

1995

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

AUSTRALIAN MEAT AND LIVE-STOCK (QUOTAS) AMENDMENT BILL 1995

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Primary Industries and Energy, Senator the Honourable Bob Collins)



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OUTLINE

1. This Bill amends the *Australian Meat and Live-stock (Quotas) Act 1990* in order to ensure that the Meat Industry Council has a full range of options that it can consider when developing the policy framework for quota administration. It does this by extending the Australian Meat and Live-stock Corporation's powers to implement a quota scheme to those markets that impose quota tariffs on imports of Australian meat and live-stock. AMLC may, at present, impose a quota system for those markets where quotas are imposed on the import of Australian meat and live-stock. In line with industry's enhanced decision-making role and the move to deregulation, it is intended that the Meat Industry Council will be able to contract out quota administration from AMLC under the *Meat and Live-stock Industry Act 1995* and this Bill.

2. This Bill also provides that the Australian Meat and Live-stock Corporation may allocate entitlement to quota amongst licenced exporters by auction, sale by tender, private sale or by allocation free of charge. This will allow industry, via the Corporation, to recoup part of the price premium that can, at times, result when import restrictions are invoked by importing countries.

3. This Bill forms part of a legislative package which is to establish industry arrangements intended to give the industry a greater role and responsibility in deciding its own affairs and move it to a less regulated environment. Eventually the three statutory industry authorities covered by the legislation will revert to a non-statutory status, but having provided a framework within which the industry can effectively operate over the longer term. It will also enable industry to identify its problems and devise commercial responses to them, while ensuring an industry-wide commitment to, and consensus in, this process. The legislative package is to commence on 1 July 1995 and to sunset on 30 June 1998.

FINANCIAL IMPACT STATEMENT

4. The Australian Meat and Live-stock Corporation is funded through statutory industry levies and charges. Any moneys raised by the Corporation from the sale of quota entitlement may be used by the Corporation only in ways specified by the Meat Industry Council. Consequently there will be no net effect to Commonwealth revenue in the implementation of this legislation.

NOTES ON CLAUSES**Clause 1 - Short Title**

5. Provides for the Act to be called the *Australian Meat and Live-stock (Quotas) Amendment Act 1995* and defines the "**Principal Act**" as the *Australian Meat and Live-stock (Quotas) Act 1990*.

Clause 2 - Commencement

6. Provides for the Act to commence on 1 July 1995.

Clause 3 - Amendments

7. Provides for the *Australian Meat and Live-stock (Quotas) Act 1990* to be amended by the Schedule.

SCHEDULE - AMENDMENTS OF THE PRINCIPAL ACT***Australian Meat and Live-stock (Quotas) Act 1990*****Items 1, 2 and 3: Section 3 - Definitions**

8. Adds "**restriction**" which refers to an economic disincentive. The definition "**class**" has its meaning extended to include a period of time for export, and a way a restriction is applied, in the context of meat and live-stock. By including these aspects in the definition it extends the Act to cover tariff quotas on meat and live-stock.

Item 4: Section 4 - Object of this Act

9. Deletes definition "**Corporation**", inserting in its place a more specific definition "**Australian Meat and Live-stock Corporation**" for clarity.

Item 5: Section 5 - Limitations on exports

10. Deletes definition "**Corporation**", inserting in its place a more specific definition "**Australian Meat and Live-stock Corporation**" for clarity.

Items 6 and 7: Section 6 - Quotas

11. Deletes definition "**Corporation**", inserting in its place a more specific definition "**Australian Meat and Live-stock Corporation**" for clarity.
12. This provision is also amended to provide that not just sheep and lamb quota but all quota may be allocated by auction, sale by tender or private sale as well as free of charge.

Item 8: Section 6A - AMLC to comply with policy developed by Meat Industry Council

13. This section obliges AMLC to perform its functions and exercise its powers under this Act in compliance with the broad policies formulated by the Meat industry Council.

Item 9: Section 7 - Corporation not obliged to grant quota

14. This amendment changes to heading of the section from "Corporation not obliged to grant quota" to "Australian Meat and Live-stock Corporation not obliged to grant meat or live-stock quota".
15. This amendment also deletes "Corporation" throughout this section and replaces with the more specific "Australian Meat and Live-stock Corporation" for clarity.

Item 10: Section 8 - Act to have effect subject to Subdivision C of Division 2 of the *Meat and Live-stock Industry Act 1995*

16. This amendment provides that this Act has effect subject to Subdivision C of Division 2 of the *Meat and Live-stock Industry Act 1995*.

Item 11: Section 8A - Delegation

17. This section enables AMLC to delegate all or any of its powers to an AMLC member.

Item 12: Section 9 - Cessation of operation of Act

18. This amendment provides for a sunset date that coincides with the one which applies to the *Meat and Live-stock Industry Act 1995*.

Item 13: Saving

19. This provides for the continuation of quotas in force on commencement of this Act.