To amend the financial provisions of the Australian Apple and Pear Corporation Act 1973 to enable the Corporation to administer the new underwriting scheme; to alter the taxation liability of the Corporation.

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

The Corporation is confirmed to have control of exports of apples and pears by air as well as sea (clause 4).
Clause 6 establishes the Apple and Pear Export Underwriting Act 1981 as under the administration of the Corporation and one of the Acts for which the moneys of the Corporation can be used.

Clause 7 makes the Corporation subject to taxation, other than income tax, under the laws of the Commonwealth. As well the clause authorises the making of regulations to make the Corporation liable to taxation under a specified State or Territory law.

For further information, if required, contact:

Finance, Industries, Trade & Development Group
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LEGISLATIVE RESEARCH SERVICE