etc.</p> <p><u>Costs:</u></p> <p>Compliance burden:</p> <ul style="list-style-type: none"> • cost of having to register a brand (currently \$113.88) and manufacture a brand (estimated manufacturing cost of branding iron is \$120). • labour costs of branding - \$5,891 (assuming an average herd size of approximately 1,500 head of cattle per farm (refer to RIS Supplement for more information)). • Administration and reporting requirements on livestock owners (15 mins to 2 hours depending on what is being done e.g., applying for brands and earmarks, arranging manufacture or completing a brands return). 	<p>availability of brands for new applicants driven by renewal fees leading to surrender of unused brands.</p> <p><u>Costs:</u></p> <p>Generally, as per status quo but compliance burden would increase due to:</p> <ul style="list-style-type: none"> • Increased application and transfer fees – see Table 5 below. • Additional renewal fee of \$60 – \$70 per year. 	<p>themselves from stock theft by branding).</p> <ul style="list-style-type: none"> • May increase the availability of brands for new applicants. • Livestock owners would no longer need to register multiple brands i.e. they would no longer need to have a three-piece brand in order to register a symbol brand. <p><u>Costs:</u></p> <p>Generally, as per status quo but to the extent that cattle and pig owners continued to brand, the compliance burden would increase due to:</p> <ul style="list-style-type: none"> • Increased application and transfer fees – see Table 5 below. • Additional renewal fee of \$60 – \$70 per year. 	<p>themselves from stock theft by branding).</p> <ul style="list-style-type: none"> • May increase the availability of brands for new applicants even further than option 2A. • Livestock owners would no longer need to register multiple brands i.e. they would no longer need to have a three-piece brand in order to register a symbol brand. <p><u>Costs:</u></p> <p>Generally, as per status quo but to the extent that cattle and pig owners continued to brand, the compliance burden would increase due to:</p> <ul style="list-style-type: none"> • Increased application and transfer fees – see Table 5 below. • Additional renewal fee of \$60 – \$70 per year.
<p>Livestock owners who would prefer not to brand</p>	<p><u>Costs:</u></p> <ul style="list-style-type: none"> • Compliance burden: <ul style="list-style-type: none"> ○ cost of having to register a brand (currently \$113.88) and manufacture a brand (estimated 	<p><u>Costs:</u></p> <p>Compliance burden is generally as per status quo but compliance</p>	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> • Compliance burden associated with restricting business practice, financial and regulatory costs (as outlined in the status quo and 	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> • Compliance burden associated with restricting business practice, financial and regulatory costs (as outlined in the status quo and

Stakeholder	Status quo	Option 1 - compared to status quo	Option 2A (opt out model) - compared to status quo	Option 2B (opt in model) - compared to status quo
	<ul style="list-style-type: none"> ○ manufacturing cost of branding iron is \$120). ○ labour costs of branding - \$5,891 (assuming an average herd size of approximately 1,500 head of cattle per farm (refer to section 8 of the RIS Supplement for more information)). ○ Administration and reporting requirements on livestock owners (15 mins to 2 hours depending on what is being done e.g., applying for brands and earmarks, arranging manufacture or completing a brands return). • Creates unnecessary barriers, particularly for smaller holders who may prefer not to brand. • Places Queensland businesses at a competitive disadvantage with interstate competitors (due to branding requirements - additional costs and decreased profitability). • Limits the ability (and disincentivises) businesses to innovate, adopt new technology and respond to the changing 	<p>burden would increase further due to:</p> <ul style="list-style-type: none"> • Increased application and transfer fees - see Table 5 below for comparison of all fees) – but by way of example: <ul style="list-style-type: none"> ○ application fees for most brands are likely to increase from \$113.88 to an estimated fee of \$300 - \$400. ○ Transfer fees are likely to increase from \$54.74 to an estimated fee of \$300 - \$400. • Additional renewal fee of \$60 – \$70 per year. • Costs to business as per the status quo. 	<p>Option 1) is decreased by giving choice about branding.</p> <ul style="list-style-type: none"> • Removes unnecessary barriers, particularly for smaller land holders who may prefer not to brand. • Puts Queensland business on a more level playing field with other states who don't mandate branding because livestock owners have choice about branding. • May incentivise producers to adopt other, better technologies for identification in field. <p><u>Costs:</u></p> <ul style="list-style-type: none"> • There could be impacts on stock theft (both in terms of deterrents and effectiveness of investigations) given some livestock owners are likely to opt out of branding. However, those people that chose not to brand may rely on alternative mechanisms to protect livestock from theft. 	<p>Option 1) is decreased by giving choice about branding.</p> <ul style="list-style-type: none"> • Option 2B provides the greatest choice and lowest regulatory burden. • Removes unnecessary barriers, particularly for smaller land holders who may prefer not to brand. • Puts Queensland business on a more level playing field with other states who don't mandate branding because livestock owners have choice about branding. • May incentivise producers to adopt other, better technologies for identification in field. <p><u>Costs:</u></p> <ul style="list-style-type: none"> • There could be impacts on stock theft (both in terms of deterrents and effectiveness of investigations) given some livestock owners are likely to opt out of branding. • Stock theft impacts might be greater under Option 2B than Option 2A as this option may see higher numbers of livestock owners elect not to brand. However, those

Stakeholder	Status quo	Option 1 - compared to status quo	Option 2A (opt out model) - compared to status quo	Option 2B (opt in model) - compared to status quo
	demands of consumers (e.g. animal welfare demands of consumers).			people that chose not to brand may rely on alternative mechanisms to protect livestock from theft.
Livestock supply chain (includes feedlots, saleyards, processors etc)	<p><u>Costs:</u></p> <ul style="list-style-type: none"> Imposes checking and reporting requirements on supply chain operators. Places Queensland businesses at a competitive disadvantage with interstate competitors who can supply undamaged non-branded hides. Decreases business profitability e.g. impact on hide values. approximately \$9.5 million per annum (opportunity cost from lost revenue – see section 8 of the RIS Supplement for further details). 	<p><u>Costs:</u></p> <p>Processor costs as per status quo.</p>	<p><u>Benefits:</u></p> <p>Preliminary estimates of the theoretical savings for feedlots is around \$0.34 per head due to not having to check and report brands) compared to the status quo.</p> <p>Processors will be able to access new revenue sources from unscarred hides (to the extent that producers or owners opt-out of branding) – See RIS Supplement for more information.</p>	<p><u>Benefits:</u></p> <p>Preliminary estimates of the theoretical savings for feedlots is around \$0.34 per head due to not having to check and report brands) compared to the status quo.</p> <p>Processors will be able to access new revenue sources from unscarred hides (to the extent that producers or owners opt-out of branding) – See RIS Supplement for more information.</p>
Government	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> Benefit to QPS in ease of investigation of stock theft (see section 8 of the RIS Supplement for further information). <p><u>Costs:</u></p> <ul style="list-style-type: none"> Estimated net cost to government (\$1.76 million) 	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> Benefit to QPS as per status quo. No net cost to government for service delivery as fees set to achieve full cost recovery. 	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> No net cost to government for service delivery as fees set to achieve full cost recovery. Reduced government resourcing levels compared to status quo and Option 1 from lower use of brands and 	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> No net cost to government for service delivery as fees set to achieve full cost recovery. Reduced government resourcing levels compared to status quo and Option 1 from lower use of brands and

Stakeholder	Status quo	Option 1 - compared to status quo	Option 2A (opt out model) - compared to status quo	Option 2B (opt in model) - compared to status quo
	<p>including significant resourcing requirements. Refer to Table 2 above.</p> <ul style="list-style-type: none"> Opportunity costs as regulating brands diverts government focus from higher priorities for livestock industries and broader community objectives. 	<p><u>Costs:</u></p> <ul style="list-style-type: none"> Resourcing levels similar to status quo (although fees are set to cover these costs). 	<p>streamlined requirements (with fees set to cover these costs).</p> <p><u>Costs:</u></p> <ul style="list-style-type: none"> QPS advise that stock theft investigation costs would increase but the likely increase cannot be quantified at this time. An IT module for registration of self-exemptions wouldn't need to be built adding to the complexity of the system. Costs associated with checking compliance with branding requirements under Option 2A would be significantly higher than all other options because QPS would have to check the exemption status of livestock owners. 	<p>streamlined requirements (with fees set to cover these costs). Option 2B will be slightly less complex (compared to Option 2A) as an IT module for registration of self-exemptions wouldn't need to be built.</p> <p><u>Costs:</u></p> <ul style="list-style-type: none"> QPS advise that stock theft investigation costs would increase but the likely increase cannot be quantified at this time. If more livestock owners ceased branding under option 2B (compared to option 2A), stock theft investigation costs would be higher

Table 4: Cost benefit analysis of earmark options

Stakeholder	Status quo	Earmark Option 1 Compared to status quo	Earmark Option 2 Retaining registration of earmarks but removing earmark districts	Earmark Option 3 Allowing earmarking but not registering earmarks
Community	<p><u>Benefits</u></p> <ul style="list-style-type: none"> No public benefits. <p><u>Costs:</u></p> <ul style="list-style-type: none"> Minor animal welfare concerns - can be mitigated with pain relief. Taxpayers subsidising earmarking which has only private benefits. 	<p><u>Benefits</u></p> <ul style="list-style-type: none"> No public benefits - same as status quo. Community/ taxpayers not subsidising earmarking registration fees, when earmarking predominantly has only private benefits. <p><u>Costs:</u></p> <ul style="list-style-type: none"> Minor animal welfare concerns - can be mitigated with pain relief 	<p><u>Benefits</u></p> <ul style="list-style-type: none"> No public benefits - same as status quo. Community/ taxpayers not subsidising earmarking registration fees, when earmarking predominantly has only private benefits. <p><u>Costs:</u></p> <ul style="list-style-type: none"> Minor animal welfare concerns - can be mitigated with pain relief 	<p><u>Benefits</u></p> <ul style="list-style-type: none"> No public benefits - same as status quo. No subsidy as no administration costs. <p><u>Costs:</u></p> <ul style="list-style-type: none"> Minor animal welfare concerns - can be mitigated with pain relief
Livestock owners who choose to earmark	<p><u>Costs</u></p> <p>Compliance burden:</p> <ul style="list-style-type: none"> cost of having to register an earmark (currently \$113.88). Complicated system based on regions No public benefit 	<p><u>Costs:</u></p> <p>Generally, as per status quo but compliance burden would increase due to:</p> <ul style="list-style-type: none"> Increased application fees of \$350 - \$450 and increased transfer fees of \$300 - \$400 	<p><u>Benefits</u></p> <ul style="list-style-type: none"> Simplification of the earmark system by disassociating them with districts and three-piece brands will simplify the registration and transfer process for livestock owners Government continues to provide a registration system for those that wish to participate 	<p><u>Benefits:</u></p> <ul style="list-style-type: none"> No registration requirements or renewal fees for earmarks. Livestock owners could continue to use earmarks, without registering them with the government. No administrative burden for livestock owners. <p><u>Costs</u></p>

		<ul style="list-style-type: none"> Additional renewal fee of \$60 – \$70 per year (see Table 5 below.) 	<p>Costs</p> <ul style="list-style-type: none"> Increased application fees of \$300 - \$400 and increased transfer fees of \$300 - \$400 due to the need to introduce cost recoverable fees. The costs may sit at a slightly lower level due to the simplified system proposed. Additional renewal fee of \$60 – \$70 per year (see Table 5 below) This option may result in some producers using the same earmarks within a near proximity, however, earmarks are already a voluntary system for identifying livestock and are primarily used “on-farm.” 	<ul style="list-style-type: none"> This option may result in some producers using the same earmarks within a near proximity, however, earmarks are already a voluntary system for identifying livestock and are primarily used “on-farm.”
Government	Costly and time consuming for Government to administer	Government administrative burden is as per status quo.	Government administrative burden is reduced compared to status quo because there is no checking of earmark regions.	<p>No administrative burden for Government.</p> <ul style="list-style-type: none"> If earmark registration was removed altogether, it would save the need to build functionality in the IT system for registering earmarks No ongoing staffing or other costs associated with registration and renewal of earmarks.

Fees

One of the objectives of these reforms is to develop arrangements that are financially sustainable – i.e. legislation and a system that is efficient, cost effective to administer, improves the user experience and is fully cost recovered through fees. In recognition of the predominantly private benefit that the brands system offers to users, fees are proposed for this service which meet Queensland Government policy objectives that:

- Those individuals and groups who benefit from the provision of a good, product or service should pay for it.
- Fees or charges applied by the department for the provision of the services should reflect full cost recovery.
- Full cost recovery should represent an efficient cost.
- Competition margins only apply where an alternate provider is available.
- The administrative costs of revenue collection should not be more than the revenue collected.

The processing of brands applications is a service undertaken almost entirely for the private benefit of the applicant. It is currently complex and time consuming and takes up considerable resources that could be directed elsewhere for greater public benefit²⁹.

The investment in a new system is required regardless of which option is selected for implementation. These inefficiencies cannot be significantly improved under the status quo arrangements as they are a result of the current regulatory requirements and practices reflect the age of the underlying information system.

If the underlying system is changed, better customer experience could be expected under either option. A comparison of the fees for both options is provided below. The cost of the two options is very similar, but fees under Option 2 for earmarks are likely to be slightly lower than option 1 due to the complexity added by the district-based system.

Table 5: Comparison of fees under Options 1 and 2

Type of application	Current Fee	Indicative new fee under option 1 ³⁰	Indicative new fee under option 2 ³¹
Three-piece brand (new)	\$ 113.88	\$300 - \$400	\$300 - \$400
Cattle earmark (new)	\$ 113.88	\$350 - \$450	\$300 - \$400
Sheep brand (new)	\$ 123.56	\$300 - \$400	\$300 - \$400
Sheep/goat earmark (new)	\$ 113.88	\$350 - \$450	\$300 - \$400
Pig (new)	\$ 54.74	\$300 - \$400	\$300 - \$400

²⁹ See the RIS Supplement for more information

³⁰ Estimate of applicable fees is based on ongoing 100% continuation of brands usage. Figures rounded for ease of discussion

³¹ Estimating the range of fees applicable if user uptake of the system ranges from 20% – 70% of current users. A higher user base will result in lower fees. Figures rounded for ease of discussion

Symbol (new)	\$ 330.31 plus the cost of a three-piece brand at 113.88)	\$500 - \$600 (plus the cost of a three-piece brand at \$300 - \$400)	\$500 - \$600
Transfers (non-pig)	\$ 54.74	\$300 - \$400	\$300 - \$400
Transfers (pig)	\$ 54.74	\$300 - \$400	\$300 - \$400
Renewal	Nil	\$60 - \$70	\$60 - \$70
<i>* range of costs has not been finalised and will depend on the final build cost and degree of complexity built into the system. The final fees will also require government approval prior to implementation.</i>			

Consultation

The RIS will be open for consultation until 5pm, 15 January 2023.

Feedback on the options outlined above and their impacts can be provided to the DAF engagement hub at: daf.engagementhub.com.au/brands-consultation

You can complete a survey and/or make a separate written submission. Under laws providing for freedom of information, your submission may be made available to others.

DAF will analyse the information gathered through this process to inform the development of a Decision RIS for Government consideration. The Decision RIS will include a summary of the consultation undertaken, the feedback received and the results of consultation. It will be considered by the Government when deciding whether or not changes to the regulation of brands and earmarks should be made.

Conclusion and recommended option

Table 6 summarises the main point of difference between the options in their achievement of the Government's objectives. Table 7 summarises the points of difference for the earmark options.

Table 6: Summary of points of difference between main options

Government objective	Option 1 Status quo with renewal fees	Option 2A Opt-out model, streamlined with renewal fees	Option 2B Opt-in model, streamlined with renewal fees
1. Ensure that livestock owners have an effective option for proving livestock ownership	Livestock owners would still have exclusive use of a unique brand. Law enforcement can use brands to identify ownership of cattle when NLIS tags are lost in those (limited) circumstances where the current system mandates branding or	Livestock owners would still have exclusive use of a unique brand. Law enforcement can use tags to identify ownership of cattle when NLIS tags are lost in those circumstances where the owner has chosen to brand.	As per option 2A. Livestock owners would still have exclusive use of a unique brand. Law enforcement can use tags to identify ownership of cattle when NLIS tags are lost in those circumstances where the owner has chosen to brand.

Government objective	Option 1 Status quo with renewal fees	Option 2A Opt-out model, streamlined with renewal fees	Option 2B Opt-in model, streamlined with renewal fees
	the owner has chosen to brand.		
2. Ensure that public benefits of any regulatory requirements outweigh the costs	<p>There are minimal public benefits for livestock branding – however option 1 has slightly higher benefits relating to law enforcement, but slightly lower public benefit in terms of reduced animal welfare impacts (noting that pain relief is an option to mitigate this).</p> <p>The introduction of cost recoverable fees will minimise public costs but will impose mandatory costs and regulatory burden on certain participants along the livestock supply chain in return for minimal benefit.</p>	<p>There would be slightly lower public benefits in relation to law enforcement (compared to Option 1) but a slightly higher public benefit related to animal welfare (noting the availability of pain relief).</p> <p>The introduction of cost recoverable fees will minimise public costs.</p> <p>The public benefit of a cost recoverable, streamlined system outweigh any increase in the public cost such as the potentially higher QPS costs (although this may be less than under option 2B)</p>	<p>As per Option 2A.</p> <p>There would be slightly lower public benefits in relation to law enforcement under this option but a slightly higher public benefit related to animal welfare (noting the availability of pain relief).</p> <p>There may be slightly higher public costs (QPS resources) associated with a potential increase in costs of stock theft investigations compared with both Option 1 and 2A)</p> <p>The introduction of cost recoverable fees will minimise public costs.</p> <p>The public benefit of a cost recoverable, streamlined system outweigh any increase in the public cost.</p>
3. Minimise the administrative and financial burden on livestock owners and others in the supply chain associated with brands and earmarks	<p>The administrative and financial burden of registering brands and branding of cattle and pigs would be imposed on livestock owners even where they didn't see value in branding.</p> <p>This option keeps brands unnecessarily unavailable as unused brands aren't released quickly.</p>	<p>Only owners who saw value in branding would bear the administrative and financial burden associated with registering brands and branding (note NLIS requirements would still require branding for pigs over 30kg if they are not tagged).</p> <p>The availability of brands, and hence potential for refusal of a</p>	<p>This option minimises administrative and financial burden to the greatest extent by creating an “opt in” approach as opposed to option 2A which requires livestock owners to register for an exemption from branding (an opt out approach).</p> <p>As per option 2A, only owners who saw value</p>

Government objective	Option 1 Status quo with renewal fees	Option 2A Opt-out model, streamlined with renewal fees	Option 2B Opt-in model, streamlined with renewal fees
	<p>Those in the supply chain would continue to have to check and report brands.</p> <p>Processors would continue to lose value because of more damaged hides.</p>	<p>registration and additional administration for the owner, would begin to improve quickly after the initial renewal of registration.</p> <p>The requirement for livestock owners to register for an exemption imposes regulatory and administrative burden on them.</p> <p>Supply chain participants would be relieved of current checking and reporting requirements.</p> <p>Increased hide prices for processors</p>	<p>in branding would bear the administrative and financial burden associated with registering brands and branding (note NLIS requirements would still require branding for pigs over 30kg if they are not tagged).</p> <p>The availability of brands, and hence potential for refusal of a registration and additional administration for the owner, would begin to improve quickly after the initial renewal of registration (more so under Option 2B).</p> <p>Supply chain participants would be relieved of current checking and reporting requirements.</p> <p>Increased hide prices for processors are likely to be highest under this option, with more producers likely to opt out of branding.</p>
<p>4. Minimise the administrative and financial burden on government associated with brands and earmarks so resourcing can be directed to higher priority activities</p>	<p>Financial burden will be reduced by the introduction of cost recoverable fees.</p> <p>A new information solution is required to be developed.</p> <p>The current administrative burden would continue, including the number of staff.</p>	<p>Financial burden will be reduced by the introduction of cost recoverable fees.</p> <p>A new information solution is required to be developed, with more simplified business requirements and many old redundant or unused brands could be quickly purged and released to others.</p>	<p>Generally, as per option 2A, except the Government would not have to administer registration to self-exempt from branding.</p> <p>Financial burden will be reduced by the introduction of cost recoverable fees.</p> <p>A new information solution is required to be developed, with more</p>

Government objective	Option 1 Status quo with renewal fees	Option 2A Opt-out model, streamlined with renewal fees	Option 2B Opt-in model, streamlined with renewal fees
		<p>A reduction in the volume of brands registration due to voluntary branding of cattle and pigs would reduce the administrative burden for government, including the number of staff.</p> <p>The government would have to administer registration to self-exempt from branding.</p>	<p>simplified business requirements and many old redundant or unused brands could be quickly purged and released to others.</p> <p>A reduction in the volume of brands registration due to voluntary branding of cattle and pigs would reduce the administrative burden for government, including the number of staff required to operate the system.</p>
<p>5. Ensure those who benefit from brands and earmarks meet the cost of maintaining the system</p>	<p>New fee structures and an annual brand renewal charge would be put in place to ensure cost recovery from beneficiaries rather than taxpayers.</p> <p>However, some livestock owners who do not see any benefit in branding would also have to pay these fees because there would be no choice about branding cattle and pigs in some circumstances.</p>	<p>New fee structures and an annual brand renewal charge would be put in place to ensure cost recovery from beneficiaries rather than taxpayers.</p> <p>Only livestock owners who want to brand would pay these fees.</p> <p>There may be less people to carry certain fixed costs of having a brands registration system. However, at this stage, fee structures do not appear to be particularly sensitive to participation rates, which should ensure that fees do not rise dramatically even if participation rates decrease significantly.</p>	<p>As per option 2A</p> <p>New fee structures and an annual brand renewal charge would be put in place to ensure cost recovery from beneficiaries rather than taxpayers.</p> <p>Only livestock owners who want to brand would pay these fees.</p> <p>However, at this stage, fee structures do not appear to be particularly sensitive to participation rates, which should ensure that fees do not rise dramatically even if participation rates decrease significantly.</p>

Table 7: Summary of points of difference between main options:

Government objective	Earmark Option 1 Status quo	Earmark Option 2 Retaining registration of earmarks but removing earmark districts	Earmark Option 3 Allowing earmarking but not registering earmarks)
1. Ensure that livestock owners have an effective option for proving livestock ownership	Earmarks are generally only used for this purpose on farm.	Earmarks are generally only used for this purpose on farm. Earmarks may not be unique in the district.	Earmarks are generally only used for this purpose on farm. Earmarks may not be unique in the district.
2. Ensure that public benefits of any regulatory requirements outweigh the costs	Earmarks are already voluntary. There are no public benefits for earmarking. The introduction of cost recoverable fees will minimise public costs.	Earmarks are already voluntary. There are no public benefits for earmarking. The introduction of cost recoverable fees will minimise public costs.	Earmarks would no longer be registered under this option. As such there would be no public benefit or cost.
3. Minimise the administrative and financial burden on livestock owners and others in the supply chain associated with brands and earmarks	The administrative and financial burden of registering earmarks would be imposed on livestock owners even where they didn't see value in registering.	Earmarks are already voluntary. Not having to have an earmark that is unique in the district will reduce the administrative burden for those livestock owners working across districts.	This option removes administrative and financial burden completely. Earmarks would no longer be registered so there would be no administrative burden.
4. Minimise the administrative and financial burden on government associated with brands and earmarks so resourcing can be directed to higher priority activities	Financial burden will be reduced by the introduction of cost recoverable fees. A new information solution is required to be developed. The current administrative burden would continue, including the number of staff.	Financial burden will be reduced by the introduction of cost recoverable fees. Administrative burden will be reduced by not having to check for uniqueness within a district. The new information solution will not have to provide for checking uniqueness.	Earmarks would no longer be registered under this option so there would be no Government financial or administrative burden.

Government objective	Earmark Option 1 Status quo	Earmark Option 2 Retaining registration of earmarks but removing earmark districts	Earmark Option 3 Allowing earmarking but not registering earmarks)
5. Ensure those who benefit from brands and earmarks meet the cost of maintaining the system	New fee structures and an annual renewal charge would be put in place to ensure cost recovery from beneficiaries rather than taxpayers.	New fee structures and an annual brand renewal charge would be put in place to ensure cost recovery from beneficiaries rather than taxpayers.	Earmarks would no longer be registered under this option, so there would be no costs to recover. Removing earmark registrations is likely to reduce the complexity of developing and operating a new registration system. However, it would also reduce the overall quantum of Government revenue collected to cover the cost of the system.

A summary of the key differences between the key option 1, 2A and 2B is as follows:

- Neither option provides benefits to biosecurity which are provided by the NLIS (except for pig traceability in the PigPass system).
- Option 1 has slightly higher benefits relating to law enforcement than option 2A and 2B (depending on the extent to which livestock owners choose to brand).
- Option 2 does not impose costs on owners who do not wish to brand their livestock (where it is assumed that costs outweigh benefits) and eliminates some issues which affect the competitiveness of the Queensland industry.
- Option 2 eliminates brand checks and reporting for livestock processors.
- Option 2 is a better outcome for hide processors (to the extent that owners choose not to brand).
- Option 2 has slightly lower total ongoing government administration costs.
- Option 2 has slightly higher public benefits from reduced animal welfare concerns.
- Option 2 will see more unused brands released out to others (more so for Option 2B).

A summary of the key differences between earmarking options 1, 2 and 3 are as follows:

- None of the option provide public benefits
- Earmark Option 2 reduces the administrative burden on the livestock owners and Government.
- Earmark Option 3 does not impose any costs on livestock owners or government.

It is difficult to quantify some of these benefits and consultation on this RIS provides an opportunity for stakeholders to provide views on the significance and size of these impacts. However, the overall assessment is that Option 2 provides a greater net benefit than Option 1 due largely to eliminating costs on livestock owners who would prefer not to brand. On balance, Option 2B and Earmark Option 3 is preferred because it is an administratively simpler system that provides the greatest amount of choice for livestock owners.

The department is seeking feedback from livestock owners on whether they would choose to brand if provided the choice. If all livestock owners choose to brand, then both Option 2A and 2B would have similar benefits to Option 1, except that they eliminate the cost of processor checks and by streamlining the system should reduce its administrative costs which will be recovered from industry.

Consistency with fundamental legislative principles, human rights, competition principles agreements and other Queensland policies and regulation

The regulation of brands and ear-marking engages the right of livestock owners and others in the supply chain to conduct business without interference which is a potential breach the fundamental legislative principle that legislation should have sufficient regard to the rights and liberties of individuals in accordance with section 4(3)(b) of the *Legislative Standards Act 1992*. This means that the regulation of brands and ear-marking is only consistent with the fundamental legislation principles to the extent that it is justified.

Property rights are protected under section 24 of the *Human Rights Act 2019* which provides that, “All persons have the right to own property alone or in association with others” and “a person must not be arbitrarily deprived of the person’s property.” Deprivation of property is not limited to physical dispossession of property and can take the form of any interference with the use, enjoyment, or exploitation of private property. Regulation of brands and ear-marking interferes with the livestock owner’s right to choose how they brand or earmark their livestock. More significantly, mandatory branding of cattle and pigs interferes with the livestock owner’s right to choose whether they brand their cattle and pigs which can only be justified if it achieves a more important biosecurity or other public purpose. Branding of cattle has little if any public benefit which would justify limiting the property rights of cattle owners by continuing to mandate brands. It is also noted that placing an obligation on clients to pre-check for uniqueness could involve a situation where a later registered brand is cancelled.

In addition, section 23(h) of the Brands Act authorises an inspector to require the owner, occupier or another person in charge of the land where stock is present to cause the stock to be mustered and held until the inspector approves otherwise, with an offence applying if the person doesn’t comply. This could limit a person’s right to “move around freely within Queensland” as that person (or another person under their direction) would be unable to move freely whilst doing that mustering/holding. However, it is envisaged that under either Option 2 or 3, compliance be limited to offences around contested use of brands.

Section 13 of the Financial and Performance Management Standard 2009 (under the *Financial Accountability Act 2009*) provides that when setting charges for services, the full cost of providing the services must be considered. Moving to full cost recovery is also consistent with Queensland Government *Principles for fees and charges Policy*. The proposed fees under both Options 1 and 2 reflect the cost to the government of providing a brands registry and registration service.

The Competition Principles Agreement, agreed by the Australian Government and all states and territories, requires that legislation should not unduly restrict competition. The Department of Agriculture and Fisheries assessment is that the recommended option does not restrict competition and is consistent with the Competition Principles Agreement.

Implementation, compliance support and evaluation strategy

Depending on the outcomes of the consultation and subsequent government decisions, it is anticipated that developing the necessary new legislation and IT systems to implement the preferred option would take until the end 2023-24, with Queensland's new branding system rolling out in 2024-25. However, this is subject to the Government's legislative priorities and Parliamentary consideration of any legislative amendments required.

If Option 2A or 2B is progressed, transitional arrangements would be established with communications being sent to all registered brand owners informing them of the new system and introduction of renewal fees and details on how to opt-out if they wish to (for Option 2A) or clarification or the requirements if they no longer wish to brand (Option 2B). For existing users who wish to continue to brand, nothing new is likely to need to be done to stay in the system (other than pay the new annual renewal fees).

Under both Option 2A and Option 2B, brands holders who have not completed brands returns within the last three years will first be invited to "surrender" their brand if no longer in use, to begin freeing up brands in the system for others.

If either Option 2A or 2B is adopted, information will be provided to support livestock owners on how to mitigate the risk of stock theft.

It is proposed to review any reforms to the brands system within five years of their commencement to ensure they are achieving the objectives.