

SECOND READING SPEECH

TASMANIAN BEEF INDUSTRY (RESEARCH AND DEVELOPMENT) TRUST AMENDMENT BILL 2014

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

The purpose of this Bill is to amend the *Tasmanian Beef Industry (Research and Development) Trust Act 1990*, which establishes the Tasmanian Beef Industry (Research and Development) Trust (the 'Beef Trust').

The Beef Trust was established when the Tasmanian beef industry decided to put residual funds from a superseded meat residue testing program towards research and development that would benefit the industry.

The Trust is managed by the Tasmanian Farmers and Graziers Association (TFGA), and now holds almost \$600,000. Each year, it invites applications for projects that will benefit the Tasmanian beef industry. The applications are assessed by Trust members, and successful applications are funded primarily by the income earned annually by the Trust.

After over twenty years of operation, the Department of Primary Industries, Parks, Water and Environment commenced a review in 2011 to determine if the arrangements for the Beef Trust remained appropriate. A similar process had previously been concluded for the comparable Fruit and Nut Industry Trust, and it was thought that some of the new structures of that organisation might be suitable for the Beef Trust.

The Department undertook a comprehensive review process which included calling for public submissions. As a result of those submissions, the Department

concluded that the Fruit and Nut Industry Trust was not an appropriate model for the beef industry. Instead, a unique set of recommendations was developed that would modernise the operations of the Beef Trust, whilst remaining responsive to the particular concerns of the beef industry.

The final report of the review was released in April 2012, and made twelve recommendations to enhance the governance, accountability and transparency of the Trust. One of those recommendations was that the management of the Trust remain with the TFGA, as the majority of submissions were in favour of that outcome.

The recommendations of the review were welcomed by stakeholders, and this Amendment Bill accordingly seeks to implement the recommendations that required legislative change.

Before I detail the changes, I do want to emphasise that this Bill will not result in any additional steps for beef producers who may wish to apply for grant funding from the Trust. This Bill will simply ensure all beef producers can know more about the operations of a Trust that they funded, and that many still care very deeply about.

The major changes to the Trust that the Bill will implement can be separated into three categories: membership, annual reporting, and accountability.

Firstly, the Bill will increase the size, source and structure of the Trust membership. The Trust currently consists of three members, with the Chair's position prescribed as a salaried employee of the Tasmanian Farmers and Graziers Association (TFGA).

This Bill will increase the Trust to five members. Two will be selected by the Minister from a panel of beef producers nominated by the TFGA Board in consultation with Meat Council.

The term 'beef producers' is defined in the Bill as a natural person who is engaged in breeding, rearing, or managing beef cattle, and who derives a substantial proportion of their his or her annual income from one or more of those activities.

The Government has not sought to be overly prescriptive in this definition, but I do expect that individuals nominated for appointment would have a high level of personal investment in the success of the Tasmanian beef industry. Each member of the Trust should be highly motivated to ensure that the Trust achieves only the most effective and efficient outcomes for Tasmania's beef industry.

The remaining three members of the Trust will be people with experience in the beef industry directly selected by the Minister, one of whom must have expertise in agricultural science and knowledge of contemporary beef research and development.

No member will be able to serve more than two consecutive terms, which are limited to five years in length. The Chair will be elected annually by the Trust, and salaried employees of the TFGA will no longer be eligible to serve.

Moving onto the second category of annual reporting, this Bill will henceforth require the Trust to provide comprehensive annual reporting to the industry through the Minister, including on the recipients of Trust funds and the activities undertaken. The Trust was previously required only to provide audited financial statements to the Auditor-General.

And finally, to the measures that will enhance the accountability of the Trust. The original legislation contained no mechanisms by which the Trust could be held accountable for any serious management oversights. The Amendment Bill will therefore give the Minister the ability to dissolve the Trust, if the legislative requirements placed on the Trust are not met.

This power within the Bill applies only to failures related to the most serious elements of governance, and requires the Minister to explore every opportunity to rectify that oversight or failure, before any such dissolution could proceed.

In the unlikely event that the Trust would have to be dissolved, the Minister would be required to lay a copy of the reasons for that decision down in both Houses of Parliament, and any remaining Trust funds could only be utilised for the same purposes as the Act.

I can assure members that this would be a step of last resort.

The Bill will also require the Trust to invite the Minister to attend, or to send a representative to, every meeting of the Trust as an observer.

Madam Speaker, in conclusion this Bill will bring the operation of the Tasmanian Beef Industry (Research and Development) Trust in line with contemporary governance standards, facilitating improved transparency and accountability. It will ensure that the Trust remains responsive to the needs of everyone in Tasmania's iconic beef industry.

Madam Speaker, the Government fully supports the introduction of this Bill.

I commend this Bill to the House.