

Second Reading

The Hon. MICHAEL VEITCH (Parliamentary Secretary) [3.01 p.m.], on behalf of the Hon. Tony Kelly: I move:
That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard*.

Leave granted.

The *Banana Industry Repeal Bill* will repeal the *Banana Industry Act 1987* and dissolve the Banana Industry Committee established under that Act.

The bill will keep money in the pockets of banana growers in New South Wales.

From 1 July, it will mean growers will no longer have to pay the New South Wales Banana Industry Committee charges, meaning they will on average be \$108 a year better off as a result of this bill.

The bill implements recommendations from a review of the Act undertaken last year at the request of the Banana Industry Committee. The committee sought the review for a number of reasons. These include:

the gradual decline in the State's banana production over the last 10 years,

the transfer of the committee's major program—the New South Wales Banana Bunchy Top Virus control program—to a national body in July 2009, and

widespread industry opposition to paying both State and national fees.

New South Wales is the second largest banana producer in Australia after Queensland, producing over 17,000 tonnes of bananas in 2008-09.

Banana growing occurs in two zones, the southern zone, which includes Coffs Harbour, Woolgoolga and Nambucca, and the northern zone, being Richmond, Tweed Coastal and Tweed West.

New South Wales production is around 6.2 per percent of the national total, which last year was around 270,000 tonnes. Nationally, the farmgate value of the banana industry is estimated at over \$300 million.

I now turn to the Banana Industry Act 1987 and the review.

The Banana Industry Act 1987 establishes the Banana Industry Committee and allows the committee to charge banana growers to fund the provision of its services. These functions include pest and disease control, research, education and promotion.

Since its commencement in 1987, the Act has been significantly amended twice, in 1997 and 2000. The amendments in 2000 altered the functions of the committee to bring them into line with National Competition Policy principles and clarified the voting rights of banana growers in committee elections.

In recent years, the committee's primary activity has been the Banana Bunchy Top Virus control program in New South Wales.

Bunchy Top Virus is a dreadful disease which almost wiped out the Queensland banana industry in the 1920s. Bunchy top is spread by infected plant material or banana aphids feeding on the plant. Infected plants do not produce bananas. They cannot be cured and must be destroyed. Without proper controls this disease can cost the industry millions of dollars annually.

I would like at this point to acknowledge the current and past members of the Committee, in particular the current chair, Mr Trevor Black, and the Chief Executive Officer, Mr Bob Campbell.

In particular, I would like to acknowledge the work of the committee in funding and managing the Banana Bunchy Top Virus control program in the northern zone to keep this serious disease under control in New South Wales and to prevent it spreading to the southern growing zone.

In July 2009, the committee transferred responsibility for this program to the Australian Banana Growers' Council. Together with Horticulture Australia Limited, the program has been expanded into a national eradication program funded by a levy on banana growers across the country.

This national levy raises approximately \$238,000 in New South Wales. In comparison, the NSW Banana Industry Committee raises \$47,000 per annum. The committee advises that the current charges would need to be increased fourfold, to \$432 for the committee to provide an effective level of service under the Act.

Since the commencement of the Act in 1987, the number of banana growers in New South Wales has declined from

around one thousand to four hundred. This has reduced the committee's funds, limiting the services that the committee provides. With the transfer of the Banana Bunchy Top Virus program to a national body, services once supplied by the committee to New South Wales banana growers are now being provided nationally.

The Act does provide for the committee to be dissolved by poll. However, the process prescribed in the Act is lengthy and complex.

It is in this context that the Banana Industry Committee requested the former Minister for Primary Industries to undertake a review of the Act.

The review by Industry and Investment NSW was undertaken in accordance with National Competition Policy principles. The review ran from August to December last year. It included meetings with industry groups including the Australian Banana Growers' Council and Horticulture Australia Limited and growers in Tweed Heads and Coffs Harbour. Twenty-one submissions on the review were received and a review report produced.

The review made a number of findings.

Firstly, the review found that there was strong industry support for the Act to be repealed and for the committee to be dissolved. There was also widespread opposition to paying the Banana Industry Committee charge on top of the national levy.

Secondly, the review found that the committee's functions in relation to pest and disease control, promotion, research, development and education are a significant restriction on competition and that more effective measures exist to achieve the objectives of the Act.

Thirdly, the review found that there is widespread industry support for the national Banana Bunchy Top Virus eradication program and for activities run by national bodies such as the Australian Banana Growers' Council and Horticulture Australia Limited.

On the basis of these findings, the review recommended the repeal of the Act and dissolution of the committee by the end of the 2010 financial year.

Dissolving the committee by 1 July 2010 provides the opportunity for any remaining committee funds to be transferred to a national body, such as the Australian Banana Growers' Council, for the benefit and development of the New South Wales banana industry. If the committee is dissolved by this date around \$75,000 could be transferred.

This bill acts on the review's recommendations.

The bill will repeal the Banana Industry Act and dissolve the Banana Industry Committee. The bill also repeals the Banana Industry Regulation 2008. The Government is proposing that this will happen by 1 July 2010.

The bill also sets out the process to finalise the committee's affairs. It does this by way of amendments to the Agricultural Industry Services Act 1998.

All assets, rights and liabilities of the committee will be vested in the Crown and all rights, liabilities and costs of the committee dealt with.

The bill provides the Minister responsible for Primary Industries with the power to transfer any remaining funds from the dissolution of the committee to the Australian Banana Growers' Council or to any other appropriate person or body with functions that promote the development and benefit of the New South Wales banana industry.

Further, the bill will allow the Minister to appoint a person to recover fees, charges and other monies which are owed to the committee at the time it is dissolved. It will require the preparation of reports and statements required under the Public Finance and Audit Act 1983.

Finally, the bill provides that no compensation is payable to any person as a result of repealing the Act or dissolving the committee.

Repealing the Act and dissolving the committee will mean that New South Wales banana growers no longer have a statutory body charged with providing pest and disease control.

This does not mean the Government's focus on pest and disease in the banana industry is waning.

Under the NSW Plant Diseases Act 1924 inspectors are provided with a range of powers in relation to pest and disease control. This includes serving notices on owners or occupiers of land requiring certain measures to be carried out in relation to pests and diseases.

A current order under the Plant Diseases Act 1924 provides for the treatment and eradication of certain banana diseases and pests within the New South Wales banana protected area.

Further, pest and disease control issues are addressed by the 10-year national Banana Bunchy Top Virus eradication program run by the Australian Banana Growers' Council and Horticulture Australia Limited. This program is better designed and resourced than the previous New South Wales program.

The Australian Banana Growers' Council board of directors includes amongst its members two New South Wales

directors. This is in addition to directors from Queensland and the Northern Territory or Western Australia.

The New South Wales banana industry is represented on various Bunchy Top Virus program management committees, ensuring a voice for New South Wales banana growers at these national forums.

This bill will remove the burden on New South Wales banana growers of paying a State charge in addition to a national levy. This is sensible given these charges essentially funded the same services.

The bill will deliver savings to banana growers in this State. It will reduce regulation and red tape.

I commend the bill to the House.