

EXPLANATORY STATEMENT

Australian Meat and Live-stock Industry Act 1997

Declaration of MLA Donor Company Limited as Approved Donor

The *Australian Meat and Live-stock Industry Act 1997* (the Industry Act) and the *Australian Meat and Live-stock Industry (Repeals and Consequential Provisions) Act 1997* (the Consequential Act) and related Acts gave effect to the Government's decision of 18 March 1997 to reform the structures in the red meat industry.

These Acts provide for the replacement of three statutory bodies providing services in the areas of marketing and promotion, and research and development with a producer owned service delivery company. This company has been established under Corporations Law as a company limited by guarantee and will be partly funded by statutory levies imposed on beef, sheep and goat producers. Processors and live exporters will make their contributions to the producer service delivery company through their own companies established under Corporations Law as companies limited by guarantee. These Acts and related Acts received Royal Assent on 17 December 1997 and commenced by proclamation on 1 July 1998.

Sub-section 61(1) of the Industry Act provides that the Minister may, in writing, declare a body (other than the research body) to be an approved donor. In making this declaration, the Minister must be satisfied that the body is a company limited by guarantee incorporated under the Corporations Law and that having regard to its membership, its memorandum and articles of association and any other undertakings or agreements it has entered into with other industry representatives or the Minister (or both), the body can appropriately represent the industry's research and development interests. The body must also consent to the declaration.

The purpose of this instrument is to declare MLA Donor Company Limited (MLA Donor) to be an approved donor from 1 July 1998. This will allow MLA Donor, a wholly owned subsidiary of the producer service delivery company, to act as a conduit for independent funding of approved industry research and development activities eligible for R&D matching of expenditure. MLA Donor has consented to this declaration.