

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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SUBSIDIES

Notifications Pursuant to Article XVI:1

Addendum

AUSTRALIA

The Permanent Mission of Australia has notified the secretariat that the following changes should be made to Australia's 1972 notification contained in document L/3655/Add.20.

Page 3 - Apples and Pears

Lines 16-36 to read:

(c) Amount of subsidy paid

A stabilization payment of \$2,758,358* was made by the Australian Government to the Australian Apple and Pear Board for distribution to apple growers in respect of the 1973 season. Payment of \$10,501 for apples was levied from growers.

Stabilization details on 1973 season pears are still receiving consideration, though it was anticipated that no stabilization payment would be made in respect of any pear variety, but export duty would be payable on all pears exported on consignment

*(Australian Government Contribution being \$2,754,576; the remainder was provided from moneys previously contributed to stabilization funds by growers.)

(d) Estimated amount per unit

The amount of subsidy per bushel varies according to the variety of apples or pears exported, as under the legislation each variety has a different support price.

Fresh Apples and Pears - Production,
Consumption, Exports and Imports
(1 000 kgs.)

Year	Production	Consumption local	Imports	Exports
<u>APPLES</u>				
1968-69	402,316	192,322	-	137,020
1969-70	403,358	195,951	-	126,933
1970-71	479,659	236,727	-	151,392
1971-72	361,066	173,194	-	98,531
1972-73	384,929	148,320	-	117,354
<u>PEARS</u>				
1968-69	107,038	35,965	-	22,697
1969-70	190,460	33,557	-	40,844
1970-71	157,827	40,796	-	34,558
1971-72	184,622	70,087	-	34,506
1972-73	163,611	60,000	-	42,424

Page 6 - Dairy Products

Lines 3-18 to read:

(a) Background and Authority

The Australian Government has provided financial assistance to the dairy industry since 1942. From 1947 up to June 1973, the assistance was embodied in a series of five-year stabilization plans. In July 1973, the Australian Government

announced its intention to phase out the bounties over the two-year period ending 30 June 1975.

The Dairying Industry Act 1962-1972 provides for payment through factories, of bounties to producers on the production of butter, butterfat products containing not less than 40 per cent butterfat and on cheese.

The Processed Milk Products Bounty Act, 1962-1972, provides for payment of a bounty on the butterfat content of processed milk products exported.

Page 6 - Dairy Products

Lines 28-39 to read:

(c) Amount of subsidy paid

The levels of bounty on butter and cheese production since 1962 have been:

1962/63 to 1969/70	\$A27 million per annum
1970/71	\$A42,882 million
1971/72	\$A40 million
1972/73	\$A27 million
1973/74	\$A18 million

For 1974/75 bounty will be \$A9 million. No bounty will be paid after that year.

The bounty on processed milk products is made available as a maximum amount for each year. For 1963/64 a maximum amount of \$A1 million was made available but since 1964/65, the maximum allocation has been fixed at \$A800,000 per annum. The Processed Milk Products Bounty will also continue on exports up to 30 June 1975 at a rate related to the butter bounty rate. The level of bounty in 1973/74 is estimated at \$A550,000.

Page 7 - Dairy Products

Lines 1-33 to be deleted

Lines 39-41 to read:

1971/72 the rate of bounty on butter was 3.0 cents per pound and on cheese 3.8 cents per pound. For 1972/73 the rate was 5.5 cents per pound for butter and 2.6 cents per pound for cheese. For 1973/74 the estimated rates are 3.6 cents per pound for butter and 1.7 cents per pound for cheese.

Line 43 to read:

The bounties on butter and cheese were intended primarily to reduce the...

Page 5 -- Dairy Products

Line 1 to read:

was designed to correct an anomaly in competition for milk supplies...

Line 4 to read:

Government underwrites minimum final return.

Line 11 to read:

lieu of the Government underwriting. In 1972/73 the Government undertook to compensate the Commonwealth Dairy Produce Equalization Committee for any loss resulting from settling the interim equalization value for butter at the level which had applied at the opening of the previous season.

Line 21 to read: above. No underwriting arrangements will apply for 1973-74 and 1974-75 which as stated above are the last two years in which Bounty will be paid.

Lines 23-36 to read:

Factory Butter ('000 tons of 2,240 lb.)

	1969/70	1970/71	1971/72	1972/73
Production	220.5	199.9	192.6	181.6
Consumption	113.9	115.2	110.3	107.3
Exports ¹	99.5	91.3	60.2	76.1
Imports	-	-	-	-

¹ Including butter equivalent of butter concentrate, dry butterfat, butter oil and ghee.

Factory Cheese (1000 tons of 2,240 lb.)

	1969/70	1970/71	1971/72	1972/73
Production	75.1	76.5	77.9	91.8
Consumption	44.9	50.9	52.9	57.1
Exports	40.3	36.0	33.0	29.5
Imports	6.6	5.8	5.8	7.4

Processed Milk Products: Condensed Whole Milk
(tons of 2,240 lb.)

	1969/70		1970/71		1971/72		1972/73	
	S	US	S	US	S	US	S	US
Production ¹	16,317	53,970	16,433	60,821	16,441	67,531	14,075	45,557
Consumption	12,482	42,464	10,354	58,506	11,777	65,391	n.a.	n.a.
Exports	4,735	5,862	3,980	5,322	4,277	4,414	2,010	2,549
Imports	-	-	-	-	-	-	-	-

¹ Unsweetened included ice cream mix

S = Sweetened

US = Unsweetened

Processed Milk Products: Powdered Milk (Full Cream)
(tons of 2,240 lb.)

	1969/70		1970/71		1971/72		1972/73	
	S	US	S	US	S	US	S	US
Production	22,583	25,229	25,229	29,152	29,152	35,755	35,755	35,755
Consumption	9,489	9,698	9,698	13,698	13,698	n.a.	n.a.	n.a.
Exports	15,084	16,707	16,707	14,640	14,640	19,214	19,214	19,214
Imports	-	-	-	-	-	-	-	-

Processed Milk Products: Infants' and Invalids' Food
(tons of 2,240 lb.)

	1969/70		1970/71		1971/72		1972/73	
	Whole (a)	Other (b)	Whole (a)	Other (b)	Whole (a)	Other (b)	Whole (a)	Other (b)
Production	9,458	15,747	7,806	15,793	11,820	15,029	11,495	14,791
Consumption	14,337		10,041		14,415		n.a.	
Exports	13,237		14,130		13,272		n.a.	
Imports	3,282		3,597		135		n.a.	

(a) Mainly fortified whole milk

(b) Essentially of milk and cereals, e.g., malted milk, milk custards, and beverages

n.a. Not available

VI. NITROGENOUS FERTILIZERS

1. Nature and extent of subsidy

(a) Background and authority

Subsidy on nitrogenous fertilizers is paid under the Nitrogenous Fertilizers Subsidy Act 1966-1972. It provides for payment of subsidy on fertilizers containing manufactured nitrogenous substances including urea and sulphate of ammonia or of natural sodium nitrate. It is due to expire on 31 December 1974.

(b) Incidence

Subsidy is payable on locally produced nitrogenous fertilizers, on imported nitrogenous fertilizers not locally manufactured and on imported fertilizers where the local producer is not prepared to sell like or directly competitive goods on as favourable terms as the terms on which the imported non-dumped goods are sold.

The subsidy is paid to fertilizer manufacturer or importer with the requirement that the full benefit be passed on to the purchaser.

(c) Amount of subsidy paid

<u>Year</u>	<u>\$A' 000</u>
1970/71	9,716
1971/72	9,784
1972/73	13,116

(d) Rate of subsidy

The rate is 578.72 per ton of nitrogen content in the fertilizer. This is equal to 45 per cent of the ex-works price.

2. (a) Effect of subsidy

The effect of the subsidy has been to reduce costs for industries which have been major users of nitrogen and to encourage the use of nitrogenous fertilizers in newer fields such as cereal growing and pasture improvement.

(b) Statistics

- (i) Nitrogenous fertilizers, other than sulphate of ammonia and urea, are not separately recorded in official production statistics;

(ii) Consumption, imports and exports of nitrogenous fertilizers in Australia:

Consumption and Imports

Year	Apparent consumption (1000 tons of N)	Imports	
		Quantity (1000 tons)	Value f.o.b. (\$A'000)
1970/71	123.4	n.a.	-
1971/72	124.2	9.0	537.0
1972/73	166.5	17.0	902.0

1. Exports of nitrogenous fertilizers from Australia are not recorded separately.

VII. PHOSPHATE FERTILIZERS

1. Nature and extent of subsidy

(a) Background and authority

Bounty on phosphatic fertilizers is paid by authority of the Phosphate Fertilizers Bounty Act 1963-1971. The original Act, extended by amendments in 1966, 1968 and 1971 is due to expire on 31 December 1974.

(b) Incidence

Bounty is payable in respect of specific phosphate fertilizers, i.e. super-phosphate and ammonium phosphate. It is paid to the producer with the legislative requirement that the full benefit is passed on to the end-user.

(c) Amount of bounty paid

<u>Year</u>	<u>\$A'000</u>
1970/71	40,814
1971/72	45,794
1972/73	56,589

(d) Rate of bounty

The operative rate, in respect of the 1963/66 legislation was \$A6 per long ton of superphosphate, provided the phosphorus pentoxide content was between 19.5 per cent and 20.5 per cent. On double and triple strength superphosphates and on ammonium phosphate, the rate was \$A30 per long ton of the phosphorus pentoxide content. In 1968 the rates were increased to \$A8 and \$A40 respectively and in 1969 to \$A12 and \$A60 respectively. The amendment to the Act in 1968, also provides for specified trace elements, if added to superphosphate, to attract bounty as superphosphate.

2. Effect of bounty

(a) Overall, the bounty has had the effect of reducing costs and encouraging greater use of phosphate fertilizers as a means of increasing production, particularly in the wool and wheat industries.

(b) StatisticsPhosphate Rock

Imports			Local Production
Year	Quantity (1000 tons)	Value (\$A'000)	
1970/71	2,115.7	22,174	Nil
1971/72	1,660.6	18,157	Nil
1972/73	2,281.9	22,647	Nil

Sulphur

Imports			Local Production
Year	Quantity (1000 tons)	Value (\$A'000)	
1970/71	274.2	4,906	Nil
1971/72	277.8	4,637	Nil
1972/73	493.0	6,660	Nil

Superphosphate

Year	Imports	Local Production ('000 tons)
1970/71	Nil	3,170.3
1971/72	Nil	3,612
1972/73	Nil	4,918

Exports of phosphate fertilizers from Australia are not recorded separately.

Page 14 - Phosphate fertilizers

Lines 1-2 to be deleted

Page 17 - Sugar

Line 26 to read:

In the year ended 30 June 1973, the sum of \$A155,789 was paid in export...

Line 28 to read:

On fruit products amounted to \$A353,847 in the year ended 30 June 1973.

Lines 30-32 to read:

Export rebate was paid during this period on approximately 16,400 tons of refined sugar. The average rate of export rebate during the period mentioned was approximately \$A61.60 per ton.

Page 18 - Sugar

Statistics under "Raw Sugar: Production, etc." to include:

1971/72	2,369.4	714.7	-	2,154.7
1972/73	2,893.6	727.3	-	2,166.3

Lines 25-26 to read:

This sugar, approximately 16,400 tons (refined) for 1972/73 (July/June) and 27,054 tons for the previous year, is included...

Page 20 - Wheat

Line 19 to read:

current plan was to operate from 1 October 1968 to 30 September 1973. However, it has been extended for a one-year period pending a review of stabilization arrangements and negotiations between the Australian and State Governments and wheatgrowers of a new plan.

Line 29 to read:

each pool. Under the current plan the guaranteed price applies to a maximum...

Statistics under "(b) Incidence" to include:

1972/73	1.568
1973/74	1.600

Page 21 -- Wheat

Statistics under "(c) Amount of subsidy paid" to include:

1970/71	32.1
1971/72	40.1
1972/73	12.4 (est.)

Statistics under "(d) Estimated amount per unit" to include:

1970/71	16,500	200
1971/72	20,500	200
1972/73	8,389	139 ^{a/}
(est.)		

^{a/} being total exports from the pool

Page 22 - Wheat

Statistics under "(b) Statistics of production, consumption, imports and exports" to include:

	<u>1971-72</u>	<u>1972-73</u>
Production	313	237
Domestic consumption	99	113
Exports	285	152

Page 22 - Wool

Lines 19-33 to be deleted

Page 23 - Wool

Lines 1-7 to be deleted

Page 23 - New section to be included:

XIII. DRIED VINE FRUITS

1. Nature and extent

(a) Background and authority

Legislation to implement a scheme for the stabilization of returns to growers of dried vine fruits (currants, sultanas and raisins) was passed by the Commonwealth Parliament in 1971 and is contained in the Dried Vine Fruits Stabilization Act, the Dried Vine Fruits Levy Act and the Dried Vine Fruits Levy Collection Act. The plan covers the crops of five seasons commencing with the 1971 season.

(b) Incidence

Under the plan three Funds are set up - a Currant Stabilization Fund, a Sultana Stabilization Fund and a Raisin Stabilization Fund. A base price per ton is declared for each of these three varieties each season. The base price is adjusted each year of the plan according to movements in an index of cash costs. Where the average realized net return to the grower for a variety is within the range of \$10 per ton above or below the base price, no payment is made into or out of the relevant Fund. When the average realized return is more than \$10 per ton above the base price, all of the excess over the \$10, with a limitation

of 2A10, is levied for the relevant Fund, subject to no levy applying unless the total pack for that variety exceeds a prescribed minimum tonnage. A Stabilization payment equal to the shortfall below 2A10 is paid when the average realized return is more than 2A10 below the base price. However, such payment is subject to a maximum of 2A23 per ton if a Government contribution is involved, and this ceiling and the rate per ton is reduced in so far as tonnage is in excess of the maximum prescribed for that particular variety. In a year when a stabilization payment is payable, an advance (to the extent of 90 per cent of the then estimated payment) is made (the remaining 10 per cent being payable following final assessment of realizations).

I. (c) Amount of stabilization payments paid

For the 1971 season, the first season to be covered by the new stabilization Plan, the following final payments have been made:

Currents	2A 25,881
Sultanas	2A321,305
Raisins	nil

The only payment to be made for the 1972 season has been an advance of 2A774,910 in respect of 1972 season's sultanas. No payment (advance or final) has been paid in respect of 1972 season's currents or raisins.

No Stabilization payments are anticipated in respect to the 1973 season in view of the short crop and high prices.

II. Effect of the payments

Only one season's final payments have been made for all varieties and another season's advance payments for sultanas. A satisfactory evaluation of the quantitative effects of the Plan is, therefore, not possible at this stage.

(long tons)				
Season	Production (a)	Consumption (a)	Imports (b) (+)	Exports (a)
1967	103,581	22,441	--	81,140
1968	81,656	20,797	2	60,859
1969	50,641	19,573	1	31,066
1970	92,007	23,180	--	68,827
1971	57,502	20,084	9	37,418
1972	105,074	23,931	5	81,143
1973*	54,534	24,066	n.a.	31,018

*Estimated

+ year ending 30 June following year.

n.a. -- not available