**MARGARINE BILL 1939**

**Legislative Council 29 November 1939, pages 2014-6**

Second reading

**The Hon. A. P. BLESING (Northern— Minister of Agriculture)—**The object of this Bill is to carry out an arrangement agreed on at a meeting of the Australian Agricultural Council in relation to the regulation of the manufacture and sale of margarine. For some time past the dairymen of Australia have been seriously perturbed by the increase in the sale of margarine, and they fear that this increase will have serious effect upon the demand for butter. The matter has been brought before the Agricultural Council on several occasions and after much discussion all the State Governments represented at the Agricultural Council agreed in August last to the following resolu­tion:—

*That subject to check as to quantities, and to approval of the respective State Governments, the States agree that the quantity of table margarine manufactured within the respective States shall not exceed the following quantities:—*

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| --- | --- |
| *State* | *Tons per week* |
| *New South Wales* | *24* |
| *Victoria* | *23* |
| *Queensland* | *9* |
| *South Australia* | *6* |
| *Western Australia* | *7* |
| *Tasmania* | *4* |

*That the present legislation in Victoria in relation to colouring of table margarine be retained, and that any other State has the right to pass legislation requiring the colouring of table margarine.*

*That the State Bills contain a provision for the licensing of margarine manufacturers.*

*That, with a view to achieving uniformity, Queensland draft the necessary Bill and submit it to the other State Parliaments.*

*That the Commonwealth Government examine the proposal for an excise duty on table margarine with a view to imposing such an excise duty after ascertaining the costs of manufacture of table margarine.*

*That if the Commonwealth agrees to impose such an excise duty the Australian Agricultural Council be invited to discuss ways and means of utilizing the funds so raised.*

It will be noticed that the resolution provides that the State of Queensland shall draft the necessary Bill and submit it to the other States for consideration before introduction into the respective Parliaments. The Government of Queensland duly drafted its Bill and circulated it. This Bill, however, was drafted in such a way that it would not be likely to find favour with the members of this Parliament. To put the matter shortly, it was designed to give the Queensland Government unfettered and arbitrary powers over the margarine industry, powers which could be used at any time to completely destroy the industry. We have therefore not been able to follow it very closely, but have endeavoured to give effect to the intention of the Agricultural Council and the desires of the South Australian dairymen by a more moderate Bill.

The following is an explanation of the clauses. Clause 2 repeals the existing Margarine Act under which margarine factories are registered and the manufacture of margarine controlled. The clause also makes certain amendments to the Dairy Industry Act for the purpose of ensuring that margarine factories will no longer be subject to control under that Act. The object of these amendments is to ensure that margarine factories will be con­trolled solely under the Bill and not under other legislation. Clause 3 contains the definitions. The only definition requiring special mention is that of “table margarine.” This expression means margarine containing imported oils or fats. The Government is advised that table margarine cannot at present be produced without imported materials. This definition is of importance because the Bill later on provides that all table margarine must be coloured in a certain way. Clauses 4 to 10 inclusive contain a number of provisions for the administration of the Act. It is provided that the Bill will be administered by the Minister of Agriculture. The existing inspectors holding office under the Dairy Industry Act will automatically become inspectors of margarine factories. If necessary additional inspectors can be appointed.

Clause 6 gives the inspectors certain powers of search and entry in relation to places in which margarine or ingredients of margarine are suspected to be manufactured or stored. The inspectors may also take samples of any margarine, or of any ingredients used in the manufacture of margarine. Clause 7 sets out the procedure to be followed when a sample is taken and follows the usual statutory provisions on this subject. Clause 8 empowers inspectors to inspect any books, accounts and documents relating to margarine or substances used in the manufacture of margarine. In view of the proposals for restricting the amount of margarine which can be manufactured, the provisionsof this kind are essential in order to ensure that the Bill is not contravened. Clause 9 penalises any person who prevents, or attempts to prevent, an inspector from carrying out his duties or hinders an inspector whilst so doing. Clause 10 enables the Minister to call upon any person who has in his possession any margarine or any substance used in the manufacture of margarine, to give the Minister any information which the Minister requires as to that margarine or those substances.

Clauses 11 to 19 inclusive deal with the licensing of margarine manufacturers. Under clause 11 it is provided that no person can manufacture margarine without a licence or on any premises other than those specified in a licence, or in contravention of the terms and conditions of a licence. The Minister has a discretion to grant or refuse an application for a licence, but this discretion is subject to certain restrictions. In the first place the owner of a margarine factory registered at the time when the Bill comes into force will be entitled to a licence; and when a man has once been granted a licence he will be entitled to a renewal of his licence from year to year provided that he has observed the Act and the terms of his licence. The Minister will, however, have a discretion to refuse a licence for any new factory if he thinks fit. Licences remain in force for a year and must contain the terms and conditions prescribed by regulation. The annual fee for a licence is to be prescribed, but must not exceed £5.

No premises can be licensed which are within 100 yards of any butter factory. This is the present rule provided in the Dairy Industry Act.

Clause 17 contains a provision for allowing the holder of a margarine licence to use other premises either in substitution for, or in addition to those mentioned in his licence. Clause 18 enables the executors and administrators of the deceased holder of a licence to carry on the business, whilst clause 19 provides that licences may be transferred with the consent of the Minister, but that the Minister is not to capriciously withhold his consent to a transfer. Clauses 20 to 25 regulate the manufacture and sale of margarine. Clause 20 is the clause which sets out the provisions for a quota. The quota will as a general rule be an annual one. A margarine manufacturer may be allocated a. maximum annual amount of margarine which he may lawfully manufacture. In the case of a manufacturer who has manufactured margarine before the allocation to him of a quota, the quota must be not less than his previous year’s output. As regards any person who establishes a margarine factory in the future, the Minister will be free to determine such quota, if any, as he thinks fit. Once, however, a quota has been allotted to a manufacturer his subsequent quotas are not to be reduced below the amount of the previous quota unless he consents thereto. It is anticipated that the Minister will use those powers as to the quota, to carry out the arrangements agreed upon by the Agricultural Council.

Clause 21 enables the Minister to give a special permit to any person to manufacture any quantity of margarine specified in the permit for export beyond the Commonwealth. Clause 22 re-enacts the existing provision now contained in the Margarine Act of 1934 forbidding any person to manufacture or to sell margarine which contains any butterfat except small quantities derived from skimmed milk used in the preparation of the margarine. Clause 23 provides that margarine must contain certain percentages of dry starch or arrowroot, and sesame oil or some other approved substance. This provision, I understand, is regarded as of considerable importance for the purpose of policing the Act, as the starch and oil are easily detectable and help in the identification of any substance as margarine. Clause 24 deals with the colour of margarine. It provides that table margarine must either be saffron or a colour darker than saffron. Saffron is defined as the colour which is shown as "saffron” in the British Colour Council’s Dictionary of Colour Standards. This provision is similar to one which has been the law in Victoria for some time. Its general object is to prevent persons from passing off mar­garine as butter. The saffron colour which is prescribed by the section, although not an unpleasant colour, is definitely darker than the colour of butter and acts as a warning to the purchaser that what he is buying is not butter.

Clause 25 contains some further provisions for preventing margarine from being passed off as butter. The first provision is that if margarine is sold in any package, the package must have printed of written thereon in clear type the word “margarine*.”*  A restaurant in which margarine is sold for consumption on the premises or in which bread or sandwiches spread with margarine are sold must have a notice on the walls saying that "Margarine is sold here". This is a repetition of the present law. Thirdly, when margarine is served in a restaurant in a dish or other vessel the dish must have the word “margarine” marked on it. Clause 26 contains a power to make such regulations as are necessary for carrying out the Bill, whilst the remaining clauses, namely, 27 to 30, are the usual machinery clauses dealing with offences and the cost of administration. I move the second reading.

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