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AUSTRALIAN MEAT AND LIVE-STOCK CORPORATION
AMENDMENT BILL 1986

Date introduced: 16 April 1986
House: House of Representatives
Presented by: Hon. John Kerin, M.P.,
Minister for Primary Industry

DIGEST OF BILL

Purpose

To amend the commercial and financial powers and responsibilities of the Australian Meat and Live-stock Corporation (the Corporation).

Background

The Corporation was established by the Australian Meat and Live-stock Corporation Act 1977 (the Principal Act). The Corporation is largely funded by the industry it represents and its primary responsibility is the marketing of Australian meat and live-stock. As other organisations also serve the industry, the Corporation concentrates its efforts on commercial activities associated with market development and protection, improved marketing methods and the promotion of meat and live-stock sales.

The Australian Bureau of Statistics estimates Australian cattle numbers on 31 March 1985 at 22.7 million head, 2.6 per cent above the level of the previous year. This is the first increase after eight years of continuing decline. Estimates of sheep and lamb numbers at 31 March 1985 were 149.2 million, 7.2 per cent above the level of the previous year. Pig numbers fell by 2.5 per cent to 2.5 million.[1]

Total red meat consumption during 1984-85 increased 2.3 per cent on the previous year. Per capita consumption was: 39 kilograms of beef, 6 kilograms of mutton, 15 kilograms of lamb and 16 kilograms of pork.[2]

In the latter half of 1984, the Corporation undertook several research projects to provide direction for future marketing plans in the domestic market. This included quantitative consumer research for beef, veal and lamb, test marketing of new boneless lamb cuts, the assessment of strip branding for beef as a marketing strategy and mutton product development research.

World meat markets continue to be heavily supplied with subsidised EEC beef, as well as cheap pork and poultry meat, and the sale of subsidised farm products under the US Farm Bill will exacerbate this situation. Other exporters (Australia, New Zealand and South America in particular) have had to compete strongly to maintain a share of the trade. Competition in the Middle East, North Africa and Eastern Europe has been particularly strong, with exporters following each others' prices downwards. Despite the depressed world market, Australia's exports of both mutton and lamb rose in 1984-85.

The Market Development and Promotions section of the Corporation is commercially orientated and provides relevant and up-to-date market intelligence and analysis of trends in individual export markets and price trends in importing countries. This information is disseminated to the public through various forms including the weekly publication Market Notes for Live-stock and Meat. In addition, circulars are regularly distributed to all licensed exporters in an effort to maintain their awareness of import countries' requirements and regulations, and to inform the export trade of any new potential market for Australian meat.

Main Provisions

The definition provision of the Principal Act, section 5, will be amended by clause 3 which will omit the definition of 'approved bank' and insert definitions for 'company auditor' and 'corporate auditor'.

Sub-section 8(2) of the Principal Act provides that the Corporation must have Ministerial approval to enter into contracts for the purchase of property other than live-stock valued at more than \$100 000. Clause 4 will omit this requirement.

The requirement for Ministerial approval to engage in international trade in which the Commonwealth is a party and to provide facilities for use in connection with meat exports, will be removed (clause 5 which will amend section 15 of the Principal Act).

Where a foreign country imports a limited amount of Australian meat, the Corporation may make an order imposing quotas on the amount of meat to be exported by a holder of an export licence (section 16J of the Principal Act). The Corporation also has power to transfer, cancel or require the surrender of such a quota (section 16J(2) of the Principal Act). Clause 7 will add sub-section 16J(12) to the Principal Act which will give the export licence holder the right to have an order made under section 16J(2) reviewed by the Administrative Appeals Tribunal.

Clause 12 will insert a new Division 3, titled 'Directions by Minister', into the Principal Act. The new Division will give the Minister power to give general directions, after consultation with the Chairman, to the Corporation with respect to the performance of its functions and exercise of its powers. Directions will be published in the Gazette and laid before each House of Parliament.

Ministerial approval for the terms and conditions of employment set by the Corporation will no longer be required (clause 13 which will amend section 31 of the Principal Act).

Section 35 of the Principal Act will be amended by clause 14. As a result, the Corporation will no longer need Ministerial approval to borrow money or deal in securities up to a limit of \$5 million, after which the Treasurer's approval will be required.

The Corporation will be able to make loans for purposes consistent with the Principal Act and its investment powers will be widened (clause 16 which will amend section 37 of the Principal Act).

The appointment of an auditor to be the Corporation's auditor is dealt with by proposed section 39A of the Principal Act which will be inserted by clause 18. The Corporation will give the Minister a list of auditors in order of preference with a written request to appoint one as corporation auditor. The Minister will refer the list to the Auditor-General. Subject to the Auditor-General being satisfied that the preferred company auditor is suitable,

the Minister will pass the request and Auditor-General's advice to the Joint Committee of Public Accounts (the Committee). Subject to the Committee's approval the Minister may appoint the auditor requested by the Corporation. Where either the Auditor-General or the Committee cannot approve the Corporation's request the Minister will have to advise the Corporation of the Auditor-General's or Committee's reasons.

A Corporation auditor may be removed after a written request to the Minister (new section 39B which will be inserted into the Principal Act by clause 18).

The Minister's approval must be obtained before a corporation auditor may resign (new section 39C will be added to the Principal Act by clause 18).

For further information, if required, contact the Economics and Commerce Group.

14 May 1986

Bills Digest Service
LEGISLATIVE RESEARCH SERVICE

References

1. Australian Meat and Live-stock Corporation, Report for the period 1 July 1984 to 30 June 1985 - A New Direction, p.20.
2. Ibid.

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