

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
HOUSE OF REPRESENTATIVES

Presented and read a first time, 5 May 1993

(*Minister for Primary Industries and Energy*)

A BILL

FOR

An Act to amend the *Dairy Produce Act 1986*

The Parliament of Australia enacts:

Short title etc.

- 1.(1) This Act may be cited as the *Dairy Produce Amendment Act 1993*.
- (2) In this Act, “Principal Act” means the *Dairy Produce Act 1986*¹.

5 **Commencement**

2. This Act commences on the day on which it receives the Royal Assent.

Interpretation

- 10 3. Section 3 of the Principal Act is amended by omitting from subsection (1) the definition of “approved bank” and substituting the following definition:

“ **‘approved bank’** means the Reserve Bank of Australia, a bank as defined in subsection 5(1) of the *Banking Act 1959* or a bank constituted by a law of a State;”.

Proper accounts to be kept

4. Section 72 of the Principal Act is amended by adding at the end the following subsection: 5

“(2) Whether or not the Corporation chooses under section 73 to maintain a separate bank account in respect of each relevant fund, the Corporation must ensure that it keeps separate records of all of its financial dealings relating to each such fund.”. 10

Application of money of Corporation

5. Section 74 of the Principal Act is amended by omitting paragraph (2)(a) and substituting the following paragraph:

“(a) may be invested:

- (i) in interest-bearing deposits with an approved bank; or 15
- (ii) in any securities of, or guaranteed by, the Commonwealth or a State; or
- (iii) in bills of exchange accepted by an approved bank; or
- (iv) in promissory notes or certificates of deposit issued by an approved bank; or 20
- (v) in any other way approved by the Treasurer; or”.

6. Section 79 of the Principal Act is repealed and the following section is substituted:

Hedging through currency contracts etc.

“79.(1) In this section: 25

‘currency contract’ means:

- (a) a forward exchange rate contract; or
- (b) a contract with respect to currency futures;

‘futures contract’ means:

- (a) a deferred delivery contract; or 30
- (b) a contract with respect to financial futures; or
- (c) a contract with respect to commodity futures.

“(2) This section applies to the following contracts:

- (a) currency contracts;
- (b) interest rate contracts; 35
- (c) futures contracts;

- (d) contracts relating to:
 - (i) dealings known as currency swaps; or
 - (ii) dealings known as interest rate swaps; or
 - (iii) dealings known as commodity swaps;
- 5 (e) contracts relating to 2 or more of the dealings referred to in paragraph (d);
- (f) options (including futures options);
- (g) contracts of a kind approved by the Minister in writing.

10 “(3) Subject to subsection (6), the Corporation may enter into and deal with contracts to which this section applies for hedging purposes in relation to:

- (a) a borrowing or raising, or a proposed borrowing or raising, of money by the Corporation; or
- (b) an investment of money by the Corporation; or
- 15 (c) a purchase or sale, or a proposed purchase or sale, of dairy produce; or
- (d) the making by the Corporation of a payment outside Australia in relation to the promotion of the use of dairy produce; or
- (e) a transaction in foreign currency.

20 “(4) The Minister may, by written determination, set guidelines for the exercise by the Corporation of its powers under subsection (3) and must give the Corporation a copy of each determination made.

“(5) Without limiting subsection (4), the guidelines may provide that:

- 25 (a) the Corporation is not to enter into or deal with contracts of a particular kind; or
- (b) the Corporation is to enter into or deal with contracts of a particular kind only if the contract relates to specified matters.

“(6) The Corporation must not enter into or deal with a contract to which this section applies contrary to any guidelines in force under subsection (4).

30 “(7) A contract is taken to be entered into or dealt with for hedging purposes only if the contract is entered into or dealt with for the purpose of:

- (a) managing the risk of variations in:
 - (i) the costs of a borrowing or raising, or a proposed borrowing or raising, of money by the Corporation; or
 - 35 (ii) the revenue obtainable by the Corporation from the investment of money by the Corporation; or
 - (iii) the amount payable to the Corporation for any dairy produce sold, or proposed to be sold, by it; or
 - (iv) the amount payable by the Corporation for any dairy produce
- 40 bought, or proposed to be bought, by it; or

- (v) the amount of any payment referred to in paragraph (3)(d); or
 - (vi) a payment to or by the Corporation in relation to a transaction in foreign currency; or
- (b) maintaining the value of investments made by the Corporation.”.

Repeal of section

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7. Section 84 of the Principal Act is repealed.

Investment of money standing to credit of a relevant fund

8. Section 85 of the Principal Act is amended by omitting paragraph (a) and substituting the following paragraph:

“(a) may be invested:

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- (i) in interest-bearing deposits with an approved bank; or
- (ii) in any securities of, or guaranteed by, the Commonwealth or a State; or
- (iii) in bills of exchange accepted by an approved bank; or
- (iv) in promissory notes or certificates of deposit issued by an approved bank; or
- (v) in any other way approved by the Treasurer; or”.

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Minor amendments

9. The Principal Act is further amended as set out in the Schedule.

SCHEDULE

Section 9

MINOR AMENDMENTS

Subsection 3(1) (definition of “relevant fund”):

Omit “, the Supplementary Fund”.

Subsection 3(1) (definition of “Supplementary Fund”):

Omit the definition.

Subsection 3(1) (definition of “supplementary market support payment”):

Omit the definition.

Paragraph 17(1)(f):

Omit the paragraph.

Paragraphs 93(2)(a) to (g):

Add at the end “and”.

Paragraph 93(2)(h):

Omit “; and”.

Paragraph 93(2)(j):

Omit the paragraph.

Paragraphs 101(a) to (g):

Add at the end “and”.

Paragraph 101(c):

Omit “and the Supplementary Fund”.

Paragraph 101(h):

Omit the paragraph.

Subsection 112(2):

Omit “either a market support payment or a supplementary market support payment”, substitute “a market support payment”.

SCHEDULE—continued**Paragraph 119(2)(b):**

Omit “or a supplementary market support payment”.

NOTE

1. No. 54, 1986, as amended. For previous amendments, see No. 168, 1986; Nos. 162 and 141, 1987; Nos. 51, 111 and 114, 1988; Nos. 129 and 130, 1989; Nos. 15 and 17, 1990; Nos. 26 and 39, 1991; and No. 67, 1992.





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