

1985

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

DRIED SULTANA PRODUCTION UNDERWRITING
AMENDMENT BILL 1985

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for
Primary Industry, the Hon. John Kerin, MP)

OUTLINE

The amendments proposed in this Bill to be made to the Dried Sultana Production Underwriting Act 1982 bring arrangements in this Act into line with recent Government decisions on underwriting for the 1986 to 1990 seasons following a report by the Industries Assistance Commission concerning dried vine fruit.

Provision is made in the Bill for the present arrangements to relate only to the 1982 to 1985 seasons and for new arrangements to come into force from the 1986 to 1990 seasons.

These arrangements are expected to provide roughly the same amount of assistance on average as the present arrangements but will be more sensitive to sharp falls in world market prices and thus will be more effective in providing the protection intended.

While it is not feasible to estimate reliably the cost of the new arrangements, a comparison of payments on the basis of 1982 season data (that being the latest season for which an underwriting payment has been made) show that \$4.92 million would have been payable under the new arrangements, whereas \$1.32 million was paid under the current arrangements.

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NOTES ON CLAUSES

CLAUSE 1: Short title

CLAUSE 2: Heading to Part I

1 Because the Act will become somewhat lengthy the opportunity has been taken to divide the Act into parts. Part I relates to "Preliminary" matters such as the short title and interpretation.

CLAUSE 3: Interpretation

2 When amended the Principal Act will relate to underwriting arrangements for the 1982 to 1985 seasons based on average ex-packer returns and for the 1986 to 1990 seasons based on average export returns.

3 This clause provides additional definitions in relation to export activities. It defines the terms "export", "exported packed dried sultanas", "export sale" "published average export return rate" and "published guaranteed minimum export return rate". It ensures that existing underwriting arrangements relate only to the 1982 to 1985 seasons, not to the 1982 to 1986 seasons as provided for at present. It ensures that different provisions relate to underwriting arrangements from the commencement of 1986 season by defining the 1986 to 1990 seasons inclusive as "prescribed later season(s)". It also relates new provisions to existing clauses in the Principal Act where appropriate.

CLAUSE 4: Heading to Part II

4 The provisions in the Principal Act in sections 4 to 9 relate to existing arrangements. These will now come within a part of the Act titled "Underwriting for Prescribed Seasons".

Clause 5: Heading related to underwriting for prescribed later seasons and amendments to Principal Act.

5 This clause places arrangements for underwriting between 1986 and 1990 (prescribed later seasons) into a Part III titled "Underwriting for Prescribed Later Seasons". Sections 9A to 9H are in this part. Sections 10 and following sections of the Principal Act are grouped into a Part IV titled "Miscellaneous".

- 6 Proposed provisions in relation to the determination of the average export return rate (sections 9A and 9B) the reduction factor (section 9C), guaranteed minimum export return (section 9D), export sale (section 9E), corrected proceeds of export sale (section 9F) underwriting seasons (section 9G) and underwriting payments to producers (section 9H) apply underwriting for the 1986 to 1990 seasons on the basis of average f.o.b. export returns, with the guaranteed minimum return for a season at 80% of the average of these returns for the preceding three seasons. The basis for determining an estimate of the f.o.b. return for exports is provided in section 9F. This amount is referred to as the "corrected proceeds of export sale". The Minister is given discretion in the proposed Section 9E to base average returns on representative sales; a similar provision for existing arrangements is at sub-section 5(2) of the Principal Act.

Clause 6 Amendments relating to gender specific language.

- 7 This clause substitutes gender specific references in the Principal Act with neutral terminology in line with current Government policy and the Sex Discrimination Act 1984.