Honey Marketing Bill 1988

Date Introduced: 23 March 1988
House: House of Representatives
Presented by: The Hon. John Kerin, M.P., Minister for Primary Industries and Energy

Digest of Bill

Purpose
To restructure the Australian Honey Board (the Board).

Background
The Board was established by the Honey Industry Act 1962 and its main functions are to make recommendations as to the level of the various honey levies (which are used to finance the Board and promotion); to make recommendations on export control; to report to the Minister on matters effecting the honey industry; to assist in improvements in the industry; and to promote the consumption of honey. The Board has ten members, a representative of the Commonwealth, a representative of producers from each State except Tasmania, and four representatives of honey packers.

In January 1986, the government released a White Paper on the reform of Commonwealth primary industry statutory marketing authorities. The White Paper proposed a number of modifications to existing bodies, including more concise and accurate statements of the bodies role and the establishment of corporate planning policies. The proposals were also aimed at making such bodies more accountable. These reforms have already been introduced into a number of the marketing authorities, including the Australian Meat and Livestock Corporation and the Australian Wool Board. This Bill will introduce similar changes, and follows a review of the Board and consultations with the industry.

While the honey industry may be small in comparasion to some of the more important rural industries, the industry still deals with substantial sums. In the financial year ended 30 June 1987, domestic consumption of honey totaled 14 392 tonnes, while exports totalled 11 874 tonnes, valued at $16.633 million. The latter figures represent a slight decrease on the previous financial year when 14 571 tonnes, with a value of $16.723 million, were exported. The major export markets are in the United Kingdom and the Federal Republic of Germany. Exports to the USA have declined due to domestic protection in that country. The increase in the average export return shown in the above figures has been used to justify the continual regulation of exports by the Board.
Besides the regulation of exports, one of the Board's major functions is to promote the consumption of honey, both in Australia and overseas. In the financial year ended 30 June 1987, the Board raised $316,612 from the domestic levies and $56,329 from the export charge. Of this amount, $135,627 was spent on domestic promotion and $84,122 on overseas promotions. The other main item of expenditure was $107,060 on salaries and related matters.  

Main Provisions

Part II of the Bill (clauses 4 to 37) deals with the structure of the proposed Board, its objectives, functions and powers, and the membership of the Board.

Clause 4 will continue the existence of the Board that currently exists under the Honey Industry Act 1962 (this Act will be repealed by clause 64). The objectives of the Board will be to maximise returns to the industry and to generate greater demand for honey (clause 5). The functions of the Board are listed in clause 6 and include to assist in and control the export of honey; to promote the consumption of honey; and to advise the Minister on a number of matters. The Board will have power to do all things necessary or convenient to achieve its functions (clause 7).

Clause 8 deals with Ministerial directions to the Board. Such directions are only to be given in exceptional circumstances where it is necessary to give the direction to prevent the Board’s activities from coming into conflict with government policies. Directions are only to be given after discussion with the Chairperson of the Board.

Clause 9 provides for consultation with people and organisations involved in the industry and allows for the Board to meet certain costs incurred in their meeting with the Board.

Clause 11 will require the Board to prepare a corporate plan. The plan is to incorporate the Board’s goals, an assessment of the market and economic outlook for the industry, and the strategies that the Board proposes to follow to achieve its aims. The plan is to cover five year periods. Similarly, clause 12 will require the Board to prepare annual operational plans.

The membership of the Board is dealt with in clause 14. The Board is to consist of a chairperson, a government member and six other members nominated by the Selection Committee (see below). Clauses 15 to 21 contain the normal provisions regarding terms of office, disclosure of interests, termination of appointments, meetings and other minor matters.

Proposed Division 4 deals with the selection process for members of the Board. The Australian Honey Board Selection Committee (the Selection Committee) will be established by clause 22. The Selection Committee’s role will be to select nominees for appointment to the six ‘other’ positions on the Board. The Selection Committee is not to nominate persons for...
appointment unless they have qualifications or experience in one or more of the following fields: honey production; processing or packing of honey; exporting; finance; product promotion and marketing; or business management. The Selection Committee is to ensure that all of these fields are represented on the Board. The President or Vice President of the producers' and packers' organisations may not be nominated (clause 24).

The Minister may reject nominations (clause 26).

The Selection Committee is to consist of a presiding member, two nominees each from the producers' and packers' organisations, and one other member nominated by the four organisation representatives (clause 27).

Clause 36 will allow the Board to engage employees, while clause 37 will authorise the hiring of consultants.

Part III of the Bill (clauses 38 to 49) deals with export controls. Other than people with current export licences, a person is not to export honey without a licence issued under this Bill (clause 38). The Board is to issue a export licence if satisfied that the applicant has not been convicted of a serious offence, or an offence against this Bill, for the previous five years, has a sound financial and business standing, has sufficient experience in the export field, and can obtain honey for export. The licence may be issued subject to such terms and conditions as the Board sees fit (clause 39).

Clause 40 will allow the Board to vary the terms of a licence at any time. The Board is to renew a licence if satisfied that the licensee has complied with any terms or conditions imposed and has satisfactorily exported honey (clause 42). Licences may be cancelled, or suspended, if the holder has been charged with, or convicted of, a serious offence or an offence against this Bill; or if the Board is satisfied that the licensee has become bankrupt or insolvent, has given the Board false information, has contravened a condition of the licence, or has acted in a way that is seriously prejudicial to the honey industry (clause 43).

Clause 44 provides for the review of decisions made under clauses 39, 40, 42 and 43 by the Administrative Appeals Tribunal, while clause 45 provides for a statement of reasons to accompany such decisions.

Part IV of the Bill (clauses 50 to 58) deals with finance. The Board is to be paid from Consolidated Revenue an amount equal to that collected under the various honey levy Acts and the export charge Act (clause 50). The funds are to be spent on paying the Board's liabilities and those of the Selection Committee, the payment of renumeration as authorised under this Bill and to make other payments authorised by this Bill (clause 53). The Board will be liable to Commonwealth tax, other than income tax, and will be exempt from State and Territory tax unless the regulations specify otherwise (clause 58).

Part V of the Bill deals with miscellaneous matters. The Board will be
required to prepare an annual report (clause 59), while, under clause 62, the Bill will cease to operate six years after it comes into force.

Clause 64 will repeal various Honey Industry Acts, including the *Honey Industry Act 1962*.

Part VI contains transitional provisions. Clause 65 will continue existing appointments to the Board, clause 66 will continue the existing Executive Committee, while clause 67 will preserve existing export licences.

References

2. Ibid., p 14.

For further information, if required, contact the Economics and Commerce Group.

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