APPLE AND PEAR EXPORT UNDERWRITING BILL 1981

Date Introduced: 26 February 1981
House: House of Representatives
Presented by: Hon. P.J. Nixon, Minister for Primary Industry

Short Digest of Bill

Purpose

To provide for the underwriting of returns from all export market sales of apples and pears over the five seasons 1981 to 1985.

Background

The existing Apple and Pear Stabilization Scheme was introduced in 1971 to provide a stable environment for the industry. The Stabilization Scheme has helped the industry to adjust with total Australian production of apples and pears down more than 30%, with only half as much production accounted for by exports and with more exports to forward sale markets in the Middle East and S.E. Asia as opposed to the 'at risk' markets in Europe ('at risk' markets are those in which the owner faces some degree of risk, i.e. fruit sold on free consignment, against a guaranteed advance or sold afloat. Further adjustments, of a lesser degree, are likely.

The Stabilization Scheme tends to distort the market signals for export fruit, and if continued in its present form, could negate the adjusting of the industry. Therefore, the Apple and Pear Stabilization Amendment Bill 1981 removes the stabilization scheme for pears and provides for the gradual phasing out of stabilization assistance for the export of apples to at risk markets. The Underwriting Bill is designed to replace the Stabilization Scheme's cost of production base for assistance with a base related to price experience in the export markets. This will more closely represent the true market situation and allow adjustment of the industry to continue.

Main Provisions

Clause 5 establishes the guaranteed minimum export return rate for both types of fruit (apples and pears) as that found by the Minister after calculating 95% of the
weighted average per box free on board return for all exports of that fruit over the immediately preceding four seasons.

Clause 6 sets out that the average export return rate for each season be determined by the Minister as soon as possible after the end of the season by aggregating the amounts of the net proceeds of export sales and dividing the amount by the relevant number of reputed boxes of exported fruit.

Clause 7 defines the amount of the net proceeds of an export sale of exported fruit to be the free on board return per box. This is determined by subtracting from the proceeds of the sale, the costs and charges which the Minister feels were necessarily incurred in respect of that sale in carriage of the export fruit. The costs and charges include insurance and any handling of or dealing in the fruit after being placed on board.

Clause 8 details the underwriting payments. Where the average export return rate for a particular season is less than the guaranteed minimum export return rate for that season the difference will be met by an underwriting payment.

Clause 11 provides for the Australian Apple and Pear Corporation to make underwriting payments on behalf of the Commonwealth.

Clause 13 states that underwriting payments are payable out of the Consolidated Revenue Funds (under the Apple and Pear Stabilization Scheme growers were required to make payments into the fund).

Clause 14 provides that the Corporation, in determining the price at which fruit may be sold overseas, shall comply with any direction of the Minister with respect to the making of any such determination.

Clause 15 allows authorized persons to require a person to furnish relevant returns or information, with a penalty of $1,000 for refusal or failure or for furnishing false or misleading returns or information.

Clauses 16 and 17 deal with acceptance by persons of underwriting payments not payable to him or exceeding the amount payable to him.

Clause 18 requires exporters of fruit to maintain proper books and accounts and to produce these upon demand by an authorised person.
Clause 19 details the powers of authorised persons to enter premises to search for and inspect books, documents or other papers relating to the export sale of fruit.

Clause 20 states that the Minister may appoint authorised persons.

Clause 21 specifies that the Governor-General may make regulations not inconsistent with this Bill including the prescribing of penalties.

For further information, if required, contact:

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