**DAIRY PRODUCE ACT AMENDMENT BILL 1946**

**Legislative Council, 24 December 1946, page 778**

Second reading

The Hon. R. J. RUDALL (Midland—Attorney-General)—This Bill alters the constitution of the Dairy Produce Board and extends the operation of the principal Act. As members know, the Dairy Produce Act provides the legal basis of the arrangements for securing an equalized price for butter and cheese. It establishes a Dairy Produce Board, and this board determines how much of the butter and cheese produced in the State can be sold locally.

The actual arrangements for equalizing the returns received by those in the industry from local and overseas sales are managed by a company known as the Commonwealth Dairy Produce Equalization Committee Limited. This company represents the Dairy Produce Boards of the Australian States. Shareholders of the company must be members of State Dairy Produce Boards and the directors of the company have to be nominated by the shareholders. These directors constitute the Equalization Committee.

South Australia is entitled to have four shareholders in the company and these shareholders have the right to nominate two directors. The cheese manufacturers of this State have been in the Commonwealth Equalization Scheme since its inception, and although they have not been actually represented by a director of the Equalization Committee, they have had a representative who attended meetings of the board without having the power to vote. The butter manufacturers until April 1 of this year were not members of the Commonwealth Equalization Scheme but had a separate local scheme. On April 1, they joined the Commonwealth scheme.

It will be seen, therefore, that since April 1 both the butter and cheese manufacturers of South Australia have had the right through the medium of the Dairy Produce Board to participate in electing the directors and controlling the policy of the Commonwealth Equalization Committee. The board has, however, urged upon the Government that its present constitution under which it consists of a chairman, one consumers’ representative and one producers’ representative, does not permit adequate representation to be given to all sides of the dairy produce industry.

The Government has carefully investigated this matter and has come to the conclusion that the claims of those in the industry for a more widely representative board are justified, mainly on the ground that in the future the board will be the principal medium through which those engaged in the dairy produce industry in this State will be able to influence the policy the Equalization Committee.

It is proposed, therefore, in the Bill to substitute for the present board a board of seven members. There will be a consumers’ representative, two representatives of dairymen, two representatives of butter manufacturers, and two representatives of cheese manufacturers. By way of recognizing the importance of the cheese industry in the South-East it is provided that one of the cheese representatives will represent the factories in the South East, and the other will represent the cheese factories in other parts of the State. The consumers’ representative will be appointed chairman of the board. The present arrangement under which the Minister chooses the persons to act on the committee as representativesof the various branches of the dairy industry will be retained. This arrangement has worked satisfactorily, and there is no demand for a change in it. These alterations which I have explained are made by clause 3 of the Bill.

Clause 4 increases the quorum of the board from two to four. This is purely consequential. Clause 5 provides that the board may become a member of, or nominate or appoint members to, or otherwise co-operate with any organization formed inside or outside this State for protecting the interests of persons in the dairy produce industry. This clause is necessary because as a matter of strict law the board would have no power to take up shares in the Commonwealth Dairy Produce Equalization Committee Limited or otherwise work with the committee unless so authorized by Statute.

Clause 6 repeals section 26 of the principal Act. This is the section which imposes a time limit on the duration of the Act. It has been the policy of Parliament for some years to extend the Dairy Produce Act from time to time for periods of two years. This practice was justifiable while the equalization scheme was in its early and experimental stages. It may now be said that the equalization has become a settled part of the Australian economic system; and the Government accordingly considers it reasonable to ask Parliament to abolish the time limit and thus obviate the necessity for frequently bringing down small Bills to extend the principal Act. I move the second reading.

The Hon. E. A. OATES secured the adjournment of the debate.