**DAIRY INDUSTRY ACT AMENDMENT BILL 1986**

**Legislative Council, 9 October 1985, pages 1165-6**

Second reading

**The Hon. FRANK BLEVINS (Minister of Agriculture)** obtained leave and introduced a Bill for an Act to amend the Dairy Industry Act 1928. Read a first time.

The Hon. FRANK BLEVINS: I move: That this Bill be now read a second time.

The Australian dairy industry has experienced two years of declining returns, due to overproduction and depressed export prices . Current marketing arrangements do not provide for production control at a national level. Dairy farms in South Australia are licensed under two Acts: those supplying the metropolitan area are licensed by the Metropolitan Milk Board under the Metropolitan Milk Supply Act (1946) as amended; those outside the metropolitan area, such as the South-East or Port Lincoln, are licensed by the Department of Agriculture under the Dairy Industry Act (1928) as amended.

Dairy industry organisations are concerned that continuing increased milk production in Australia will further depress industry returns and have requested the Minister of Agriculture to restrict the issue of new dairy farm licences under the Dairy Industry Act, on industry economic grounds. At present the Minister can only refuse to issue a dairy farm licence under the Dairy Industry Act if the farm is not suitable for use as a dairy farm, or does not meet regulatory requirements in respect of hygiene and construction.

The amendments to the Dairy Industry Act will allow the Minister, on forming the opinion that the issue of further licences would render dairy farming uneconomic, to direct that no new dairy farm licences be issued. This will allow the Government to help reduce milk production in South Australia and improve the viability of existing dairy farms. The restriction will not apply for renewals of existing licences, the transfer of licences following change of ownership or to a person transferring his licence to a new dairy farm. In proclaiming this legislation tim e is to be allowed to ensure that individuals who have already committed resources to the development of a diary farm can apply for a licence. In addition the legislation will permit the Minister to revoke a direction previously made. I seek leave to have the detailed explanation of the clauses incorporated in Hansard without my reading it. Leave granted.

Explanation of Clauses

Clauses 1 and 2 are formal. Clause 3 amends section 7 (2a) of the Act to provide that the issue of a licence for a dairy farm is subject to any direction given by the Minister under section 8 or 8a.

Clause 4 inserts section 8a which provides that the Minister may direct that no further licences be issued for dairy farms when the Minister is of the opinion that the establishment of further dairy farms would result in lower returns to dairy farmers, rendering dairy farming uneconomic. Subsection (2) of the proposed section provides that such a direction shall not affect an application for renewal of a dairy farm licence, transfer of a licence from one person to another, or an application by a holder of a licence to transfer from one property to another. Subsection (3) of the proposed section provides that the Minister may revoke such a direction.

The Hon. M.B. CAMERON secured the adjournment of the debate.