

1986

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

AUSTRALIAN MEAT AND LIVE-STOCK CORPORATION
AMENDMENT BILL 1986

EXPLANATORY MEMORANDUM

(Circulated by Authority of the Minister for Primary Industry
The Hon John Kerin MP)

Outline

AUSTRALIAN MEAT AND LIVE-STOCK CORPORATION AMENDMENT BILL 1986

The amendments to the Australian Meat and Live-stock Corporation Act 1977 proposed in this Bill aim to provide the Corporation with increased flexibility to improve the the marketing of meat and livestock on both domestic and export markets. These changes should enable the Corporation to operate in a more commercial and competitive manner.

The amendments contained in this Bill involve:

- removing the need for Ministerial approval over many of the day to day operations of the Corporation
- providing the Minister with a general reserve power of direction over the Corporation so as to maintain accountability to Parliament
- broadening aspects of the financial powers of the Corporation particularly the ability to make loans in accordance with its functions
- providing the Corporation with the option to use a commercial auditor in place of the Auditor General subject to the approval of the Joint Parliamentary Committee of Public Accounts
- clarifying the power of the Corporation to be involved in the provision of services or facilities in connection with the performance of the Corporation's functions.

The amendments contained in the Bill complement the restructuring of institutional arrangements in the meat and livestock industry commenced during 1984 and 1985. The proposed amendments follow the introduction of corporate planning and Annual General Meeting provisions by the Corporation which now provide a more appropriate Ministerial and industry overview of the Corporation's marketing strategy and performance. The various clauses of this Bill are also in accordance with the Government's policy on Reform of Commonwealth Primary Industry Statutory Marketing Authorities and will complete the implementation of these reforms as they apply to the administrative structure of the Australian meat and livestock industry.

Financial Impact Statement

The legislation will not impose a cost on the Commonwealth.

NO. OF
CLAUSEEXPLANATION

- 1 (1) Citation
(2) Cites Australian Meat and Live-stock Corporation Act 1977 as the Principal Act.
- 2 Date of commencement of the Act is to be the date of Royal Assent.
- 3 Amends Section 5 of the Principal Act by omitting the definition of 'approved bank' and defining 'company auditor' and 'Corporation Auditor'.
- 4 Amends section 8 of the Principal Act dealing with powers generally by removing the need for the Minister to approve purchases of real or personal property for amounts exceeding \$100,000. Under sub-section 8(4) major property purchases would still be detailed and agreed to by the Minister as part of the corporate planning process.
- 5 Amends section 15 of the Principal Act dealing with 'other powers' to remove the need for the Minister to approve:
- in paragraph 15(1)(a) the purchase, export or sale for export of meat and livestock for purposes relating to international undertakings to which the Commonwealth is a party. Under Clause 12 of the Bill the Minister will be able to direct the Corporation on matters of foreign policy
 - in paragraph 15(1)(d) the terms and conditions on which the Corporation can engage consultants
 - in paragraph 15(2) the operation by the Corporation of services or facilities in connection with the export of Australian meat and livestock.
- Clause 5 of the Bill will also clarify the AMLC's power to be involved in providing services or facilities in connection with the sale of marketing of meat and livestock in Australia or overseas.
- 6 Amends section 16H of the Principal Act by omitting specific powers of Ministerial direction as these will be subsumed within the general power of direction by the Minister over the Corporation.
- 7 Amends section 16J of the Principal Act by providing a right of appeal to the Administrative Appeals Tribunal against decisions of the AMLC to transfer, cancel or require the surrender of quota in accordance with orders made by the AMLC under section 16J.

- 8 Amends section 30B of the Principal Act to provide for the Annual General Meeting of the Corporation to consider and vote on a motion that a company auditor be appointed in place of the Auditor-General. This amendment aims to increase the flexibility of the Corporation's audit provisions while retaining appropriate controls on the selection of a suitable company auditor.
- 9 Amends section 30C of the Principal Act to require a person registered to vote at the annual general meeting of the Corporation to give advance notice of any motion to remove a company auditor as the Corporation auditor.
- 10 Amends section 30D of the Principal Act to require the Corporation to give appropriate advance notice of motions requesting the appointment of a company auditor as the Corporation auditor. This clause also amends sub-section 30D(1)(c) to take account of Clause 11.
- 11 Amends section 30E(3) of the Principal Act to transfer from the Minister to the Chairman of the AMLC the responsibility to approve the form of an instrument appointing a proxy for voting at an annual general meeting of the Corporation.
- 12 Inserts a new Division, Division 3 in Part IIIB of the Principal Act providing powers of direction to the Minister. Any such direction must be in writing, must be preceded by consultation between the Minister and the Chairman and must be published in the Commonwealth Gazette and must be tabled in each House of Parliament within 15 sitting days. The Corporation must comply with any direction given under this section and also detail all directions and the effects of these directions on the operations of the Corporation in its annual report.
- 13 Amends section 31 of the Principal Act to remove the requirement for the Minister to approve the terms and conditions of service of persons appointed or engaged by the Corporation. This will enable the Corporation to determine staff terms and conditions and provide the Corporation with the necessary flexibility in staffing arrangements in line with normal commercial practice.
- 14 Amends section 35 of the Principal Act to remove the requirement for the Minister to approve the borrowing of monies by the Corporation. However, the borrowing or raising of monies exceeding a total value of five million dollars in any one year will require the approval of the Treasurer and be on such terms if any as are specified in the approval.

Clause 14 also amends sub-section 35(5) of the Principal Act removing the option for the Treasurer to guarantee the repayment of money borrowed by the Corporation. This change is consistent with commercial independence of the Corporation and the removal of approval requirements on borrowings below \$5 million.

- 15 Amends section 36 of the Principal Act to remove the requirement that the Corporation must maintain accounts only with approved banks. In line with the deregulation of the Corporation's financial affairs, it is proposed that the Corporation be able to maintain accounts with any bank in Australia or overseas.
- 16 Amends section 37 of the Principal Act by enabling the Corporation to make loans of money whether in Australia or elsewhere where the Corporation is satisfied that such a loan is consistent with the objects of the Act.

Amendments to section 37 of the Principal Act under Clause 16 will also remove the requirement for the Corporation to deposit excess monies only with an approved bank or seek the approval of the Treasurer for other forms of investment. The amendments to this sub-section will enable the Corporation to invest monies in any form that is consistent with sound commercial practice.

- 17 Clause 17 of the Bill amends section 39 of the Principal Act to provide the Corporation with the option of using a commercial auditor in place of the Auditor-General.

Where a Company auditor has been appointed as the Corporation Auditor in place of the Auditor General in accordance with the provisions specified in clause 18 the Company auditor shall have the same powers as the Auditor-General.

- 18 Introduces a new section, section 39A in the Act which sets out the procedures involved in the appointment of a Company Auditor in place of the Auditor General.

The Bill proposes that where the Corporation seeks to use a company auditor as the Corporation auditor in place of the Auditor-General the Annual General Meeting of the Corporation shall approve such a proposal and endorse a list of proposed company auditors in their order of preference.

The Minister is required to request the Auditor-General to consider and report on the suitability of the first nominated company auditor as the Corporation auditor.

Where the Auditor-General reports that an auditor is not suitable the Minister shall submit the name of the next company auditor from the list endorsed by the Annual General Meeting to the Auditor-General for consideration as before. This procedure shall continue until the Auditor-General informs the Minister that a proposed company auditor is suitable to be the Corporation auditor or until the list is exhausted. Where the Auditor-General reports that a company auditor is suitable for appointment as the Corporation Auditor the Minister shall seek the agreement of the Joint Committee of Public Accounts to the appointment. The Joint Committee of Public Accounts shall consider the request and advise the Minister whether or not the Committee agrees to the appointment of a Company auditor as the Corporation auditor.

Where the Committee agrees to an appointment the Minister shall appoint the Company auditor as the Corporation Auditor and advise the Corporation accordingly. Where the Committee does not agree with the use of a company auditor by the Corporation the Minister shall inform the Corporation of this decision and the Auditor-General shall remain the Corporation Auditor.

- 19 Amends section 49 of the Principal Act to substitute corporation auditor for Auditor-General where the latter had been mentioned so that the provision of this section accords with the new audit arrangements.

