Date Introduced: 15 November 1978
House: House of Representatives
Presented by: Rt. Hon. Ian Sinclair, M.P., Minister for Primary Industry

Short Digest of Bill

Purpose

To impose a levy on dried vine fruit in certain circumstances as part of a new statutory equalization scheme for dried vine fruit.

Background

A new statutory scheme for equalizing the unit returns from the sale of dried vine fruit on domestic and export markets, which will replace existing voluntary arrangements, will be provided for by this Bill and the Dried Vine Fruits Equalization Bill 1978. The scheme will commence on 1 January 1979 and will embody a compulsory levy/disbursement arrangement with growers receiving, in effect, an equalized price for all sales domestic and export.

This Bill will provide for a levy to be imposed on the production of dried vine fruit (meaning currants, sultanas and raisins) in Australia, from 1 January 1979. The levy, which will be payable by producers (i.e. growers), will be waived if the fruit has not been/is not to be sold for human consumption or has been exported.

In certain circumstances production may be exempted from the levy. Firstly, the Minister shall, by notice in the Gazette, exempt from levy production of a variety in a season where such production will not exceed the minimum quantity (4,000 tonnes for currants, 20,000 tonnes for sultanas and 3,000 tonnes for raisins). These minimum quantities are roughly equivalent to recent annual domestic requirements. Secondly, production of a variety (meaning currant, sultana or raisin) or of a sub-variety (meaning, for example, one type of currant) in a season may be exempted from the levy by regulation. This will occur in cases where, firstly, the difference between the domestic (unit) return and the export (unit) return is only marginal (less than $20 per tonne, according to the Second Reading
Speech) and, secondly, the export (unit) return exceeds the domestic (unit) return. Thirdly, production of a certain form (for example, production which is processed by the costly tunnel dehydration method) may, by regulation, be exempted. Production which is exempted from the equalization levy will not attract any equalization payment.

In recent years, annual Australian production of dried vine fruit has averaged some 65,000 tonnes (total of the three varieties) of which some 62% has been exported. The majority of production and exports has been of sultanas. The U.S.A. being one of the major world producers and exporters (along with Turkey, Greece, Afghanistan and Australia), lost in September 1978 some 60% of its expected 1978 crop due to damage caused by two storms. As a result, the U.S.A. is not expected to export any of its 1978 crop. Consequently, for the first time in many years, the average export price for the 1979 season is expected to exceed the (Australian) domestic price. Thus, production in 1979 is likely to be exempted from the equalization levy.

Three levy rates (one for each of the three varieties) will apply in each season. Each rate will be prescribed after any recommendations from the Corporation to the Minister have been considered. The intent of the scheme will be to have a levy rate set for each variety equal to the amount by which the overall average domestic (unit) return exceeds the assessed overall average export (unit) return (as assessed by the Corporation).

Provisions

Clause 2 provides for the legislation to commence on 1 January 1979. Sub-clause 5 (1) provides for the imposition of a levy on dried vine fruit (meaning currants, sultanas and raisins) produced in Australia from 1 January 1979. Fruit which has not been/is not to be sold for human consumption or has been exported, shall not be levied (sub-clause 5 (2)). In each season, the rate of levy for each of the three varieties is to be fixed by regulation. The Australian Dried Fruits Corporation may make recommendations to the Minister concerning levy rates (sub-clause 9 (2)). The levy is to be payable by the producer (ie. grower) (clause 7). Clause 8 provides for exemptions of production from the levy.