**DAIRY INDUSTRY ASSISTANCE (SPECIAL PROVISIONS) BILL 1978**

**Legislative Assembly, 2 March 1978, pages 1905**

Second reading

The Hon. HUGH HUDSON (Minister of Mines and Energy) obtained leave and introduced a Bill for an Act to facilitate provision of financial assistance to certain sections of the dairy industry and for other purposes. Read a first time.

The Hon. HUGH HUDSON: I move: That this Bill be now read a second time.

I seek leave to have the second reading explanation inserted in Hansard without my reading it. Leave granted.

 Explanation of Bill

Some time ago the Federal Government asked the Industries Assistance Commission to inquire into dairy marketing arrangements. The recommendations by the I.A.C. have been considered by Australian Agricultural Council at several meetings during 1976 and 1977. Agreements so far reached by Agricultural Council have resulted in the development of Commonwealth legislation which has been designed to stabilise the marketing arrangements. Stage 1 of this legislation was introduced in July, 1977, and involves a compulsory equalisation scheme designed to protect the domestic market for a prescribed range of manufactured dairy products.

Stage 2 legislation is designed to bring about a production restraint by identifying a quantity of milk which will be called “a manufacturing milk entitlement”. Agricultural Council has agreed in principle that a national aggregate entitlement should be determined and that this entitlement will be proportioned to each State. Commonwealth stage 2 legislation will be operative from July 1, 1978. This legislation will provide for a tax on the milk fat used in the manufacture of prescribed products.

The Commonwealth legislation for stage 1 which provides for compulsory equalisation will continue to operate in conjunction with stage 2 of the Commonwealth legislation, which will provide for a tax on all milk fat used in the manufacture of prescribed products. This tax will be levied against the factories. In order that this State can participate in stage 2 of the Commonwealth scheme which is understood to be operative from July 1, 1978, it is necessary for the Government to introduce this Bill.

 Clause 1 is formal. Clause 2 provides that the Act will come into force on a day to be fixed by proclamation. Clause 3 defines “Commonwealth grants moneys”, “proclaimed dairy factories” and “proclaimed dairy producers”. Clause 4 is formal, dealing with the arrangement of the Act. Clause 5 gives the Treasurer power to enter an agreement for the State to be an agent of the Commonwealth in connection with any tax which may be levied on the dairy industry by a Commonwealth Act.

 Clause 6 enables the Treasurer, on the recommendation of the Minister, to make grants on an equitable basis to proclaimed dairy factories out of any Commonwealth grants moneys which he receives. This clause also gives the Governor power to declare dairy factories to be proclaimed dairy factories. Clause 7 enables the Treasurer, on the recommendation of the Minister, to make grants from any Commonwealth grants moneys which he receives to proclaimed dairy producers, and the Governor may, under this clause, declare dairy producers to be proclaimed dairy producers. If the Minister considers it desirable, he may establish a system to give proclaimed dairy producers entitlements to grants made under this clause.

Clause 8 provides for offences against the Act to be disposed of summarily. Clause 9 gives the Governor power to make regulations and, in particular, regulations to establish a system of grant entitlements under clause 7 if the Minister considers that such a scheme is desirable. There is also a power to prescribe a penalty of not more than $500 for breach of regulation.

Mr. RODDA secured the adjournment of the debate.