APPLE AND PEAR STABILIZATION AMENDMENT 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

The overall purpose of this Bill in conjunction with the Apple and Pear Export Underwriting Bill 1981 and the Australian Apple and Pear Corporation Amendment Bill 1981, is to vary the market arrangements for export apples and pears. This Bill extends the operation of the Apple and Pear Stabilization Act 1971 in relation to apple exports to cover the 1981 to 1984 export seasons with reducing maximum price support levels. This gradual phase out is designed to prevent disruption to the industry. Assistance again only applies to exports 'at risk' to markets in Europe. The Stabilization Scheme for pears is not to be extended.

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 extends the operation of the Act to cover the 1981 to 1984 export seasons.

Clauses 6, 7 and 8 exclude the operation of the scheme to pears since the end of 1980 season.

Clause 8 restricts the operation of the Scheme to the exportation of apples to Europe (the 'at risk' markets).

Clause 9 sets out the maximum rate of payments for each export season 1981 to 1984. In 1981 the maximum rate is to be $2.20 per box, in 1982 $1.65, 1983 $1.10, and 1984 $0.55. In each season the rate is to be payable on a maximum of 1.5 million boxes. Where that limit is overreached the maximum rate of payment for that year is determined by multiplying that year's maximum rate by 1.5 million and dividing the result by the number of boxes to be covered.

Clause 10 provides for the amount of stabilization payment to be reduced by the amount of any underwriting payment.

Clause 11 states that the stabilization payments are payable out of the Consolidated Revenue Fund.

Clause 12 and 13 deal with money standing to the credit of the various Stabilization funds. Such money shall not be used to make Stabilization payments in the 1981 to 1984 seasons (clause 12), but shall be paid out (clause 13).

Clause 14 removes the provision in the Stabilization Act allowing the Minister to direct the price at which fruit may be sold overseas (though this provision is incorporated in the Apple and Pear Export Underwriting Bill 1981). The level of penalties for offences against the Act is brought into line with those provided for in the Apple and Pear Export Underwriting Bill 1981).

Clause 17 repeals the Acts which provide for the imposition and collection of levies on members of the industry.

For further information, if required, contact:

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