

1990—No. 770

DAIRY INDUSTRY ACT 1979—REGULATION

(Relating to the calculation of milk prices)

NEW SOUTH WALES



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HIS Excellency the Governor, with the advice of the Executive Council, and in pursuance of the Dairy Industry Act 1979, has been pleased to make the Regulation set forth hereunder.

IAN ARMSTRONG
Minister for Agriculture and Rural Affairs

Commencement

1. This Regulation commences on 21 December 1990.

Amendments

2. The Dairy Industry (Pricing) Regulation 1984 is amended:

- by omitting the definition of "base date" in clause 3 (1) and by inserting instead the following definition:

"base date" means 30 September 1987;
- by omitting from clause 6 (1) the matter "clause 8, 9 or 10" and by inserting instead the matter "clause 8, 9, 9A or 10";
- by inserting after clause 7 (4) the following subclause:

(5) The adjustments referred to in subclause (4) are to be made in such a way that each margin payable in respect of an industry sector is reduced by the same fraction, except:

 - where the Corporation is of the opinion that, having regard to all the circumstances, the adjustments should be made on some other basis; or
 - to the extent that the Corporation desires that its own margin be reduced.

(d) by inserting after clause 9 the following clause:

Rounding off

9A. Where milk is sold by retail for cash there may be included in a price fixed (whether as a maximum, a minimum or an absolute price) by the Corporation under section 54 of the Act an amount not exceeding 4 cents to permit the total retail price to be rounded up to the next 5 cents.

(e) by omitting Table 1 of Schedule 1 and by inserting instead the following Table:

TABLE 1
BASE PRICES AND MARGINS

Component	Price (cents per litre)
Price payable to dairymen for whole milk	39,7500
* Corporation and Conference administration allowance:	
Administration/Conference	1.3600
Quality control	1.2600
Publicity allowance	0.6500
Allowance payable to receival factories for treating milk	1.7000
Distribution/Processing adjustment fund	8.3012
Margin for agent companies (processing)	7.8100
Margin For dairy produce merchant by vehicle	20.3800
** Industry contingency reserve	0.2000
TOTAL	81.4112

NOTES: **Corporation and Conference administration allowance*

The Corporation and Conference administration allowance includes a margin of 0.0214 cents per litre representing contributions by industry sectors to the administrative costs of the Conference and a margin of 0.5000 cents per litre representing a contribution to the "Vendor Rationalisation Reserve" by dairy produce merchants by vehicle.

***Industry contingency reserve*

The Industry contingency reserve includes a margin of 0.0200 cents per litre representing an allocation to the Sire Evaluation Program of the Department of Agriculture and Fisheries.

EXPLANATORY NOTE

The object of this Regulation is to amend the Dairy Industry (Pricing) Regulation 1984 so as:

- (a) to vary the base prices and margins for milk; and
- (b) to provide that, where the New South Wales Dairy Corporation (because of prevailing market conditions, for example) fixes retail prices for milk that are lower than the price which would result from the application of the relevant formula in the Regulation, the margin of each industry sector is to be reduced by the same fraction (unless the Corporation is of the opinion that adjustments should be made on a different basis); and
- (c) to make provision for prices for milk fixed by the New South Wales Dairy Corporation under section 54 of the Dairy Industry Act 1979 to be multiples of 5 cents (in view of the Commonwealth Government's decision to withdraw 1 cent and 2 cent coins from circulation).
