

DEPARTMENT OF THE PARLIAMENTARY LIBRARY  
LEGISLATIVE RESEARCH SERVICE  
BILLS DIGEST INFORMATION SERVICE

BOUNTY (BERRY FRUITS) BILL 1982

Date Introduced: 19 August 1982  
House: House of Representatives  
Presented by: Hon. W.M. Hodgman, M.P. Minister  
assisting the Minister for Industry  
and Commerce

Short Digest of Bill

**Purpose**

To provide bounty assistance to the production in Australia of certain fresh berry fruits used for processing.

**Background**

The Government's decision, announced on 21 April 1982 to implement assistance by means of a bounty, follows a recommendation by the Industries Assistance Commission in its report "Fruit and Fruit Products" (No. 276, 24 August 1981). The report covered various processed fruit products and fresh and processed passionfruit and berry fruits.

A bounty is viewed as more appropriate than a tariff because a tariff on imported berry fruits processed in Australia would raise the end price and reduce the competitiveness of the jams and juices produced using them against imported jams and juices.

The IAC in its report indicated that imports of whole fresh and chilled berries, and frozen berries other than strawberries, were dutiable at minimum rates, while the ad valorem equivalents of duties on jams, juices and frozen strawberries were all in the order of 10%. Because the perishability and high freight costs of fresh berry fruits afford natural protection, and because imports of fresh berries did not appear to be a problem to the industry, it was recommended that minimum rates of duty continue to apply. Australian growers supply over 90% of the domestic requirements for fresh berry fruit [IAC report, pp.8-11]. Over 60% of Australian production of strawberries is grown in Victoria and Queensland; of other berry fruits, over 90% is produced in Tasmania.

The Commission considered the structural implications and employment consequences in certain regions, and the efficiency of mechanization for areas greater than

10 hectares. Less than 5% of all berry farms currently have an area greater than 5 hectares [IAC report, p.6]. The Commission recommended a bounty of \$100 per tonne on local berry fruit sold for processing, to continue for five years and to be payable to processors for ease of implementation [IAC report, p.12]. That the benefit would be passed on to growers was anticipated because a \$15 per tonne rebate for sugar used in jam manufacture is payable where minimum prices, as set by the Fruit Industry Sugar Concession Committee, are paid for the fruit.

The Bill provides for the bounty to be payable to growers, based on information provided in returns provided by the processors.

The scheme is to operate for five years from 1 July 1982, and is estimated to provide a level of assistance equivalent to a tariff of about 10%. The Government expects the scheme will assist growers to adjust to newer technology and greater mechanization.

### Main Provisions

Clause 2 deems the Act to commence on 1 July 1982.

Clause 3 defines "bountiable fruit" for the purposes of the Bill. Certain fruits, such as figs, juniper berries, lychees and rosehips, are specifically excluded. "Processor" is defined as the person who "completes the first or only process" which the fruit undergoes, and "producer" is defined as the owner of the fruit immediately prior to harvest and deems as such an owner the holder of an equity of redemption in respect of fruit the subject of a mortgage or other security, to ensure the bounty is received by the grower.

Uniformity of bounty throughout the Commonwealth is required by clause 4, within the requirements of paragraph 51(iii) of the Constitution.

A bounty is payable under clause 5 provided the Comptroller-General of Customs is satisfied that harvest and first processing occurred within the five-year bounty period. The amount, under clause 6, is \$100 per tonne.

Under clause 7, fruit produced by the Commonwealth or a State Government or associated authority is not bountiable; the intention of the scheme being to assist non-government enterprises to compete with imports.

A further requirement, of clause 8, is that the fruit be of good and merchantable quality.

The amount to pay the bounty is appropriated from the Consolidated Revenue Fund by clause 25.

Administrative arrangements for processors are set out in clauses 9 and 10, requiring monthly returns to the Collector of Customs in the respective State and the keeping of accounts and other records to show details of the provision of fruit from producers and its processing.

The Comptroller-General of Customs may approve payment of the bounty, on the basis of these returns, under sub-clause 9(3). Clause 11 permits a producer to appoint a processor his agent for receipt of the bounty.

Claims for payment of unpaid bounty or fruit harvested at least four months prior to the claim are to be lodged with the Comptroller-General under clause 12.

Registration of premises for processing of fruit is provided for by clause 13 and, by sub-clause 13(1), regulations may be made prescribing conditions to be complied with in connexion with processing. The significance of registration is that by paragraph 5(3)(c), the bounty is payable only where processing is done at registered premises.

Clause 14 makes a person's entitlement to bounty conditional on the keeping of proper records, including such particulars as are specified by notice in writing to the person from the Minister administering the Act.

Security in the form of bond, guarantee or cash deposit, for compliance with the provisions of the scheme, may be required by the Minister under clause 15.

The enforcement of the scheme is dealt with in clauses 16 to 20, covering the authorization of officers, their powers of inspection, questioning and examination on oath. Offences set out in clause 20 provide for 12 months imprisonment and/or a \$2,000 fine for obtaining or attempting to obtain bounty not properly payable.

The Comptroller-General of Customs must furnish an annual return detailing bounty payments made (clause 21).

Clause 22 permits delegation by the Minister or Comptroller-General of any of his powers under the Act.

Certain decisions under the Act, including approval or refusal to approve bounty payments, are reviewable by the Administrative Appeals Tribunal under clause 23, with a requirement in clause 24 that reasons for the decision be

accompanied by a statement setting out this right to apply for review.

The power to make regulations under the Act is conferred by clause 27 with a maximum penalty for offences against the regulations of \$200.

For further information, if required, contact:

25 August 1982

Economics and Commerce Group  
LEGISLATIVE RESEARCH SERVICE

Reference

"Fruit and Fruit Products", Industries Assistance Commission Report No. 276, 24 August 1981, AGPS, Canberra.

