Date Introduced: 20 March 1985
House: House of Representatives
Presented by: Hon. John Kerin, M.P., Minister for Primary Industry

Short Digest of Bill

Purpose

To replace the Australian Meat Research Committee with an incorporated body, namely the Australian Meat and Live-Stock Research and Development Corporation.

Background

Information about the funding and organisation of rural research and the proposed new arrangements for rural research is contained in the Bills Digest for the Rural Industries Research Bill 1985 (Digest No. 85/54).

Meat industry research is conducted through the Australian Meat Research Committee (AMRC) which was constituted under the Meat Research Act 1960. Initially, the activities of the AMRC (formerly known as the Australian Cattle and Beef Research Committee) were restricted to researching problems associated with the cattle and beef industry. However, in March 1966, the research scheme was extended to include the sheep-meats industry. The prime objective of the scheme is to assist the development of the pastoral, meat-processing industries through financing scientific, economic and technical research and the training of research scientists.

Research is financed by levies on live-stock slaughterings and charges on live-stock exports, with a matching contribution on expenditure from the Commonwealth Government. The rate of the research levy is recommended by the AMRC to the Australian Meat and Live-Stock Corporation (AMLC) before finally being approved by the Minister for Primary Industry.

The AMRC is administered through the AMLC and comprises 12 members, namely the Chairman of the AMLC, 7 members representing meat producers, and 4 members representing the Australian Agricultural Council, CSIRO, Universities and the Department of Primary Industry.
Research supported by the AMRC is conducted by the CSIRO, State Departments of Agriculture, Northern Territory Department of Primary Production, AMLC, most universities, Queensland Institute of Medical Research, Cattle Council of Australia, Queensland Department of Lands, Live-stock and Meat Authority of Queensland and other institutions.

Recent reports questioning the organisation and funding of rural research schemes recommended changes to existing arrangements (refer to Digest No. 85/54). Certain administrative, legal and financial constraints facing the AMRC were highlighted in the reports, e.g., the AMRC is unable to enter contracts or manage its own funds and ministerial approval is required to initiate or vary any research project.

In a press release dated 8 November 1983, the Minister for Primary Industry announced details of proposals for restructuring and reforming the meat and live-stock industry. Included in the reforms was the replacement of the AMRC with an incorporated body, the Australian Live-stock and Meat Research and Development Corporation (the Corporation). Incorporation was considered to be "the most practical way of facilitating a more effective and efficient funding of meat research and development",[1] and provides a more flexible and commercially appropriate organisational structure.

A Working Committee, comprising representatives from the live-stock and meat processing industries, universities, CSIRO, State Governments and the Commonwealth Department of Primary Industry, was subsequently appointed by the Minister to develop and recommend to the Government matters relating to the functions and powers of the Corporation. The Committee reported in July 1984 providing the basis for the establishment of the Corporation.

Outline

The Bill provides for the establishment of the Corporation (clause 4) whose objectives will be:

1. to improve the productivity and market performance of the meat and live-stock industry through efficient and effective research and development (R&D); and

2. to improve accountability for expenditure on meat and live-stock R&D activities (clause 5).

The functions of the Corporation are to include the investigation and evaluation of R&D needs, formulation of
R&D plans, develop annual operational plans, co-ordinate and fund R&D activities specified in the annual plans, monitor and report to Parliament and to industry on R&D activities (clause 6).

In performing its functions, the Corporation will have the power to do all things that are necessary or convenient. However, for the purchase of property exceeding $100,000, ministerial approval will be required (clause 7).

The Corporation will have the authority to execute agreements for the funding of R&D activities, many participate in joint ventures and may consult industry representatives (clauses 8, 9 and 10).

The Corporation will be able to buy, sell or hold property and may sue or be sued in its corporate name (clause 11). It will consist of 11 members, namely a chairperson, a Government member (both appointed by the Minister), 8 members selected and nominated to the Minister by the Australian Meat and Live-Stock Industry Selection Committee, and an Executive Director (clause 12). The Government member will hold office during the Minister's pleasure while all other ministerial appointees will hold office for a term not exceeding three years and are eligible for re-appointment (clause 13).

The Corporation is to convene an annual general meeting (AGM) within three months after the annual report is laid before the House of Representatives. Where possible, this AGM is to be convened on the same day as the AGM for the AMLC. Within 7 days after the laying of the annual report, the Corporation is required to give notice in the Gazette of any proposal to vary the rates of levy or charge which fund it (clause 22).

Part V of the Bill deals with the development of R&D plans. The Corporation is to prepare a five-year R&D plan outlining its objectives and strategies. Furthermore, a R&D plan is to include an assessment of the economic outlook for live-stock and meat, and an evaluation of the R&D needs of the industry. A R&D plan and any variations will require ministerial approval (clause 30).

The Corporation is required to develop annual operational plans which are to specify the particular meat and live-stock R&D activities that the Corporation proposes to fund, and to describe activities that it is prepared to fund. The plan is to include estimates of the financial outlay for specified activities (clause 35). Ministerial approval is required for the annual operational plans (clause 36).
Part VI deals with staffing matters. The Corporation is to appoint the Executive Director (clause 37) and to employ staff and consultants (clause 41).

Part VII deals with financial matters. From the Consolidated Revenue Fund, the Corporation is to be paid moneys collected by the Commonwealth from slaughter levies and export charges on live-stock that are specified as being for R&D as well as the Commonwealth's matching contribution (clause 42).

The Corporation is allowed to borrow money, subject to Ministerial approval (clause 43).

For a detailed explanation of the clauses of the Bill, refer to the Explanatory Memorandum.

For further information, if required, contact:

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Economics and Commerce Group
LEGISLATIVE RESEARCH SERVICE

Reference