**DRIED FRUITS ACT AMENDMENT BILL 1982**

**Legislative Assembly, 23 March 1982, pages 3406-7**

Second reading

**The Hon. W. E. CHAPMAN (Minister of Agriculture)** obtained leave and introduced a Bill for an Act to amend the Dried Fruits Act, 1934-1972. Read a first time.

The Hon. W. E. CHAPMAN: 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

The Dried Fruits Board is an industry-funded authority charged with responsibility for the orderly marketing of specified dried vine and tree fruits through the regulation of producers, dealers and packing houses. All dried fruit produced for marketing is inspected to ensure that it is of export quality. This inspection function is carried out by the Commonwealth Department of Primary Industry for the reason that, at the time of packing, it is not generally known whether the fruit will be sold on the domestic or export market.

Under a long-standing industry agreement, State boards have re-imbursed the Federal Government a proportion of these inspection costs on a basis which is acknowledged by industry to have been most favourable. The basis of reimbursement was 50 per cent of the average of the previous 10 years on actual costs apportioned between home consumption and export sales. In February last year the Commonwealth Government advised all State Dried Fruit Authorities that fees for Department of Primary Industry inspection services would be fully recouped and that the increased fees would be phased in over a three-year period commencing retrospectively in 1980. This decision will increase inspection costs to the industry by 300 per cent by 1982. For example, in 1980 inspection fees were calculated to be $13 616, but under the new formula would increase to $37 015 (at 1980 costs) for 1982.

Given the intention of the Federal Government to levy the increased charges, the South Australian board has anticipated a need to raise revenue to finance these additional inspection charges. This revenue will be sought by raising the levy on packing houses. The level of the expected levy, however, exceeds the ceiling amount presently provided under the Act.

Section 18 (2) of the Act authorises the board to strike a levy against all registered packing houses, but the levy is restricted to an upper limit of $3 per tonne of vine fruits and $6 per tonne of all other dried fruit packed. Basing estimates on 1980 prices and the Commonwealth Government’s inspection costs recovering formula, the board expects to be required to pay the Commonwealth fees of $27 761 for 1981 and $37 015 for 1982. However, these funds simply cannot be raised by the board given the limitation of section 18 (2) of the Act. The board’s financial reserves will be adequate to meet the increased charges for the 1981-82 financial year, but not beyond. It is proposed, therefore, to amend section 18 (2) of the Act to replace the upper limit of the packing house levy with a new limit, which will initially be $8 per tonne for vine fruits and $16 per tonne for other dried fruits. These limits will be capable of adjustment by regulation. This will allow the board to declare a levy consistent with expected expenditure.

Some four years ago the industry, represented by all packers and the board, agreed to establish a quality grade standard for a retail package of ‘dried tree fruit salad’. The industry thought it necessary to maintain a quality standard and provide minimum standards for all tree fruit varieties included in the pack. The grade standard adopted proved effective in maintaining the quality product. But ‘dried apples’ should be included within the ambit of the Act so that standards for that fruit can be formally included within regulations. The Bill therefore makes an appropriate amendment to the Act to achieve this purpose.

Clause 1 is formal. Clause 2 adds ‘dried apples’ to the definition of dried fruits. Clause 3 amends the limitations on the amount of the contribution that a packer may be required to pay towards the board’s estimated expenditure in the manner outlined above.

The Hon. D. J. HOPGOOD secured the adjournment of the debate.