

Act 1993 No. 103

DAIRY INDUSTRY (AMENDMENT) BILL 1993

NEW SOUTH WALES



EXPLANATORY NOTE

(This Explanatory Note relates to this Bill as introduced into Parliament)

The object of this Bill is to amend the Dairy Industry Act 1979:

- (a) to provide for the removal, on and from 1 July 1998 (or an earlier agreed date), of zoning and other restrictions on the delivery of milk by registered vehicle vendors and to deal with ancillary matters (including compensation and the rationalisation of the businesses of vehicle vendors); and
- (b) to remove, on and from that date, the powers of the Dairy Corporation to fix retail and certain other milk prices; and
- (c) to remove all powers of the Dairy Corporation in relation to margarine; and
- (d) to require less information in returns that dairy farmers and others must make to the Dairy Corporation; and
- (e) to dispense with certain unused formal procedures for the investigation of complaints by dairy farmers.

Clause 1 specifies the short title of the proposed Act.

Clause 2 provides for the proposed Act to commence on a day or days to be appointed by proclamation.

Clause 3 amends the Dairy Industry Act 1979 as set out in Schedules 1–3.

SCHEDULE 1—AMENDMENTS RELATING TO DEREGULATION OF VEHICLE VENDORS AND OF RETAIL AND CERTAIN OTHER MILK PRICES

Schedule 1 (1) inserts Division 1A of Part 4 into the Act. The new Division:

- (a) Specifies that the deregulation date is 1 July 1998 or an earlier date agreed to by the Minister and the Amalgamated Milk Vendors' Association Inc.

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- (b) Removes, on and from the deregulation date, the power of the Dairy Corporation to impose conditions on the certificate of registration of a vehicle vendor that restrict the area in which the vendor may supply milk, restrict the persons from whom the vendor may buy milk, restrict the type of milk that may be supplied, require the delivery of milk on particular days or on demand or require milk to be maintained at a particular temperature.
- (c) Removes, on and from the deregulation date, the power of the Dairy Corporation to refuse to issue a certificate of registration to a vehicle vendor, or cancel such a certificate, on the ground that the vendor's business is wasteful or unnecessary, that the vendor does not have particular qualifications or that it is in the public interest to do so.
- (d) Establishes a Distribution Sector Rationalisation Scheme to encourage and facilitate the rationalisation of the vehicle vendor distribution sector of the dairy industry. The Scheme is to be operated and financed by the dairy industry. Under the Scheme, vehicle vendors will be given the opportunity to sell their businesses and, after the rationalisation of those businesses, to purchase a new business.
- (e) Provides that no compensation is payable, because of deregulation, to certain vehicle vendors (including those who are given an opportunity to participate in the Scheme).

Schedule 1 (2) inserts section 60D into the Act. The new section removes, on and from the above deregulation date, the powers of the Dairy Corporation to fix retail and certain wholesale prices for milk. Price-fixing powers retained include those relating to the minimum price to be paid to dairy farmers for milk and certain wholesale prices to be paid by processors for milk.

The new section also increases from three-monthly periods to six-monthly periods the times at which the Dairy Corporation is required to undertake a review of the prices that it is authorised to fix for milk and dairy products.

SCHEDULE 2—AMENDMENTS RELATING TO MARGARINE

This Schedule repeals all references to margarine from the Act so as to remove all powers of the Dairy Corporation in relation to margarine.

SCHEDULE 3—MISCELLANEOUS AMENDMENTS

Schedule 3 (1) requires less information in returns that dairy farmers and others must make to the Dairy Corporation. The information is to be limited to information relating to accounting for the use of milk and to information required for the fixing of prices for milk.

Schedule 3 (2) repeals provisions that require certain formal procedures to be observed in relation to complaints by dairy farmers. Because of an existing informal procedure, the provisions proposed for repeal have not been used.
