**DAIRY PRODUCE ACT AMENDMENT BILL 1935**

**House of Assembly, 24 September 1935, pages 660-2**

Second reading

**The Hon. M. McINTOSH (Albert—Com­missioner of Crown Lands)—**This Bill has been introduced to give effect to the decision of the Government to extend the operation of the Dairy Produce Act for a further period of two years. The principal Act, which was passed last year, expires at the end of this month, and it is therefore necessary to consider the question of extension immediately. Whilst dealing with the question of extension the Government has taken the opportunity to in­clude some other amendments of the principal Act based upon the administrative experience of the South Australian Dairy Produce Board and a similar board in Victoria. In the latter State the Dairy Produce Act has had to stand up to some severe tests, and this State is in the position of being able to benefit, by the difficul­ties which have been experienced there. I will explain the legal effect of the clauses of the Bill in their order. Clause 3, which strikes out the definition of “quota” in the interpretation section, is merely consequential on subsequent provisions of the Bill, which alter somewhat the principles determining the application of quotas. Clause 4 extends the term of office of the present members of the Board for a period concurrent with the proposed extension of the operation of the Act, namely, until September 30, 1937. Until the Act is made permanent there does not appear to be any necessity for determining what the normal tenure of office of the Board will be in future.

Clauses 5 and 6 relate to the determination and effect of butter and cheese quotas. Although prosecutions for failure to observe quotas are not likely to be frequent, nevertheless in the ultimate analysis the whole scheme of the Act depends on the power to prevent persons from selling butter and cheese in the home market in excess of the quota, and it is essential that the machinery for enforcing quotas should be thoroughly workable. Clauses 5 and 6 change the existing principle of quotas in the same manner as the amending Bill recently passed in Victoria changed the system there. The provisions which the Government and Parliament adopted last year, after consultation with persons concerned in the trade, provide that the quota is to be applied to the specific butter or cheese manufactured in each month, that is to say, it required the identical butter and cheese produced in each month to be apportioned between the home and the export market. It will be seen, therefore, that the power to enforce this quota depended upon the power to identify specific dairy produce, a matter which might be very difficult in practice. The scheme now proposed in the Bill, however, is to fix merely the amount of butter which a manufacturer can sell in the home market in any particular month by reference to the amount produced by him during that month, but not to attach the quota to any specific butter or cheese. To take a concrete example, if a manufacturer manufactures 200 tons of butter in a month and the home quota is 50 per cent, then that manufacturer can sell in that month 100 tons of butter, but it need not be butter manufactured in that month. It may be butter in stock from the production of previous months. This provision really simplifies the position very considerably since in proving a sale in excess of the quota it will not be necessary to show that the butter so sold was the produce of any particular month.

Two other matters are dealt with in clauses *5* and 6 relating to quotas. One of them will be found in subsection (4) of the new section 16 in clause 5, which provides that if the period of duration of a quota expires and no new quota has been fixed in time to come into operation immediately on such expiration, then the old quota will remain in force for a further period equal to the period of the expired quota. This period, I understand, is in practice one month.

Secondly, in clause 17 new penalties are imposed for selling in excess of the quota. These penalties are based upon the experience of the Victorian Board. In the original Victorian Act there was a maximum penalty of £500 for not observing the quota. The Board found in practice that manufacturers could pay the penalties fixed by the court within this maximum and still make a substantial profit on selling in excess of the quota. Victoria has in consequence amended her laws to provide both a minimum and maximum penalty for selling in excess of the quota and to make the penalty vary with the amount *of* dairy produce so sold. The Board has advised that similar penalties are essential in this State and the Bill therefore provides a minimum penalty of £4 and a maximum of £6 for every hundredweight of butter or cheese sold in excess of the quota; and also provides that the minimum penalty is not to be reduced by the court except in cases where the excess amount sold is under one hundredweight.

Clause 7 deals with the question of obtaining information as to dairy produce. The Act last year provided that persons having butter or cheese in their possession could be required to inform the Board as to their existing stocks, but the Board has found this provision insufficient in practice, because it often happens that at the time when the Board requires the information the particular stocks to which the information relates have been disposed of by the owner. It is proposed, therefore, to provide that the Board may require persons to supply it with any information relating to dairy produce. Although this power appears to be wide it is governed by another subsection providing that a person is not punishable for failure to supply information if there is a reasonable excuse for his failure. Clause 8 is a clause which has the effect of declaring that the Act will expire on the 30th September, 1937 instead of 30th September, 1935, as provided at present.

In moving the second reading, I feel that some apology is due to members. As the Act expires at the end of the month the Government would like the House to deal with this Bill as early as possible. Ample opportunity will be given members to discuss the matter, which will not be rushed. I have much data which I do not propose to introduce at this stage, but which I shall be pleased to make available to members. This Bill is really a re-enactment of a measure which has been thoroughly canvassed and discussed.

Mr. Lacey—It must be passed this week?

The Hon. M. McINTOSH—Yes. Show week intervened and delayed matters and therefore I ask the indulgence of the House to agree to the second reading being taken on motion. There are two divergent views on the question. Many people would favour the Act being tightened up, but the Government, after careful consideration, has submitted this measure, which should meet existing conditions in South Australia. I move the second reading.

Mr. LACEY secured the adjournment of the debate.