

## SECOND READING SPEECH

### **FRUIT AND NUT INDUSTRY (RESEARCH, DEVELOPMENT AND EXTENTION TRUST FUND) BILL 2011**

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

This Bill replaces the *Apple and Pear Industry (Crop Insurance) Amendment and Repeal Act 1999*.

The original Act commenced operation as the *Apple and Pear Industry (Crop Insurance) Act 1982*. The Act established the Apple and Pear Industry Research and Development Trust Fund. The Act was amended in 1999 after a National Competition Policy review.

The Trust Fund comprised grower contributions to a fruit crop insurance fund that was no longer operational.

In December 2009, Fruit Growers Tasmania, the peak industry body for Tasmanian fruit growers, approached the Government to amend the current legislation. They proposed that references of 'apple and pear' be replaced by 'fruit and nuts' to reflect diversification by growers and the potential for industry growth in perennial horticultural.

While the number of apple and pear growers has decreased by close to 50% over the last ten years, many growers have diversified and are growing other perennial crops. By enacting this Bill, Fruit Growers Tasmania believes that other fruit and nut growers will benefit from access to the Trust Fund.

The industry consultation process undertaken during October 2010 revealed no objections by apple and pear growers to the proposed amendments.

The Office of Parliamentary Council (OPC) advised that the extensive nature of the amendments required would only leave a small amount of the existing Act remaining. The OPC noted that the existing Act already contained many spent provisions that would have necessitated further amendments.

The OPC advised that the best approach toward achieving Government policy, and maintaining industry and public acceptance, is to enact a new Act rather than making a raft of amendments to the existing Act.

This Bill makes the proposed modifications from 'apple and pear' to 'fruit and nut' and broadens the activities that can be funded from the Trust Fund while leaving other provisions within the Act essentially in the same terms.

The new Act will not alter the purpose of the Trust Fund.

Access by the broader fruit and nut industry reflects how the industry has evolved over recent years. The industry operates within an environment of sustained competition in domestic and international markets. Broadening access to research funds is critical for our perennial horticultural industry to adopt international best practice.

The Bill retains the existing Board of Management which comprises four industry representatives and one government

representative. This structure means that industry maintains the ability to direct activities under the Trust Fund.

The new Bill will enable access to funds for extension activities, including training and capacity building.

Under the current Act, the focus was on research, development and marketing activities. While other purposes such as 'extension' were not defined they could be funded if approved by the Minister for Primary Industries.

The introduction of this new clause better reflects the industry's preference for sharing knowledge and improving productivity.

The Bill continues the role of the Department of Primary Industries, Parks, Water and Environment (DPIPWE) in administering funds on behalf of industry.

Mr Speaker, I wish to emphasise that this Bill does not impose unreasonable regulatory burdens on industry. The current Act was designed as a cost effective approach to manage funds previously raised by compulsory grower contributions. This Bill simply allows for greater access to Trust Funds to meet the future needs of the broader fruit and nut industry in Tasmania.

Finally, when the new Bill is enacted, only a small administration change will be made by the Department to reflect the new name of the Trust Fund. The Board of Management functions do not change. This means that there will be minimal cost or disruption to the existing Board.

The Bill will continue to facilitate a transparent approach for access to industry Trust Funds.

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

I commend the Bill to the House.