AUSTRALIAN MEAT AND LIVE-STOCK CORPORATION AMENDMENT BILL 1984

Date Introduced: 10 May 1984
House: House of Representatives
Presented by: Hon. J.C. Kerin, M.P., Minister for Primary Industry

Purpose

To amend the Australian Meat and Live-Stock Corporation Act 1977 in order to change the composition and structure of the Corporation to allow greater commercial flexibility particularly in the trading and funding areas.

Background

The AMLC was established in 1967 through a restructuring of the Meat Board. Various changes to the original structure have taken place with the major variation being an increase in its powers over meat exports in 1982 following the "meat substitution scandal". In general the Corporation was at this stage responsible for the conduct of the Australian export trade, provision of advice to the government and research into and promotion of red meat consumption.

Further calls for the restructuring of the AMLC have been numerous for a number of years. The Cattle Council in particular, and nearly all other live-stock industry groups, have put forward wide-ranging proposals for reform. The Australian Labor Party in opposition adopted a number of the proposals and incorporated them into its Rural Policy. Whilst not all proposals were incorporated, nor were all of those incorporated accepted by all groups, the changes accommodated a large degree of industry agreement. Since March 1983, further calls for the restructuring of the AMLC have been evident and this Bill and others presented at the same time, attempt to satisfy these demands.

Outline

The new Corporation will be able to take a higher profile in promotion and marketing of meat both domestically and overseas. Its ability to finance these operations and
the accountability of the Corporation, and its constituent members, have similarly been increased.

The membership Selection Committee will provide the Corporation with a broader base than the previous producer/processor dominated Board. The Policy Council is designed to provide advice to the Minister without being constrained by any current commercial operations of the Corporation.

Main Provisions


Clause 5 grants the Corporation power to charge for all services and other works performed by the Corporation. In addition it is required to exercise its powers in a manner which is consistent with both the Corporate Plan and the Annual Operational Plan (see clause 22).

Clause 6 removes the provision in section 9 which restricts the Corporation to trading only in meat and livestock which it currently owns. The removal of sub-sections (2), (3) and (4) of section 9 gives the Corporation much greater day-to-day power than had previously been the case. Whilst it must still operate within the overall corporate and annual operational plans it no longer needs, for example, to gain ministerial approval for each operation in the futures market.

Clause 7 gives the Corporation the right both to consult any industry bodies or persons on any topic and to compensate those persons or bodies for their costs and expenses reasonably incurred.

Clause 8 initiates the right of the Corporation to charge an applicant for a meat or live-stock export licence any such fee as is prescribed at the time of the application. The right to charge for a licence was never established in the previous Act.

Clause 9 increases the Corporation's power with respect to allocating export quotas to one or more exporters. The allocations can now be imposed whether the other country or Australia imposed the restrictions.

Clause 10 enables the Corporation to place restrictions on which exporters can service certain markets within a caveat of staying within the Corporate Plan and
having due regard to the best commercial interests of the industry. The Corporation is allowed to engage in sole trading.

Clause 12 specifies the composition of the Corporation as being a managing director, the Chairman, a Commonwealth representative and eight (8) other members. All bar the managing director shall be appointed by the Minister and shall be part-time. The eight other members shall, in addition, be appointed by the Minister from a list prepared by the Industry Selection Committee. The effect of this clause is to reduce the influence of direct industry representation on the Corporation. It is envisaged that members of the new Corporation will have a stronger background in marketing and commerce than in live-stock production and/or meat and live-stock export. All current members are eligible for re-appointment. A number of industry groups have been reasonably vocal against this change, wishing to maintain a direct influence over the Corporation rather than an indirect connection through the Selection Committee.

Clause 14 specifies that four of the eight "other members" will be appointed for 3 years with the other four being appointed for 2 years.

Clause 15 provides for the Minister, in consultation with the Chairman, to appoint a Deputy Chairman from amongst the eight other members. The Deputy Chairman was previously elected by the Members.

Clauses 17, 18, 19 and 20 amend the Act to exclude the Managing Director, the only full-time Corporation member, from those provisions applicable to AMLC staff concerning remuneration, leave, etc. This will enable the AMU to offer the portion at a level which is commensurate with private industry.

Clause 21 removes the requirement for a quorum to consist of any specific members. A simple quorum of six will now be required.

Clause 22 inserts a new Part IIIA into the Act which requires the Corporation to hold an Annual General Meeting. The responsibilities of the Corporation and the "rules" regarding conduct, proxies, notification etc. are established. The majority of the sections are similar to those defining the rights and responsibilities under Company Law. Section 30J requires the Corporation to maintain two registers, one of producers and one of exporters/processors. Voting requirements for the passing of motions incorporates
these two registers and varies according to the category of motion. Motions of no confidence in the Chairman or Corporation must be passed by 75 per cent of the voting entitlements on each register. The same requirement (in the negative) is required to defeat a motion recommending the Minister to vary the slaughter levy or export charges. All other motions require simple majorities on both registers to be passed.

Clause 22 also inserts a section titled Part IIIB Division I - Corporate Plans. The Corporation is required to prepare a five-year Corporate Plan setting out its objectives, key programs and priorities. The Plan is subject to the approval of the Minister and should enable a reduction in day-to-day Ministerial involvement.

Division 2 of Part IIIB requires the Corporation to prepare an Annual Operational Plan setting out the objectives and programs for the relevant 12 month period that will give effect to the Corporate Plan.

The Minister is required to approve the Annual Operational Plan.

Clause 23 inserts a new Part IV in the Act. Division I covers the establishment of the position of Managing Director and the conditions under which the office will be filled. The principle change is that the position is not a Public Office within the meaning of the Remuneration Tribunals Act 1973 and as such the level of remuneration will reflect the level of the position with respect to the private rather than public sector. The Managing Director is responsible to the Corporation. An Acting Managing Director can be appointed, in the absence of the Managing Director, by the Corporation.

Clause 24 rewrites section 35 of the Act so as to expand the borrowing powers of the Corporation. The main variation is the ability of the Corporation to now issue securities, with the approval of the Minister, so as to raise funds. However if the securities are to be guaranteed by the Commonwealth they must still be approved by the Treasurer.

Clause 25 allows for the Corporation to pay the costs and expenses of convening industry conferences by the Industry Policy Council. In addition it meets the costs and expenses of the Industry Selection Committee.

Clause 26 repeals Part VI of the Act which described the various Consultative Groups previously convened by the Corporation.
Clause 27 allows for review by the Administrative Appeals Tribunal of any decision by the Corporation not to register, or to remove the registration of any person.

Clause 28 grants the power to the Governor-General to prescribe any fees payable for export licences.

Remarks

The changes have removed the direct influence of producer and processor/exporter groups and replaced this with a greater degree of Ministerial control over the composition of the Corporation. Whilst the day-to-day running of the corporation requires less Ministerial consent, no reduction in overall control is incorporated. The Corporation should have a wider range of powers in the areas of internal funding and overall operation. The Annual General Meeting may enable a greater deal of accountability, but the voting rules are such that contentious issues may not allow no-confidence motions, by either of the major groupings, to succeed except in very rare circumstances.

For further information, if required, contact:

Economics and Commerce Group
LEGISLATIVE RESEARCH SERVICE

28 May 1984
MEAT & LIVESTOCK INDUSTRY PROPOSED ARRANGEMENTS.

R & D CORPORATION
AUSTRALIAN MEAT AND LIVE-STOCK CORPORATION (AMIC)
INSPECTION POLICY COUNCIL
ANNUAL GENERAL MEETING
INDUSTRY

PARLIAMENT
MINISTER
LIVESTOCK AND MEAT INDUSTRY COUNCIL
BIENNIAL CONFERENCE

AUSTRALIAN AGRICULTURAL COUNCIL

--- Line of Authority
--- Line of Consultation
MEAT AND LIVESTOCK INDUSTRY PRESENT ARRANGEMENTS

IS: Inspection Services
AMRC: Australian Meat Research Committee
AAC: Australian Agricultural Council
AMLC: Australian Meat and Livestock Corporation

MEACG: Meat Exporters and Abattoir Owners Consultative Group
LECG: Livestock Exporters Consultative Group
PCG: Producers Consultative Group