**EGG INDUSTRY STABILIZATION BILL 1973**

**Legislative Assembly, 6 November 1973, pages 1593-5**

Second reading

The Hon. J. D. CORCORAN (Minister of Works) obtained leave and introduced a Bill for an Act to provide for the stabilization of the egg industry, for matters connected therewith, and for other matters. Read a first time.

The Hon. J. D. CORCORAN: I move:

That this Bill be now read a second time.

I ask leave to have the second reading explanation incor­porated in Hansard without my reading it.

Leave granted.

Explanation of Bill

Members may be aware that there has been a significant expansion of the production of eggs throughout Australia since 1965 when the Commonwealth hen levy scheme was introduced. The effect of this expansion may be seen by the fact that between 1965 and 1972, the number of leviable hens in Australia has increased by 37 per cent, and in South Australia by 36 per cent.

The hen levy scheme was introduced to provide for the equalization of domestic and export returns. As a result of the implementation of the scheme, State egg marketing authorities were able to pay attractive prices to producers, and these pricing policies, combined with technological advances in management and production, gave rise to a period of comparative high profitability within the industry. It was in this period that the expansion to which I have referred occurred.

This expansion persisted despite warnings given by the Australian Agricultural Council as early as 1967 and repeated on a number of subsequent occasions. When the expansion resulted in more eggs being produced than could possibly be absorbed in the domestic and export markets, the surplus production was processed into egg pulp. However, following the contraction of oversea markets it became impossible to sell all of the surplus egg pulp within a reasonable time following manufacture. As a result, increasingly large quantities of pulp had to be held for extended periods, and considerable storage costs were incurred. This resulted in acute financial difficulties for the State marketing authorities, and to meet this situation prices to producers had to be sharply reduced, and eventually reached levels that were uneconomic for many egg producers.

These developments gave rise to strong representations from the relevant industry organizations throughout Australia for the introduction of some form of production control. Agreement in principle between the various States of the Commonwealth as to the introduction of these controls has now been reached. Controls such as these can only operate effectively on an Australia-wide basis, and agreement between the States was expedited by a decision of the Commonwealth Government to provide finance to assist in the disposal of surplus egg pulp, on condition that all States agreed to implement production controls. The Government’s announcement that it would introduce legislation to effect these controls or “demand supply management”, as it should more accurately be called, was made in April of 1972, and, at the same time, it was announced that the cut-off date for the purposes of the assessment of quotas would be March 2, 1972, and the period for the establishment of base quotas would be 12 months ending March 2, 1972.

This Bill proposes the implementation of controls, and follows in broad outline the principles adopted in New South Wales and Victoria, and has been prepared after consideration of submissions made by all of the relevant poultry industry bodies. I draw members’ attention to a most important feature of this legislation, and that is the provisions of clause 49. Briefly, this clause provides that if, before the Act is substantially brought into operation, the Minister receives a petition signed by not less than 100 persons who are eligible to vote at an election under the Marketing of Eggs Act, 1941-1972, praying that a poll be held to determine whether or not the Act shall be brought into force, the substantial bringing into operation of the Act will be delayed.

Provision is made in this clause for the holding of such a poll and, if the majority of persons voting at the poll indicate that they do not wish the Act to be brought into substantial operation, that will be the end of the matter. Thus, in the manner set out in the foregoing it is provided that this Act will come into operation only if it is the desire of the producers in the industry. To consider the Bill in detail, clauses 1 to 3 are formal. Clause 4 sets out the definitions necessary for the purposes of this Act. Clause 5 exempts from the application of the Act persons who or partnerships which do not own or keep 20 hens. Such persons and partnerships do not pay hen levy to the Commonwealth, and will accordingly not be affected by this Act. In addition, certain educational institutions will also be exempted from the operation of the Act.

Clause 6 constitutes a poultry farmer licensing committee. This committee will consist of the three persons appointed by the Governor to the South Australian Egg Board. Honourable members will recall that this board consists of three persons appointed by the Governor, and three persons elected. Clause 7 is quite formal and provides for meetings, etc., of the licensing committee. Clause 8 is again a formal provision that provides that no act or proceeding of the licensing committee will be invalid only on the ground of a vacancy in the office of a member of the licensing committee. Clause 9 provides for the appointment of persons employed by the board as inspectors for the purpose of this Act. Clause 10 gives power of entry and inspection to the inspectors. I point out that this power cannot, in the terms of the measure, be exercised in any place used for residential purposes without the consent of the occupier of those premises.

Clause 11 entitles the inspector to demand the name and address of a person suspected of having committed an offence under this Act. Clause 12 provides certain offences in relation to impersonating inspectors, etc. Clause 13 provides for the division of poultry farmers into two categories; group I and group II. The criteria for inclusion in group I is set out in paragraph (a) of subclause (1) of this clause, and group II will comprise any licensees who do not fall within the group I category. In broad terms, group I poultry farmers will be those poultry farmers who have an established business and were engaged in the production of eggs before the cut-off date, that is, March 2 1972. Group II poultry farmers are poultry farmers who do not fall into the group I category. In addition, this clause provides that a poultry farmer who would otherwise be a group I poultry farmer may, within the period fixed by subclause (3) of this clause, elect to be treated as a group II poultry farmer.

This election is provided for, because it may be of advantage to a group I poultry farmer in certain circumstances to have his base quota calculated in the manner provided for by clause 20 in lieu of the manner set out in clause 19.

At this stage I must emphasize that it is of paramount importance that those poultry farmers, who in terms of this measure are likely to be group I poultry farmers, carefully consider their position and, if they desire to make an election, ensure that it is made within the time set out in subclause (3). It will be quite impossible for any late elections to be considered. Clause 14 makes it an offence to keep hens without being the holder of a licence under the Act. This clause is subject to certain exceptions which are set out therein. Clause 15 provides for the grant of annual licences and, in summary, provides that every poultry farmer as defined who applies for a licence and pays the fee demanded will be entitled to the grant of a licence. I would draw honourable members’ particular attention to subclauses (6) and (7) of this clause which provide for a day on or before which applications must be made for a licence for a particular licensing season.

Clause 16 sets out certain formal requirements for a licence. Clause 17 provides for the fixing of an annual licensing fee, and the Government has in mind that this fee will be of the order of lc for each hen that may be kept pursuant to the licence. Clause 18 sets out the circumstances under which a licence may be cancelled, and subclause (2) of this clause provides that, in the case of a less serious offence, the licensing committee may reduce the hen quota of a licence holder. All these decisions of the licensing committee are subject to appeal. Clause 19 and the clause next following are commended to honourable members’ close attention. Clause 19 provides that the base quota of a group II poultry farmer shall be a number equal to the highest number of hens in respect of which the poultry farmer paid hen levy during the year concluded on May 2, 1972.

Clause 20 provides that the base quota of a group II poultry farmer is a number equal to the average number of hens on which he paid hen levy during the period of one year concluded on June 29, 1973, unless the group II poultry farmer has been in business for a lesser period, in which case it will be based on the average number of hens kept during that lesser period. Provision is also made in this clause to cover the case of a group II poultry farmer who acquired the property of a person who, had the measure been in force at the relevant time, would have been a group I poultry farmer. In that case the group II farmer is entitled to have the base quota that the group I poultry farmer would have had. In addition, certain elections are provided for by this clause to mirror the elections provided under clause 13 adverted to earlier. Clause 21 is formal, and clause 22 provides for the establishment of a State hen quota for each licensing season.

Clause 23 provides for the fixing of the hen quota for each poultry farmer. Briefly, this figure is arrived at by dividing the hen quota by a figure representing the total of all the base quotas fixed by the licensing committee and multiplying the result by the base quota of the particular j poultry farmer. It will be seen that, as the State hen quota I rises or falls, so will the number of hens that may be kept i by the poultry farmer rise or fall. The State hen quota is, of course, the maximum number of hens that may be kept in this State in respect of any licensing season. Clause 24 provides for the establishment of hen quotas in subsequent licensing seasons, and the principles applied will be similar to those mentioned in relation to clause 23. Here I draw the attention of honourable members to the maximum limitation of 50 000 hens that may be kept by any I poultry farmer. At present in this State numbers of this order are not kept by any poultry farmer, and the Government intends that agglomerations such as this will not be permitted to occur.

Clause 25 will enable hen quotas to be traded, and this clause sets out the circumstances in which they may be traded. The approval of the board is necessary for any such trading and I draw honourable members’ particular I attention to subclause (3) of this clause which is intended to prevent the concentration of production in any particular area of the State and also to prevent the concentration of production in a few hands. Clause 26 is a machinery provision. Clause 27 provides for the recalculation of hen quotas upon a trading referred to in clause 25. Clause 28 provides that the licensing committee may grant a licensee a permit which authorizes him to keep hens for human consumption. Clause 29 provides for a poultry farmer licensing review tribunal to hear and consider appeals under the Act.

Clause 30 provides for the manner in which the tribunal is to be constituted. Clauses 31, 32 and 33 are machinery provisions, and clause 34 provides that the decision of the review tribunal shall be final. Clause 35 sets out the provisions relating to appeals against decisions of the licensing committee and the powers of the tribunal in relation thereto. Clause 36 provides for payment of members of the licensing committee and the review tribunal, and all other costs of administration of the Act to be paid by the South Australian Egg Board.

Clause 37 provides that costs recovered under the Act shall be payable to the board. Clause 38 provides for the keeping of records by certain persons, and clause 39 relates to the provision of information by applicants for licences. Clause 40 provides for the surrender of a licence upon its cancellation. Clause 41 provides that a member of the licensing committee shall not exercise his vote in respect of a matter in which he has a financial interest. Clause 42 provides for an annual report by the licensing committee, and subclause (2) of this clause provides that the report shall be laid on the table of this House. Clause 43 empowers the Minister to require further information as to the workings of this Act.

Clause 44 is a general penalty provision, and clause 45 is a formal provision. Clause 46 imposes a certain liability on persons concerned in the management of a corporation in respect of an offence committed by the corporation. Clause 47 is a general suspending provision, and is intended for use should the demand for eggs suddenly increase to the extent that controlled production may, temporarily, not be required. Clause 48 is a formal regulation-making power. Clause 49 provides for a poll on the question of whether or not this Act is to come into substantial operation, and has already been discussed. Clause 50 provides for polls on the continuation of the Act and is generally self- explanatory. Clause 51 is a formal provision. I commend the Bill to honourable members.

Mr. WARDLE secured the adjournment of the debate.