

SUGAR AGREEMENT.

No. 109 of 1956.

An Act to approve an Agreement relating to Sugar made between the Commonwealth and the State of Queensland, and for other purposes.

[Assented to 15th November, 1956.]

BE it enacted by the Queen's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows :—

- Short title. 1. This Act may be cited as the *Sugar Agreement Act* 1956.
- Commencement. 2. This Act shall come into operation on the day on which it receives the Royal Assent.
- Repeal. 3. The *Sugar Agreement Act* 1951 and the *Sugar Agreement Act* 1954 are repealed.
- Approval of agreement. 4. The agreement relating to sugar made on the eleventh day of October, One thousand nine hundred and fifty-six, between the Commonwealth and the State of Queensland (being the agreement a copy of which is set out in the Schedule to this Act) is approved.
- Prohibition of importation of sugar. 5.—(1.) The importation of sugar into the Commonwealth, except with the consent in writing of the Minister, is prohibited.
- (2.) Sugar imported into the Commonwealth in contravention of this section shall be deemed to be a prohibited import within the meaning of the *Customs Act* 1901–1954, and the provisions of that Act relating to prohibited imports apply to sugar so imported into the Commonwealth.

THE SCHEDULE.

Section 4.

SUGAR AGREEMENT 1956–1961.

AGREEMENT made this eleventh day of October One thousand nine hundred and fifty-six BETWEEN THE COMMONWEALTH OF AUSTRALIA (in this agreement called "the Commonwealth") of the one part and THE STATE OF QUEENSLAND (in this agreement called "the State") of the other part.

THE SCHEDULE—*continued*.

WHEREAS :

- (a) by an agreement known as the Sugar Agreement 1951–1956 a copy of which is contained in the Schedule to the *Sugar Agreement Act* 1951 of the Commonwealth and made between the Right Honourable Robert Gordon Menzies Prime Minister of the Commonwealth therein acting for and on behalf of and with intent to bind the Commonwealth Government of the one part and the Honourable Edward Michael Hanlon Premier of the State of Queensland therein acting for and on behalf of and with intent to bind the Queensland Government of the other part it was agreed amongst other things that the Queensland Government should during the period commencing on the date upon which the agreement came into operation and ending on the thirty-first day of August, 1956 make sugar and other sugar products available at the prices and upon the terms and conditions specified in the agreement ;
- (b) by an agreement made the twenty-sixth day of November, 1953 a copy of which is contained in the Schedule to the *Sugar Agreement Act* 1954 of the Commonwealth and made between the Right Honourable Robert Gordon Menzies Prime Minister of the Commonwealth therein acting for and on behalf of and with intent to bind the Commonwealth Government of the one part and the Honourable Vincent Clair Gair Premier of the State of Queensland therein acting for and on behalf of and with intent to bind the Queensland Government of the other part it was agreed that the Sugar Agreement 1951–1956 should be amended in the manner and to the extent therein appearing ;
- (c) the parties to this agreement have agreed that the Sugar Agreement 1951–1956 shall be deemed to have been further amended in the manner and to the extent hereinafter set out in sub-clause (2.) of clause 6 of this agreement ; and
- (d) the parties to this agreement have agreed amongst other things that the State shall during the period commencing on the date upon which this agreement shall come into operation and ending on the thirty-first day of August, 1961 make sugar and other sugar products available at the prices and upon the terms and conditions specified in this agreement :

NOW THEREFORE IT IS HEREBY AGREED as follows :—

1. In this agreement, unless the contrary intention appears—

- “ the agreed period ” means the period commencing on the date upon which this agreement comes into operation and ending on the thirty-first day of August, 1961 ;
- “ the Committee ” means the Fruit Industry Sugar Concession Committee ;
- “ the Minister ” means the Minister of State for Primary Industry of the Commonwealth and includes any Minister or member of the Executive Council for the time being acting for or on behalf of such Minister ;
- “ the Sugar Agreement 1951–1956 ” means the agreement referred to in paragraph (a) of the recitals to this agreement ;
- “ the Supplementary Agreement ” means the agreement referred to in paragraph (b) of the recitals to this agreement.

2.—(1.) This agreement shall have no force or effect unless and until it is approved by the Parliament of the Commonwealth.

(2.) If and when this agreement is approved by the Parliament of the Commonwealth, it shall be deemed to have come into operation on the first day of September, 1956.

3. Any obligations of the Fruit Industry Sugar Concession Committee and the Export Sugar Committee remaining unfulfilled under clauses 7 and 13 respectively of the Sugar Agreement 1951–1956 as amended by the Supplementary Agreement shall be fulfilled by the Committee and the Export Sugar Committee appointed under clauses 8 and 15 respectively of this agreement in all respects as if those committees had been appointed under clauses 7 and 13 respectively of the Sugar Agreement 1951–1956.

THE SCHEDULE—*continued.*

4. The State shall hereafter under its statutory powers in that behalf acquire all raw sugar manufactured from sugar cane grown in Queensland during the seasons of 1956–1957, 1957–1958, 1958–1959, 1959–1960 and 1960–1961 other than such quantity of raw sugar (not exceeding one per centum of the total quantity of raw sugar manufactured during each of the said seasons in any mill where raw sugar is manufactured) as the owner of any such mill shall desire to retain use and dispose of for consumption in his mill district.

5. The State shall purchase all raw sugar manufactured from sugar cane grown in New South Wales during the seasons of 1956–1957, 1957–1958, 1958–1959, 1959–1960 and 1960–1961.

6.—(1.) The State shall during the agreed period—

- (a) make sugar and other sugar products the product of the raw sugar manufactured during the seasons of 1956–1957, 1957–1958, 1958–1959, 1959–1960 and 1960–1961, available for sale and delivery in Sydney, Melbourne, Brisbane, Adelaide, Perth, Fremantle, Hobart and Launceston respectively; and
- (b) make such sugar and other sugar products available to purchasers at Darwin on a c.i.f. basis ex Sydney or Brisbane less an allowance equivalent to the sum of the following amounts, namely, the amount of the cost of landing such sugar and other sugar products at a Darwin wharf and the amount of the lowest possible cost of conveying them to the Commonwealth Railway Provision Store at Darwin or to any other place of equal distance by rail or road from the Darwin wharf, whichever cost of conveyance is the less;

at prices (which shall include the cost of bags and other containers) not exceeding the prices specified in this clause in respect of each grade of sugar and each sugar product—

REFINED SUGAR OF 1A GRADE :

Price for not less than half-ton lots for net cash—£82.1.0 per ton.

REFINED SUGAR OF 1XD GRADE :

Price to manufacturers for net cash— .. £80 per ton.

OTHER GRADES OF SUGAR, AND GOLDEN SYRUP AND TREACLE :

These prices shall be fixed at amounts not exceeding the respective proportionate values of such products compared with the above prices for refined sugar of 1A and 1XD grades.

(2.) On and from the fourteenth day of May, 1956 the prices referred to in the last preceding sub-clause shall be deemed to have been substituted for the prices referred to in sub-clause (1.) of clause 5 of the Sugar Agreement 1951–1956 as amended by the Supplementary Agreement.

(3.) The prices for all the products specified in sub-clause (1.) of this clause (except the prices to manufacturers) shall be subject to a discount of two and one-half per centum payable monthly to any person firm or corporation who or which in the opinion of the Queensland Sugar Board—

- (a) provides reasonable credit facilities for retailers on a comprehensive range of groceries;
- (b) keeps reasonable stocks of such groceries for resale to retailers; and
- (c) buys not less than 40 tons of refined sugar of 1A grade or its equivalent in value of all sugar products per calendar month.

7. The quantity of mill white sugar to be made available by the State in pursuance of clause 6 of this agreement shall not exceed—

- (a) 5,000 tons during the season of 1956–1957; and
- (b) such quantity during each of the seasons of 1957–1958, 1958–1959, 1959–1960 and 1960–1961 as is necessary in the light of the demand for mill white sugar during the season immediately preceding that season and is agreed to by the Commonwealth and the State.

THE SCHEDULE—*continued.*

8.—(1.) For the purpose of this agreement there shall be a committee to be known as the Fruit Industry Sugar Concession Committee.

(2.) The members of the Committee shall be appointed by the Minister and shall be composed of one representative of each of the following :—

- The Commonwealth Government ;
- The Queensland Sugar Board ;
- The growers of canning fruits ;
- The growers of non-canning fruits ;
- The co-operative and State manufacturers of fruit products ; and
- The proprietary manufacturers of fruit products.

(3.) The representative of the Commonwealth Government and the representative of the Queensland Sugar Board shall be Chairman and Deputy Chairman respectively of the Committee, and each of the members (other than the representative of the Commonwealth Government) shall be nominated in a manner approved by the Minister.

(4.) Four members of the Committee present at any meeting shall constitute a quorum and in the event of the voting on any matter being equal the Chairman of the Committee, or in his absence the Deputy Chairman, or in the absence of both, the person appointed by the Committee to act as Chairman, may exercise a casting vote as well as a deliberative vote.

(5.) If a member of the Committee is unable to attend a meeting he may appoint a proxy to attend the meeting in his place and a proxy so appointed shall be deemed to be that member for the purposes of the meeting.

9.—(1.) The State on behalf of the Australian cane sugar industry shall during the agreed period assist the Australian manufactured fruits industry by creating a fund by an annual contribution of One hundred and twenty thousand pounds payable in equal monthly instalments to the Committee until the termination of the agreed period and in addition the State shall reimburse the Committee by the fifteenth day of each month an amount certified by the Chairman of the Committee as equal to the sum of the rebates paid by the Committee during the preceding month in accordance with paragraph (d) of sub-clause (2.) of this clause.

(2.) The Committee shall be responsible for the due application of the said fund in the manner and subject to the conditions specified in this sub-clause, that is to say :—

- (a) the Committee shall defray out of the said fund its administrative expenses, including members' fees, staff salaries, travelling allowances and expenses of its members and staff, and its costs of office rent, printing, office requisites, investigation work and other expenses ;
- (b) the Committee shall, subject to paragraphs (c) and (e) of this sub-clause, and in such manner and subject to such other conditions as it thinks fit, pay to manufacturers who purchase and use Australian fresh fruit in such fruit products manufactured in the Commonwealth during the agreed period as the Committee approves a rebate of Two pounds four shillings (£2/4/-) per ton in respect of the Australian refined cane sugar used by those manufacturers during the agreed period in those fruit products ;
- (c) the Committee may declare a reasonable price in respect of any fresh fruit, and the rebate referred to in paragraph (b) of this sub-clause shall be paid to manufacturers who use in fruit products manufactured in the Commonwealth during the agreed period fresh fruit in respect of which a reasonable price has been so declared only if they pay for the fresh fruit so manufactured into fruit products not less than the price so declared ;
- (d) the Committee shall, in respect of the Australian refined cane sugar contents of such fruit products as the Committee approves under paragraph (b) of this sub-clause which are manufactured from Australian fruit and exported from the Commonwealth during the agreed period, pay to the exporters a rebate of the amount of the excess (if any) of the cost of such sugar contents calculated at the price of refined sugar of 1st grade shown in sub-clause (1.) of clause 6 of this agreement less the rebate shown in paragraph (b) of this sub-clause over the cost of such sugar contents calculated at the Australian equivalent of the world sugar parity price

THE SCHEDULE—*continued.*

at the rates determined from time to time by the Export Sugar Committee in accordance with clauses 15 to 19 (both inclusive) of this agreement, but the Committee shall not be liable to pay such rebate unless a claim therefor by the exporter is lodged with the Collector of Customs in the State of export within six months after the date on which the manufactured fruit products have been exported ;

- (e) the rebates referred to in paragraphs (b) and (d) of this sub-clause shall be paid only in respect of the Australian refined cane sugar used by the manufacturers in completely processed fruit products which, in the opinion of the Committee, have been made entirely with Australian materials where available and are substantially composed of Australian fruits, fruit pulp, fruit juices, or pure fruit essences ;
- (f) the Committee may, in such manner and subject to such conditions as it thinks fit, apply such moneys as may remain in the said fund after payments have been made in accordance with paragraphs (a) to (e) (both inclusive) of this sub-clause for—
 - (i) the promotion of the use and sale of Australian manufactured fruit products in the Commonwealth or overseas ; or
 - (ii) scientific or industrial research for the purpose of increasing the yield per acre of Australian fresh marketable fruits required for Australian manufactured fruit products ;
- (g) the Committee may from time to time invest any moneys not required for the time being for any payments under this clause in securities of, or guaranteed by, the Government of the Commonwealth or of a State or may lodge such moneys on fixed deposit with the Commonwealth Bank of Australia and the interest derived from such investments shall form part of the said fund ;
- (h) the Committee shall take over the funds standing to the credit of the Fruit Industry Sugar Concession Committee appointed under the Sugar Agreement 1951–1956 at the date upon which this agreement comes into operation and any funds standing to the credit of the Committee at the expiration of this agreement shall be disposed of as agreed between the parties to this agreement ;
- (i) the Committee shall be bound by the decisions and commitments made pursuant to the Sugar Agreement 1951–1956 as amended by the Supplementary Agreement by the Fruit Industry Sugar Concession Committee appointed under the Sugar Agreement 1951–1956 ;
- (j) the Chairman of the Committee shall, in respect of each year ending on the thirty-first day of August, and not later than the thirty-first day of the following October, furnish to the Minister for presentation to the Parliament of the Commonwealth, a report of the Committee's work including a statement of the Committee's receipts and expenditure under this agreement certified by the Auditor-General of the Commonwealth.

10. The State shall in respect of the Australian cane sugar contents of processed milk exported from the Commonwealth during the agreed period and of such other manufactured goods (except completely processed fruit products referred to in paragraph (d) of sub-clause (2.) of clause 9 of this agreement) as are determined from time to time by the Minister on the recommendation of the Export Sugar Committee and exported from the Commonwealth during the agreed period, pay to the exporters a rebate of the amount of the excess (if any) of the cost of such sugar contents calculated at the prices specified in sub-clause (1.) of clause 6 of this agreement over the cost of such sugar contents calculated at the Australian equivalent of the world sugar parity price at the rates determined from time to time by the Export Sugar Committee in accordance with clauses 15 to 19 (both inclusive) of this agreement, but the State shall not be liable to pay such rebate unless a claim therefor by the exporter is lodged with the Collector of Customs in the State of export within six months after the date on which the manufactured goods have been exported.

11. The State shall on behalf of the Australian cane sugar industry accept responsibility for any loss arising from the exportation of surplus cane sugar from Australia.

THE SCHEDULE—*continued.*

12. The State shall from time to time during the agreed period take or cause to be taken such action—

- (a) in relation to mill quotas and farm peaks ; and
- (b) under the “The Regulation of Sugar Cane Prices Acts 1915 to 1954 ” in relation to the assignment of lands,

as is necessary effectively to control the total production of raw cane sugar and for that purpose may amend those quotas, peaks or Acts, or adopt any other measure which it thinks fit.

13. The State, if and when requested by the Commonwealth, shall establish a sugar depot at Hobart but the Commonwealth shall not make such a request unless the request be accompanied by evidence proving that a general shortage of sugar has occurred in Hobart which is due to wholesale merchants in Hobart or the Queensland Sugar Board failing to adhere to the present arrangements whereby special reserve stocks of sugar are supplied to and held by such merchants.

14. The Commonwealth shall subject to compliance by the State with clauses 4 to 13 (both inclusive) of this agreement continue to prohibit the importation of sugar until the thirty-first day of August, 1961 except—

- (a) any foreign sugar that the Commonwealth may after consultation with the State consider to be necessary to meet any shortage of sugar in Australia ;
- (b) any kind of foreign sugar of a quality not available in Australia that may be required for special manufacturing purposes ;
- (c) any foreign sugar that is temporarily landed in Australia for export to a destination outside Australia ;
- (d) small quantities of foreign sugar that may be required for scientific research or experimental purposes ; and
- (e) any Australian sugar that has been returned to Australia.

15.—(1.) The rebates referred to in paragraph (d) of sub-clause (2.) of clause 9, and in clause 10, of this agreement shall be determined in respect of each month of the agreed period on the bases set forth in clauses 18 and 19 of this agreement by an Export Sugar Committee appointed by the Minister and composed of—

- (a) one representative of the Commonwealth Government ;
- (b) one representative of the sugar industry nominated by the Queensland Sugar Board ; and
- (c) one representative of the manufacturers of exported products containing sugar nominated by such manufacturers.

(2.) The representative of the Commonwealth Government shall be Chairman of the Export Sugar Committee.

16. The Export Sugar Committee may, in such manner and subject to such conditions as it thinks fit, grant to exporters of manufactured goods containing Australian cane sugar options whereunder such exporters may elect to accept for periods not exceeding twelve months the rate of rebate declared by the Committee in respect of any month.

17. The Export Sugar Committee shall prescribe the form in which claims for rebate may be made by exporters in respect of the Australian cane sugar contents of any manufactured goods exported from Australia.

18.—(1.) The Australian equivalent of the world sugar parity price in respect of Australian refined cane sugar contained in manufactured goods exported during the agreed period shall be the lower of—

- (a) the lowest c.i.f. and e. cost in Australia (exclusive of Australian duties of Customs and other Australian taxes) of foreign raw sugar, semi-refined (i.e. mill white) sugar, or refined sugar, as may be determined by the Export Sugar Committee, brought to terms of equality with the grade of the Australian refined cane sugar contents of such manufactured goods ; or
- (b) the estimated cost, as may be determined by the Export Sugar Committee, of refined sugar in Australia based on the price of raw sugar f.o.b. mill port received for sales of surplus Australian raw sugar for export.

THE SCHEDULE—*continued.*

(2.) For the purposes of this clause—

- (a) surplus sugar shall be deemed to be sugar additional to the quantity required to satisfy Australia's guaranteed price portion of the Commonwealth Countries Sugar Agreement, or, if there is no additional sugar, the sugar required to fulfil that contract ;
- (b) the foreign sugar submitted for the purpose of price comparison should be reasonably obtainable in Australia under normal trading and shipping conditions, and allowance should be made for deterioration of such sugar in transit ; and
- (c) if foreign raw sugar is taken for the purpose of comparison with Australian refined cane sugar, the following items shall be added to the c.i.f and e. cost of foreign raw sugar :—
 - (i) Australian refinery costs ; and
 - (ii) refinery processing loss.

19.—(1.) The Australian equivalent of the world sugar parity price in respect of Australian mill white or raw cane sugar contained in manufactured goods exported during the agreed period shall be the lower of—

- (a) the lowest c.i.f. and e. cost in Australia (exclusive of Australian duties of Customs and other Australian taxes) of foreign mill white or raw sugar (as the case may be), as may be determined by the Export Sugar Committee, brought to terms of equality with the grade of the Australian mill white or raw cane sugar contents of such manufactured goods ; or
- (b) the estimated cost, as may be determined by the Export Sugar Committee, of mill white or raw sugar in Australia based on the price of raw sugar f.o.b. mill port received for sales of surplus Australian raw sugar for export.

(2.) For the purpose of this clause—

- (a) surplus Australian raw sugar shall be deemed to be sugar additional to the quantity required to satisfy Australia's guaranteed price portion of the Commonwealth Countries Sugar Agreement, or, if there is no additional sugar, the sugar required to fulfil that contract ; and
- (b) the foreign sugar submitted for the purpose of price comparison should be reasonably obtainable in Australia under normal trading and shipping conditions, and allowance should be made for deterioration of such sugar in transit.

20. The employees engaged in the Australian cane sugar industry and in such sections of the Australian fruit industry as receive benefits under clause 9 of this agreement shall be entitled to have their rates of wages and conditions of employment determined by conciliation or arbitration if not settled by agreement and in the case of any employees or section of employees who are now or who may subsequently be excluded from the jurisdiction or control of any conciliation or arbitration authority the Commonwealth shall on the application of any industrial organization bona fide representative of such employees establish for the purpose of determining what rates of wages and conditions of employment for such employees are fair and reasonable a tribunal or tribunals consisting of—

- (a) a representative of employers engaged in the cane sugar industry or the fruit industry as the case may be ;
- (b) a representative of employees engaged in the cane sugar industry or the fruit industry as the case may be ; and
- (c) a person who shall act as Chairman and who shall be appointed by the Minister on the joint nomination of the representatives of employers and employees or if the representatives of employers and employees fail to make a joint nomination of a Chairman within twenty days after being called upon by the Minister so to do a person appointed as Chairman by the Governor-General or the person for the time being administering the Government of the Commonwealth acting with the advice of the Federal Executive Council.

THE SCHEDULE—*continued.*

IN WITNESS WHEREOF the Prime Minister of the Commonwealth and the Premier of the State have set their hands the day and year first abovementioned.

SIGNED BY THE RIGHT HONOURABLE ROBERT
GORDON MENZIES the Prime Minister of the
Commonwealth of Australia for and on } ROBERT G. MENZIES
behalf of the Commonwealth of Australia
in the presence of—

W. HESELTINE

SIGNED BY THE HONOURABLE VINCENT CLAIR
GAIR the Premier of the State of Queensland
for and on behalf of the State of Queensland } V. C. GAIR (L.S.)
in the presence of—

R. B. McALLISTER J.P.
