HONEY MARKETING ACT REVIVAL AND AMENDMENT BILL 1964

House of Assembly, 25 August 1964, page 568

Second reading

**The Hon. D. N. BROOKMAN (Minister of Agriculture)** moved:

That the Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole for the purpose of considering the following resolution: That it is desirable to introduce a Bill for an Act to revive and amend the Honey Marketing Act, 1949-1959, and for other purposes.

Motion carried.

Resolution agreed to in Committee and adopted by the House . Bill introduced and read a first time.

**The Hon. D. N. BROOKMAN:** I move:

*That this Bill be now read a second time.*

Under this Bill, the Honey Marketing Act, which expired on June 30, is to be revived and amended. The honey industry has experienced considerable fluctuations and the South Australian Honey Board’s marketing system has suffered greatly because of competition from other sources. During 1963, the board found it necessary, in the interests of the producers and the few agents with whom it had dealings, to suspend the execution of board marketing; consequently, it handled a comparatively small quantity of the honey produced in South Australia for some time during 1963. At this time, doubt existed whether producers, and others wanted the board to continue. At one stage I received a deputation that suggested that the legislation should be allowed to lapse. This was followed by many other discussions on the future of the legislation. Accordingly, in November I asked the board in writing whether it wished the legislation to be extended. The board replied that it would prefer to leave this question to the apiarists to decide and that it would put this matter to them. I repeated my question to the board later because time was passing, and the reply again was that it should be left to the apiarists to decide at the meeting of the Apiarists Association. This meeting was finally held in April and a decision was reached by the association. Unfortunately, it was not possible then to introduce a Bill and extend the legislation without interruption. The resolution of the apiarists on the future of the legislation was as follows:

That the South Australian Honey Board be continued subject to the following amendments being made to the Honey Marketing Act:

1. That “appraisal value” be discontinued;
2. That beekeepers have the right to elect their own producer members to the board.

With that, I went about having a renewal of the legislation prepared. The wishes of the association have been incorporated in this Bill with some other matters that will become clear when I read the full explanation. In June (a few days before the legislation expired) I received a petition signed by about 180 registered beekeepers asking for a poll to be held upon the future of the legislation. That was in accordance with the provision in the legislation, an amendment which I moved as a private member some years ago and which provided that if producers were dissatisfied a required number (I think 100) could petition for a poll to be held within three months of the date of the lodging of the petition.

In view of the revival of the legislation proposed by this Bill it is now intended that the petition lodged in June shall be valid and, therefore, a poll upon the future of the legislation will be held. In addition, the election of producer members will take place following a successful poll. To summarize, the Bill is to revive the legislation and extend the operation of the expired Honey Marketing Act. A poll of registered beekeepers will be held on the extension of the operation of the legislation. If a “no” vote is registered the provision in this Bill for the winding-up of the affairs of the board will take effect. If a vote is registered in favour of continuing the legislation, the operation of the rest of the Bill will take place whereby the election of producer members of the board will follow in place of the old method of selection from a panel of names.

The Bill revives the Honey Marketing Act which expired in June of this year and, with certain amendments, extends the operation of the Act for a further period of five years. The amendments relate to the election of producer members of the South Australian Honey Board, the manner of making payments to producers, a scheme for decontrolling honey when necessary, in the interests of the honey industry and various machinery matters.

Clause 1 contains formal provisions relating to the revival of the principal Act which is deemed to have continued and to be in force. Clause 3 repeals and re-enacts section 4 of the principal Act so as to provide for the four producer members of the South Australian Honey Board to be elected by producers.

New section 4a (inserted by clause 4) makes provision for the elections. Under subsection (1) of the new section the State is divided into four electoral districts which will be defined by the Governor by proclamation. Subsection (2) is a machinery provision. By virtue of subsections (3), (4) and (5) the Minister will prepare a roll of electors for each electoral district and each producer (that is, a person who has 10 or more hives registered in his name) will be entitled to vote at an election for the district in which he resides, one producer member being elected for each of the four districts.

Each election will be conducted by the Electoral Department (subsection (6)), but the expense of the election will be borne by the board (subsection (7)). By virtue of subsection (8) the first elections will be held as soon as practicable after a poll has been held pursuant to the petition for discontinuance of the principal Act presented in June of this year. Clause 5 inserts new subsections (3a), (3b) and (3c) in section 7 of the principal Act. New subsection (3a) provides for the present producer members to continue in office until a day to be fixed by the Governor. Thereupon, by virtue of new subsections (3b) and (3c), the first elected members will enter into office and retire on June 30, 1967 (in the case of two of them, to be decided by drawing lots) or on June 30, 1969 (in the case of the other two). Clause 6 makes provision for the accounts of the board to be audited by the Auditor-General, or by some other person appointed by the Minister, and confers on the Auditor-General for this purpose the powers which he has under the Audit Act. Clauses 7 and 8 amend sections 26 and 27 by deleting the references to ‟appraisement value” therein. Both the board and the industry consider that the making of an appraisement value for honey delivered to the board is misleading and serves no useful purpose.

Clause 9 (*a*) makes a correction of a drafting nature to section 29 of the principal Act, while clause 9 (*b*) inserts a new subsection in that section to enable the board to determine accounting periods for particular types of honey produced during periods determined by the board. This will expedite payments to producers and allow the board to compete with buyers from other States on more favourable terms. Clause 10 inserts new sections 29a, 29b and 29c in the principal Act. New section 29a provides for a scheme of decontrolling honey. It is proposed that this scheme will be brought into operation, when necessary in the interests of the honey industry, for example, when, owing to the activities of speculators from other States, who are able to offer a firm price, honey is sent outside the State and none, or very little, is received in the agents’ floors. The new section provides that, upon the recommendation of the board, the Minister may decontrol honey by notice in the *Government Gazette,* the period of decontrol being specified in the notice. During any such period the board’s agents will be permitted to buy honey from producers, the agents acting on their own account and not as agents of the board (subsection (3)). Subsection (4) provides for a levy on such sales so that the board may be kept in funds. Subsection (5) is a machinery provision.

As from mid-November last year until the principal Act expired last June, the board purported to decontrol honey, acting in pursuance of section 23 of the principal Act, which confers power to exempt from the requirement to market with the board any specified sales of honey or all sales complying with specified conditions. The scheme of decontrol was the same as is provided for in new section 29a. There is some doubt, however, whether section 23 confers sufficient authority for this purpose, and the new section is included to make express provision and put the matter beyond doubt. The effect of the new section is that, during a period of decontrol, a producer will still be required to market his honey with one of the board’s agents unless, of course, he sells it to a buyer from another State. However, the agents will not have a monopoly of the local market, because during a period of decontrol the board’s pools will remain open. In other words, a producer in delivering honey to an agent may elect whether the honey is to be regarded as delivered to the board pursuant to the general marketing scheme provided by the principal Act, or whether, if the agent agrees, he sells it direct to the agent who would be acting on his own account.

Although the principal Act requires the board to make payments direct to producers, the practice is for the agents to pay the producers out of their own funds and then obtain reimbursement from the board. In one case, however, it was necessary to advance funds to an agent. New section 29b legalizes this practice. Under subsection (3) of the new section, the advances will be held as trust moneys, but an agent will have the right to deduct therefrom the price of any goods sold to a producer. New section 29c, a standard provision, exonerates board members from personal liability for any acts of the board. Clause 11 allows the Minister to deal with the petition for discontinuance of the principal Act presented to him in June of this year, some few weeks before the expiration of the principal Act, according to the tenor of the principal Act. The effect of the clause is that the petition may be regarded as having been presented when the Bill becomes law, and the poll pursuant to the petition must be held within three months after that date. Clause 12 inserts new section 36b into the principal Act to provide that if the principal Act is discontinued the board shall dispose of its assets in accordance with directions of the Minister. Clause 13 amends section 37 of the principal Act by extending the operation of the principal Act, and consequently the life of the board, for a further period of five years dating from July 1 of this year. By virtue of clause 1, as I have explained, the principal Act is deemed to have continued in force, and thus the board is deemed to have had a continued existence.

As honourable members will realize, every effort has been made in one Bill to meet the requirements of the producers and other sections of the industry. It seems that a fair solution has been arrived at which will meet everyone’s wishes, including those of people who opposed the existence of the board. The marketing of honey is carried on under most difficult conditions, as is the marketing of many primary products, particularly those of the smaller or side-line industries. I commend this legislation as something which will be widely sought in the beekeeping industry and which agrees with expressions of the House in recent years concerning organized marketing.

Mr. CLARK secured the adjournment of the debate.