DAIRY INDUSTRY LEGISLATION AMENDMENT BILL 1983

Date Introduced: 21 September 1983
House: House of Representatives
Presented by: Hon. John Kerin, M.P., Minister for Primary Industry

Short Digest of Bill

Purpose


Background

The Dairy Produce Act 1924 is the enabling legislation of the Australian Dairy Corporation (ADC) and contains the legislative framework for the dairy products export return pooling scheme. The export market for dairy products is controlled by the ADC which separately pools receipts from domestic and export sales of the major manufactured dairy products.

The Minister for Primary Industry announced on 14 July 1983 the Government's decision to amend legislation "to strengthen and regularise the administration of existing stabilization and marketing arrangements... The amended legislation will also cover procedures for recovering the proceeds from export sales and pooling requirements in certain circumstances". (Media Release, 14 July 1983).

According to the Minister, in his Second Reading Speech, the "amendments to the Dairy Produce Act 1924 are intended to bring up to date the Corporation's powers over contracts for the carriage of dairy products by sea to places beyond Australia, to provide a legislative basis for the manner in which the Corporation administers certain provisions of the export return pooling scheme and to make other minor adjustments to the scheme, to require the Corporation to credit any surplus or debit any deficit incurred by it in respect of its export sales of dairy produce to accounts maintained under the export return pooling scheme, and to bring into line with current levels the penalties for offences under the Act." (House of Representatives, Hansard, 21 September 1983, p.1096)

Main Provisions

Clause 4 repeals section 19 of the Dairy Produce Act 1924 and substitutes a new section 19 dealing with conditions relating to contracts for shipment of dairy produce overseas. Under the existing section 19, the Corporation either determines the conditions of shipping contracts or makes shipping contracts on behalf of exporters. The proposed new section 19 provides the Corporation with discretionary powers in relation to shipping contracts in that it may approve the conditions of the contracts. Furthermore, if the Corporation does so, it must inform licensees of those conditions. Failure to comply with the conditions will be grounds for a licence to export dairy produce to be revoked. The contract will not be void or unenforceable.

Under the existing section 19, failure to comply with the conditions causes the contract to be void. The Minister, in his Second Reading Speech, states that "(such) a sanction has proven not to be effective, and in any event, if relied upon, could have undesirable consequences for the international marketing of dairy products". (House of Representatives, Hansard, 21 September 1983, p.1096)

Clause 5 amends section 20AB of the Dairy Produce Act 1924 which deals with the export return pooling scheme. More detailed notification arrangements will be required where the assessed export price or the minimum export price is fixed or varied. Furthermore, exporters will have to make a payment into the export return pooling scheme where the export price obtained is less than the minimum return but that minimum is greater than the assessed return. At present, an exporter selling at the minimum price is required to make a payment whereas an exporter selling only marginally below that price is not, with the result that the exporter selling at the minimum price can receive a lower
net return than the exporter selling below the minimum price.

Sub-clause 5(e) substitutes new sub-sections 20AB(7) and (8) and a new sub-section (8A) to authorise the current practices of the Corporation in relation to the export return pooling scheme. Exporters will receive directly the proceeds of their export sales and will then either remit to the Corporation the required contribution to the pool or receive from the Corporation the required payment from the pool.

Clause 6 inserts a new section 24A into the Principal Act. The Corporation will be required to credit any surplus made, or debit any deficit incurred, by it as a trader on the export market to the export return pooling scheme, and in particular to the production pool year to which the exported product relates, or to pool or pools as the Minister may direct.

Clause 8 inserts a new section 8A into the Dairy Industry Stabilization Act 1977 to provide legal support for the practice of requiring producers who obtain a refund of levy, to pass on the benefit to the exporter. Clause 12 provides for revision of penalties.

Clauses 13-17 inclusive deal with the Dairying Industry Research and Promotion Levy Collection Act 1972. Clause 14 increases the amount of penalty for late payment of levy which may be remitted by an authorised person from $10 to $100.

For further information, if required, contact:

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