

# Dairy Industry (Amendment) Bill

## EXPLANATORY MEMORANDUM

### Outline

The *Dairy Industry Act* 1984 does not give power to withhold the issue of dairy farm licences if the premises comply with the required standards. In view of the surplus production in the industry, it is proposed that the issue of new dairy farm licences be restricted, subject to the discretion of the Minister for Agriculture and Rural Affairs.

The Bill gives effect to this decision in that it—

- (a) removes the concept of transfers and provides for licences to be surrendered when dairy farmers go out of business;
- (b) provides that any new dairy farm licence is to be issued (or refused) by the Director-General of Agriculture and Rural Affairs in accordance with the written directions of the Minister; and
- (c) authorizes the Minister to direct the issue or withholding of new licences at his absolute discretion.

### Notes on Clauses

*Clauses 1 to 3.* Standard citation and commencement provisions.

*Clause 4* amends section 70 of the Principal Act by removing the provisions relating to transfer.

*Clause 5* amends section 72 of the Principal Act by removing the provisions relating to the expiry of licences, and inserting a new paragraph which provides that a licence will remain in force until the licensee ceases to conduct the business of a dairy farm or until the expiry date specified in the licence.

*Clause 6* removes section 73 of the Principal Act and inserts a new section which provides that the Director-General of Agriculture and Rural Affairs is to issue or refuse to issue dairy farm licences only at the written direction of the Minister. The Minister is authorized to give directions at his discretion.

*Clause 7* amends section 74 (1) by removing the Director-General's ability to issue or transfer a licence, and amends section 74 (4) by removing the Director-General's ability to cancel a dairy farm licence on the grounds that the dairy farm has been sold or the licensee has ceased to carry on business as a dairy farm. These provisions in the existing Act would be inconsistent with the proposed new section 74A.

*Clause 8* inserts a new section after section 74. The proposed new section requires that if a dairy farmer goes out of business, he is to notify the Director-General and surrender his licence.

*Clause 9* removes the formal avenue of appeal against a decision by the Director-General to refuse to issue or to refuse to transfer a licence.

