



Agricultural Livestock (Disease Control Funding)

Amendment Bill.

Second Reading

The Hon. IAN MACDONALD (Minister for Primary Industries) [12.49 p.m.]: I move:

That this bill be now read a second time.

This bill will make important amendments to the Agricultural Livestock (Disease Control Funding) Act 1998, which provides for the collection of funds from industry for the benefit of livestock disease control programs in this State. Honourable members would be aware that agricultural livestock production in New South Wales is valued at over \$4.5 billion per annum at the farm gate. The current provisions of the Agricultural Livestock (Disease Control Funding) Act 1998 have been used to provide industry funds to support the National Ovine Johne's Disease Control and Evaluation Program. Most people know this disease as OJD. Since first being detected on the central tablelands in 1980, OJD has become a major issue in the sheep industry, particularly in New South Wales, which has been the most affected.

Unfortunately, OJD has been a very divisive issue for farmers whose sheep have contracted the disease and for those who wish to guard against it. A six-year, \$40-million national program was set up to provide a co-ordinated approach to dealing with OJD. Honourable members may know that the National Ovine Johne's Disease Control and Evaluation Program is set to conclude at the end of June 2004, which is next week. There is now an urgent need for a more practical and effective mechanism for the New South Wales sheep industry to collect industry funds to support the new national approach to OJD for the future management of the disease. The State's sheep industry, through the OJD Industry Advisory Committee, has long called for a transaction-based collection scheme to fund the OJD program to make the collection of funds far more equitable. It has also asked for a greater say in both the direction and operation of the disease control program.

The bill provides the mechanism for the collection of these funds and for greater industry consultation on how the funds are utilised. In doing so, it largely reflects suggestions and recommendations from reviews of the current OJD program by the Hon. Richard Bull and others. Nevertheless, the changes will provide a more efficient, equitable and acceptable fund-raising mechanism for all agricultural livestock industries that collectively wish to fund significant livestock disease control programs. Before establishing a disease control program the Minister will need to be satisfied that the program is soundly based and that its objectives are reasonably achievable, financially viable, and likely to benefit livestock producers in the industry affected by the disease. The industry advisory committee, established to advise on the operation of the disease control program, will need to consult with the relevant industry to ensure that producers' views are properly reflected in advice to the Minister.

A central plank of this bill is the capacity to collect voluntary contributions from producers when livestock or products are sold—that is, a transaction-based contribution scheme. The automatic collection of funds at the point of sale provides a fairer and simpler system with reduced administration costs. This has proved to be a highly successful method of collecting funds in other States. Authorised collection agents will collect the contributions from designated livestock producers. The rate of contribution will be set on advice from the industry advisory committee. Funds raised through transaction-based contributions will be paid into an industry fund and administered by a fund administrator, who can either be the director-general, the Rural Assistance Authority, an independent corporate or statutory body, or a board of trustees. The fund administrator will be subject to the same auditing and reporting requirements as apply to the director-general under the Act.

I seek leave to incorporate the remainder of my speech in *Hansard*.

Leave not granted.

I indicated that the proposed amendments allow for voluntary transaction-based contributions. The proposed changes give producers the right to claim back contributions made, if they want, by applying for a refund within a specified period. However, producers claiming a refund will lose their entitlements to services provided by the fund. Producers who seek a service from a program will be required to comply with the rules of the fund. They also have the right to apply to the Administrative Decisions Tribunal if they are unhappy about the decisions made under the scheme. On advice from the industry, the bill retains the current power to impose an industry levy, the amount of which is based on the carrying capacity of a producer's land. For some diseases this may be the most efficient and equitable way to fund the disease control program.

I note that there have been ongoing discussions with the industry about its liabilities under the current scheme for the collection of funds for the OJD program. In particular, there are ongoing discussions with the industry about the need to repay the loan provided by the Government. The raising of funds to repay the loan will be the subject of further

negotiations with the New South Wales Farmers Association. The industry has agreed that these negotiations will not impede the progress of the bill, which will introduce a far more effective industry funding mechanism for the future.

I assure honourable members that this legislation establishes a framework to provide direct support to producers. Its primary aim is to enable the collective funding by the livestock industry of services to assist producers in controlling disease, and that is how it will be used. The move to a transaction-based contribution scheme and its supporting features simplifies the collection of industry funds and provides greater transparency and accountability in how the funds are distributed. I commend the bill to the House.

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