
MEMORANDUM OF UNDERSTANDING

Version 3

BETWEEN

- 1 CATTLE COUNCIL OF AUSTRALIA INC. ("CCA");**
- 2 SHEEPMEAT COUNCIL OF AUSTRALIA INC. ("SCA");**
- 3 AUSTRALIAN MEAT INDUSTRY COUNCIL ("AMIC")**
- 4. AUSTRALIAN LIVESTOCK EXPORTERS' COUNCIL LIMITED ("ALEC");**
- 5. AUSTRALIAN LOT FEEDERS' ASSOCIATION ("ALFA");**
- 6. MEAT & LIVESTOCK AUSTRALIA LIMITED ("MLA");**
- 7. AUSTRALIAN MEAT PROCESSOR CORPORATION LIMITED ("AMPC");**
- 8. AUSTRALIAN LIVESTOCK EXPORT CORPORATION LIMITED ("LIVECORP"); AND**
- 9. COMMONWEALTH OF AUSTRALIA REPRESENTED BY THE MINISTER FOR AGRICULTURE, FISHERIES AND FORESTRY (the Commonwealth).**

Table of contents

<i>Clause</i>		<i>Page</i>
1	Definitions and Interpretation	2
1.1	Definitions	2
1.2	Interpretation	4
2	Effect of the MOU	5
3	Purpose	6
3.1	Roles, responsibilities and funding	6
3.2	Industry planning and service delivery arrangements	6
4	MISP	7
4.1	Importance of MISP to industry	7
4.2	Custodianship of MISP	7
5	Peak Industry Councils	7
5.1	Role and responsibilities of CCA, SCA, ALFA and GICA and their relationship with MLA	7
5.2	Role and responsibilities of AMIC and its relationship with AMPC	8
5.3	Role and responsibilities of ALEC and its relationship with LiveCorp	9
5.4	Prescribed industry bodies	9
6	Companies	9
6.1	Role and responsibilities of MLA	9
6.2	Role and responsibilities of AMPC in relation to AMIC	10
6.3	Role and responsibilities of LiveCorp in relation to ALEC	11
6.4	Contracts and contestability	12
6.5	Marketing bodies, research bodies and donor companies	12
7	Industry funding	12
8	Industry reserves	13
9	Research and development activities	14
10	MOU review	14
10.1	Implementation of the MOU	14
10.2	Changes to Statement of Principles	14
10.3	Changes in signatories to the MOU	15
11	Schedules	15
	Annexure "A"	16
	Annexure "B"	17
	Annexure "C"	18

<i>Clause</i>	<i>Page</i>
Annexure"D"	20
Annexure"E"	21
Schedule 1 - Red Meat Advisory Council	26
1 Parties	26
2 Purpose of schedule	26
3 Detail	26
3.1 Structure	26
3.2 Role	26
3.3 Funding	27
3.4 Meetings	27
Schedule 2 - Joint functions and core functions	30
1 Parties	30
2 Purpose of schedule	30
3 Detail	30
Schedule 3 - AUS-MEAT	33
1 Parties	33
2 Definitions in addition to those in Statement of Principles	33
3 Purpose of Schedule	33
4 Detail	33
4.1 AUS-MEAT joint venture	33
4.2 Australian Meat Industry Language and Standards Committee	34
4.3 AUS-MEAT operations	34
Schedule 4 - SAFEMEAT	39
1 Parties	39
2 Definitions in addition to those in Statement of Principles	39
3 Purpose of schedule	39
4 Detail	39
4.1 Membership	39
4.2 Role	40
4.3 Operations	40
Schedule 5 - Funding flows	44

<i>Clause</i>	<i>Page</i>
1 Parties	44
2 Definitions in addition to those in Statement of Principles	44
3 Purpose of schedule	44
4 Detail	45
4.1 Cattle producers and lot feeders	45
4.2 Sheep producers	45
4.3 Lamb producers	45
4.4 Goat producers	46
4.5 Levies collection and payment to MLA	46
4.6 Beef Processors	46
4.7 Sheep Processors	47
4.8 Lamb Processors	47
4.9 Goat Processors	47
4.10 Levies collection and payment to AMPC	47
4.11 Cattle exporters	47
4.12 Sheep exporters	48
4.13 Lamb exporters	48
4.14 Goat exporters	48
4.15 Customs Charges collection and payment to LiveCorp	48
4.16 Individual enterprises	48
4.17 Matching funding for research and development	48
Schedule 6 - Crisis and issues management	53
1 Parties	53
2 Purpose of schedule	53
3 Detail	53
Schedule 7 - Intellectual property	56
1 Parties	56
2 Definitions in addition to those in Statement of Principles	56
3 Purpose of schedule	56
4 Detail	57
4.1 MLA and AUS-MEAT to own MIC, AMLC and MRC intellectual property	57
4.2 Commercialisation of MIC, AMLC and MRC intellectual property	57
4.3 Commercialisation of MLA improvements	57
4.4 MLA intellectual property	58

This Statement of Principles

was initially agreed on 27 April 1998 between the following parties and amended from time to time:

- 1. Cattle Council of Australia Inc**
of NFF House, 14-16 Brisbane Avenue, Barton ACT 2600
(CCA) representing cattle producers;
- 2. Sheepmeat Council of Australia Inc**
of NFF House, 14-16 Brisbane Avenue, Barton ACT 2600
(SCA) representing sheep producers;
- 3. Australian Meat Industry Council**
of Level 2, 25-27 Albany Street, Crows Nest NSW 2065
(AMIC) representing export and domestic processors, non-packer exporters and the smallgoods and retailing sectors;
- 4. Australian Livestock Exporters' Council Limited**
ACN 074 082 830
of 162 Kite Street, Orange NSW 2800
(ALEC) representing livestock exporters;
- 5. Australian Lot Feeders' Association**
ACN 009 928 018
of Suite 13, Level 5, 131 Clarence Street, Sydney 2000
(ALFA) representing the cattle lot feeding industry;
- 6. Meat & Livestock Australia Limited**
ACN 081 678 364
of Level 1, 165 Walker Street, North Sydney NSW 2060
(MLA);
- 7. Australian Meat Processor Corporation Limited**
ACN 082 373 448
of Suite 1406, 33 Bligh Street, Sydney NSW 2000
(AMPC);
- 8. Australian Livestock Export Corporation Limited**
ACN 082 408 740
of Suite 202, 32 Walker Street, North Sydney NSW 2000
(LiveCorp); and
- 9. Commonwealth of Australia represented by the Minister for Agriculture, Fisheries and Forestry (the Commonwealth).**

1 Definitions and Interpretation

1.1 Definitions

In this Memorandum of Understanding:

AMLC means Australian Meat and Live-stock Corporation, a statutory authority governed by the *Meat and Live-stock Industry Act 1995*;

AUS-MEAT means the joint venture company to be established by MLA and AMPC under Schedule 3 and named AUS-MEAT Limited;

body means a body corporate, a body politic or an unincorporated body and includes an association;

cattle means bovine animals other than buffaloes;

Company means:

- (a) MLA, AMPC and LiveCorp for so long as the body is declared to be the industry marketing body, the industry research body, the livestock export marketing body, the livestock export research body, the processor marketing body, the processor research body and/or an approved donor under the *Australian Meat and Live-stock Industry Act 1997* and for so long as it remains a signatory to the MOU; and
- (b) any body (other than a wholly owned subsidiary of MLA) that is declared to be a marketing body, a research body or an approved donor under the *Australian Meat and Live-stock Industry Act 1997* and that becomes a signatory to the MOU;

core functions means functions undertaken by MLA or arranged by MLA to be undertaken by other persons which are funded by any one of MLA, AMPC or LiveCorp or funded by any other person who acquires services from or through MLA for the benefit of the industry;

Customs Charge means the charge payable on cattle and livestock under the *Primary Industries (Customs) Charges Act 1999*.

edible offal means any edible portion, other than the flesh, of livestock;

financial year means the period of 12 months commencing on 1 July in any year and ending on 30 June in the following year;

GICA means Goat Industry Council of Australia;

industry means the Australian meat and livestock industry;

industry research and development has the same meaning as in Part 3 *Australian Meat and Live-stock Industry Act 1997*;

industry reserves means the aggregate of the net assets in the final annual reports of MIC, AMLC and MRC prepared under Part 5 of Schedule 5 *Australian Meat and Live-stock (Repeals and Consequential Provisions) Act 1997*;

industry sector means:

- (a) in the case of CCA, cattle producers;
- (b) in the case of SCA, sheep producers;
- (c) in the case of GICA, goat producers;

- (d) in the case of AMIC, export and domestic processors, non-packer exporters and the smallgoods and retailing sectors;
- (e) in the case of ALEC, livestock exporters;
- (f) in the case of ALFA, the cattle lot feeding industry; and
- (g) in the case of any body that becomes a prescribed industry body for the purpose of s.59 *Australian Meat and Live-stock Industry Act 1997*, the sector or sectors of the industry it is prescribed to represent;

joint functions means functions undertaken by MLA or arranged by MLA to be undertaken by other persons which are funded by any 2 or more of MLA, AMPC and LiveCorp;

Levy Acts includes:

- (a) *Primary Industries (Excise) Levies Act 1999*; and
- (b) *Primary Industries (Customs) Charges Act 1999*;

livestock means cattle, calves, sheep, lambs and goats for live export or for production;

livestock exporter means a person who holds a current export licence and/or is an accredited exporter of livestock under the Australian Standards for the Export of Livestock (ASEL);

lot feeder means a producer of grain fed cattle that are eligible for GF or GFYG certification or third party audited certification approved by AUS-MEAT attesting that cattle are being fed to at least the AUS-MEAT minimum standard for grain fed beef;

meat means the fresh or preserved flesh of cattle and livestock and includes meat products, meat by-products and edible offal, but does not include meat of a kind declared by regulations to be, for the purposes of the *Australian Meat and Live-stock Industry Act 1997*, unfit for human consumption;

meat by-product includes skin, hide, tallow, meat meal and inedible offal;

meat product means food prepared from or containing meat, and includes canned meat;

MIC means Meat Industry Council, a statutory authority governed by the Meat and Live-stock Industry Act 1995;

Minister means the Minister for Agriculture, Fisheries and Forestry (formerly the Minister for Primary Industries and Energy);

MISP means the Meat Industry Strategic Plan implemented by the industry with effect from 1 July 1996, a copy of the most recent version of which is annexed to this Statement of Principles as Annexure "A", as revised and agreed from time to time under this MOU;

MOU means the Memorandum of Understanding comprising this Statement of Principles and the Schedules;

MRC means Meat Research Corporation, a statutory authority governed by the *Meat and Live-stock Industry Act 1995*;

net industry reserves means the balance of industry reserves remaining after:

- (a) provision of start up capital to MLA, AMPC, LiveCorp, AUS-MEAT and RMAC under clause 8(a) of this Statement of Principles;
- (b) payment of the costs and expenses of the parties in respect of the negotiation of the MOU and associated matters; and
- (c) payment of any other costs, expenses or amounts relating to the arrangements contemplated by the MOU, and making any provision or setting aside any reserve in respect of liabilities of MIC, AMLC or MRC, determined to be necessary or appropriate by the Commonwealth;

Peak Industry Council means:

- (a) CCA, SCA, AMIC, ALEC and ALFA for so long as the body is a prescribed industry body for the purpose of s.59 *Australian Meat and Live-stock Industry Act 1997* and for so long as it remains a signatory to the MOU; and
- (b) any body (other than RMAC) that becomes a prescribed industry body for the purpose of s.59 *Australian Meat and Live-stock Industry Act 1997* and that becomes a signatory to the MOU;

processing establishment means a place in Australia at which any of the species of animal identified in the definition of livestock is slaughtered for human consumption;

processor means a proprietor of a processing establishment;

producer means a person engaged in the raising or finishing of livestock;

RMAC means Red Meat Advisory Council Limited ACN 083 193 891;

SAFEMEAT means the working partnership to be established between the Commonwealth and State and Territory governments and the Peak Industry Councils to provide leadership, policy advice and strategic direction for the industry to achieve the highest standards of meat safety and hygiene from the farm to the consumer;

Schedules means the numbered schedules attached from time to time to the Statement of Principles;

Service Providing Companies means MLA as the industry marketing body and the industry research body and LiveCorp as the livestock export marketing body and the livestock export research body and AMPC as the processor marketing body and the processor research body;

signatories to the MOU means the parties to this Statement of Principles and does not include a signatory to a Schedule who is not a party to this Statement of Principles; and

Statement of Principles means this Statement of Principles as amended from time to time.

1.2 Interpretation

Unless the contrary intention appears, in the MOU:

- (1) headings and bold type are for convenience only and do not affect the interpretation of the MOU;

- (2) words importing the singular include the plural and words importing the plural include the singular;
- (3) words importing a gender include every other gender;
- (4) words used to denote persons generally or importing a natural person include any company, corporation, body corporate, body politic, partnership, joint venture, association, board, group or other body (whether or not the body is incorporated);
- (5) a reference to a person includes that person's successors and legal personal representatives;
- (6) a reference to any statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute; and
- (7) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.

2 Effect of the MOU

- (a) This Statement of Principles records:
 - (1) broad policies formulated jointly by prescribed industry bodies for the purposes of s.59 *Australian Meat and Live-stock Industry Act 1997*; and
 - (2) the roles, responsibilities and obligations of, and commitments and other matters agreed by, the signatories to the Memorandum of Understanding and the parties to each Schedule.
- (b) A provision of a Schedule which is inconsistent with a provision of this Statement of Principles does not operate to the extent of the inconsistency.
- (c) Neither the Commonwealth or the Minister nor any other Commonwealth officer will be liable in any way to any person as a direct or indirect consequence of the MOU in respect of the exercise of a statutory power otherwise than in accordance with the MOU, or in respect of a failure to undertake any activity required by the MOU which is not within the power of the Commonwealth under the Constitution.
- (d) The parties acknowledge that the Peak Industry Councils and the Companies cannot give full effect to the MOU until the conditions of funding referred to in clause 7(d) and the conditions for transfer of assets referred to in clauses 8(a) and (b) have been determined or agreed, and until then the parties agree to work together in good faith to reach agreement on those conditions and otherwise to implement the MOU for the benefit of the industry.

3 Purpose

3.1 Roles, responsibilities and funding

This Statement of Principles sets out the obligations of the Peak Industry Councils, the Companies and the Commonwealth to cooperate on mutually agreed terms on:

- (a) the role and operation of RMAC for the benefit of the industry;
- (b) the whole of industry policy to be coordinated by RMAC in collaboration with the Peak Industry Councils and GICA in the interests of the industry;
- (c) the role of the Peak Industry Councils and GICA within the industry, including within RMAC;
- (d) the custodianship by RMAC of the MOU and the MISP;
- (e) the relationship between the Peak Industry Councils, GICA and the Companies by describing:
 - (1) the roles and responsibilities of the Peak Industry Councils and GICA; and
 - (2) the roles and responsibilities of the Companies;
- (f) the role and operation of AUS-MEAT;
- (g) the role and operation of SAFEMEAT;
- (h) the funding of MLA and its activities including joint functions and core functions through statutory levies on producers;
- (i) the funding of AMPC and its activities to be undertaken by AMPC or jointly with MLA, including joint functions and core functions, through a statutory levy on processors;
- (j) the funding of LiveCorp and its activities to be undertaken by LiveCorp or jointly with MLA, including joint functions and core functions, through a statutory Customs Charge on cattle and livestock exporters; and
- (k) the extent to which the Commonwealth commits matching funds for industry research and development to be undertaken by or arranged through MLA for the benefit of the industry.

3.2 Industry planning and service delivery arrangements

This Statement of Principles establishes the principles whereby the Peak Industry Councils and the Companies agree to cooperate in planning for the future of the industry and the provision of services to the industry by or arranged through MLA and/or LiveCorp and/or AMPC as follows:

- (a) the progressive development of a vision and strategic imperatives for the industry to be reflected in MISP will be facilitated by RMAC through the Peak Industry Councils and GICA;
- (b) a vision and strategic imperatives for the industry will be developed by Peak Industry Councils and GICA in consultation with the Companies;
- (c) goals to achieve the vision and strategic imperatives developed under clause 3.2(b) for the industry sectors they represent will be developed by:

- (1) MLA jointly with CCA, SCA, ALFA and GICA; and
 - (2) AMPC jointly with AMIC where AMPC will be providing services for the processing sector; and
 - (3) LiveCorp jointly with ALEC where LiveCorp will be providing services for the livestock export industry sector; and
 - (4) MLA jointly with AMIC, ALEC, AMPC and LiveCorp where MLA will be providing services for their industry sectors; and
- (d) actions to give effect to the goals developed under clause 3.2(c) will be determined by:
- (1) MLA in consultation with CCA, SCA, ALFA and GICA; or
 - (2) AMPC in consultation with AMIC; or
 - (3) LiveCorp in consultation with ALEC; or
 - (4) other bodies willing to fund activities in the interests of the industry, and
- undertaken by or arranged through MLA and/or LiveCorp and/or AMPC.

4 MISP

4.1 Importance of MISP to industry

It is acknowledged that:

- (a) MISP establishes a vision for the industry and identifies the strategic imperatives for achieving that vision; and
- (b) MISP sets out strategic imperatives for the industry with which each Peak Industry Council, GICA, MLA, AMPC and LiveCorp are in broad agreement; and
- (c) it is of high priority for the goals and actions identified in MISP for each industry sector to be implemented for industry to achieve its vision.

4.2 Custodianship of MISP

RMAC:

- (a) is custodian of MISP; and
- (b) is responsible for promoting, monitoring and guiding the progressive development of MISP and assessing its implementation; and
- (c) will co-ordinate and fund development and updating of MISP through the Peak Industry Councils.

5 Peak Industry Councils

5.1 Role and responsibilities of CCA, SCA, ALFA and GICA and their relationship with MLA

The role and responsibilities of each of CCA, SCA, ALFA and GICA will be:

- (a) to provide leadership, formulate policies, set strategic imperatives and agree overall levels of expenditure through the process described in clause 6.1(d) for the whole of the industry sector it represents;
- (b) to give policy advice to the Minister in respect of the whole of the industry sector it represents;
- (c) to respond to the Minister on issues the Minister raises with it;
- (d) to co-operate through RMAC with other Peak Industry Councils in developing a vision and strategic imperatives for the industry in consultation with MLA through MISP;
- (e) to develop jointly with MLA goals for achieving the vision and strategic imperatives for the industry sector it represents;
- (f) to consult with other Peak Industry Councils to ensure a consistent approach is taken by industry and each industry sector to achieve the goals identified in MISP;
- (g) to assess performance of services delivered by MLA or arranged by MLA to be delivered by other persons towards achieving the goals identified in MISP; and
- (h) to propose levy motions at general meetings of MLA, make recommendations to the Minister on the operating level of levies required to fund MLA's activities and consult widely within its industry sector on MLA's funding requirements.

5.2 Role and responsibilities of AMIC and its relationship with AMPC

The role and responsibilities of AMIC will be:

- (a) to provide leadership, formulate policies and set strategic imperatives for the whole of the industry sector it represents;
- (b) to give policy advice to the Minister in respect of the whole of the industry sector it represents;
- (c) to respond to the Minister on issues the Minister raises with it;
- (d) to co-operate through RMAC with other Peak Industry Councils and GICA in development of a vision and strategic imperatives for the industry in consultation with AMPC through MISP;
- (e) to develop jointly with AMPC and, where services are provided by MLA, with MLA, goals for achieving the vision and strategic imperatives for the industry sector it represents;
- (f) to consult with other Peak Industry Councils and GICA to ensure a consistent approach is taken by industry and each industry sector to achieve the goals identified in MISP;
- (g) to assess performance of services delivered by MLA and/or AMPC or arranged by MLA and/or AMPC to be delivered by other persons towards achieving the goals identified in MISP; and
- (h) to consider and agree with AMPC the amounts of money required to fund AMPC and MLA pursuant to the MOU and support AMPC in securing its funding requirements.

5.3 Role and responsibilities of ALEC and its relationship with LiveCorp

The role and responsibilities of ALEC will be:

- (a) to provide leadership, formulate policies and set strategic imperatives for the whole of the industry sector it represents;
- (b) to give policy advice to the Minister in respect of the whole of the industry sector it represents;
- (c) to respond to the Minister on issues the Minister raises with it;
- (d) to co-operate through RMAC with other Peak Industry Councils and GICA in development of a vision and strategic imperatives for the industry in consultation with LiveCorp through MISP;
- (e) to develop jointly with LiveCorp and, where services are provided by MLA, with MLA, goals for achieving the vision and strategic imperatives for the industry sector it represents;
- (f) to consult with other Peak Industry Councils and GICA to ensure a consistent approach is taken by industry and each industry sector to achieve the goals identified in MISP;
- (g) to assess performance of services delivered by MLA and/or LiveCorp or arranged by MLA and/or LiveCorp to be delivered by other persons towards achieving the goals identified in MISP; and
- (h) to consider and agree with LiveCorp the amounts of money required to fund LiveCorp and MLA pursuant to the MOU and support LiveCorp in securing its funding requirements.

5.4 Prescribed industry bodies

- (a) With effect from 1 July 1998 CCA, SCA, ALFA, GICA, ALEC and RMAC will be prescribed industry bodies for the purpose of s.59 *Australian Meat and Live-stock Industry Act 1997* and, with effect from 18 September 2003, AMIC will be a prescribed body for the purpose of s.59 *Australian Meat and Live-stock Industry Act 1997*.
- (b) It is acknowledged that at any time:
 - (1) a body that is a prescribed industry body may cease to be a prescribed industry body; and
 - (2) any body that appropriately represents an industry sector on a national basis may become a prescribed industry body for the purpose of s.59 *Australian Meat and Live-stock Industry Act 1997*.
- (c) The Minister will consult with affected parties and with RMAC before making a determination as to whether a body should or should not be a prescribed industry body.

6 Companies

6.1 Role and responsibilities of MLA

The role and responsibilities of MLA will be:

- (a) to undertake or arrange for other persons to undertake:
 - (1) activities on behalf of producers;
 - (2) joint functions;
 - (3) core functions; and
 - (4) services for any person subject to MLA being satisfied that the services are for the benefit of the industry;
- (b) to develop jointly with CCA, SCA, ALFA and GICA goals for achieving the vision and strategic imperatives for the industry sectors they represent;
- (c) in providing services for processors and livestock exporters, to develop jointly with AMIC, ALEC, AMPC and LiveCorp goals for achieving the vision and strategic imperatives for the industry sectors they represent;
- (d) each year to prepare in consultation with CCA, SCA, ALFA and GICA:
 - (1) a business plan for the period of 3 years beginning on 1 July in that year for the performance of functions necessary to achieve the vision and strategic imperatives of MISP that includes financial projections and makes provision for any unforeseen event which may have a significant impact upon the industry; and
 - (2) an operating plan (including financial projections) setting out the activities MLA proposes to undertake in the immediately following financial year consistent with its business plan;
- (e) to perform its functions and exercise its powers in a manner consistent with the goals for achieving the vision and strategic imperatives for the industry;
- (f) to negotiate and enter into contracts with AMPC, with LiveCorp, and with both AMPC and LiveCorp, under which MLA will perform, or arrange for other persons to perform, joint functions and services on behalf of the industry sectors they represent for achieving the goals identified in MISP; and
- (g) to work with Peak Industry Councils and industry to maintain a communications network and, on an as required basis, facilitate resolution of crises and issues in accordance with the arrangements set out in Schedule 6.

6.2 Role and responsibilities of AMPC in relation to AMIC

The role and responsibilities of AMPC will be:

- (a) to provide management, funding and administrative arrangements for meat processing industry service activities to be undertaken by or through MLA including joint functions and core functions and any unforeseen event which has significant impact upon the industry;
- (b) in consultation with and in agreement with AMIC to undertake activities and provide services on behalf of the industry sectors it represents which are not inconsistent with the provisions of clauses 6.1(f), 6.2(a) and 6.4(a)(1) and (3) or other principles of the MOU;

- (c) where services are provided by or through MLA, to develop jointly with MLA and AMIC goals for achieving the vision and strategic imperatives for the industry sectors it represents;
- (d) each year to prepare in consultation with AMIC:
 - (1) a business plan including financial projections for the period of 3 years beginning on 1 July in that year for the performance of functions necessary to achieve the objects of AMPC and consistent with MISP; and
 - (2) an operating plan including financial projections setting out the activities AMPC proposes to undertake in the immediately following financial year consistent with its business plan;
- (e) to pursue the achievement of industry goals identified in MISP in a manner consistent with policies and strategic imperatives developed pursuant to the provisions of clause 5.2 and to perform its functions and exercise its powers in a manner consistent therewith; and
- (f) to negotiate and enter into contracts with MLA, and with both MLA and LiveCorp, under which MLA will perform, or arrange for other persons to perform, joint functions and services on behalf of the industry sectors they represent for achieving the goals identified in MISP.

6.3 Role and responsibilities of LiveCorp in relation to ALEC

The role and responsibilities of LiveCorp will be:

- (a) to provide management, funding and administrative arrangements for livestock export industry service activities to be undertaken by or through MLA including joint functions and core functions and any unforeseen event which has significant impact upon the industry;
- (b) in consultation with and in agreement with ALEC to undertake activities and provide services on behalf of the industry sector it represents which are not inconsistent with the provisions of clauses 6.1(f), 6.3(a) and 6.4(a)(2) and (3) or other principles of the MOU;
- (c) where services are provided by or through MLA, to develop jointly with MLA and ALEC goals for achieving the vision and strategic imperatives for the industry sector it represents;
- (d) each year to prepare in consultation with ALEC:
 - (1) a business plan including financial projections for the period of 3 years beginning on 1 July in that year for the performance of functions necessary to achieve the objects of LiveCorp and consistent with MISP; and
 - (2) an operating plan including financial projections setting out the activities LiveCorp proposes to undertake in the immediately following financial year consistent with its business plan;
- (e) to pursue the achievement of industry goals identified in MISP in a manner consistent with policies and strategic imperatives developed pursuant to the provisions of clause 5.3 and to perform its functions and exercise its powers in a manner consistent therewith; and

- (f) to negotiate and enter into contracts with MLA, and with both MLA and AMPC, under which MLA will perform, or arrange for other persons to perform, joint functions and services on behalf of the industry sectors they represent for achieving the goals identified in MISIP.

6.4 Contracts and contestability

- (a) Contracts negotiated and entered into between:
 - (1) MLA and AMPC;
 - (2) MLA and LiveCorp; and
 - (3) MLA and both AMPC and LiveCorp,as contemplated in clauses 6.1(f), 6.2(f) and 6.3(f) are to comply with the principles set out in papers entitled *Contracts* and *Contestability*, copies of which are annexed to this Statement of Principles as Annexures "B" and "C", or as revised or agreed from time to time.
- (b) Services provided by or arranged through MLA and/or LiveCorp and/or AMPC for the benefit of the industry or any industry sector are to comply with the principles set out in the paper on contestability and, where appropriate, the paper on contracts as referred to in clause 6.4(a).

6.5 Marketing bodies, research bodies and donor companies

- (a) MLA is declared to be both the industry marketing body and the industry research body under s.60(1) and 60(2), respectively, *Australian Meat and Live-stock Industry Act 1997*.
- (b) LiveCorp is declared to be both the livestock export marketing body and the livestock export research body under s.60(3) and 60(3A) of the *Australian Meat and Live-stock Industry Act 1997*.
- (c) AMPC is declared to be both the processor marketing body and the processor research body under s.60(3AA) and s.60(3AB) of the *Australian Meat and Live-stock Industry Act 1997*.
- (d) With effect from 1 July 1998 AMPC, LiveCorp and a wholly owned subsidiary of MLA to be formed for the purpose will each be declared to be an approved donor under s.61(1) *Australian Meat and Live-stock Industry Act 1997* for research and development matching funding purposes.

7 Industry funding

- (a)
 - (1) The Commonwealth will enter into agreed conditions of funding with AMPC whereby charges imposed on processors under Levy Acts for the purposes of payment to the processor marketing body and the processor research body will be paid to AMPC to fund its activities, including core functions and its share of joint functions.
 - (2) Levies are payable at the rate set out in the *Primary Industries (Excise) Levies Act 1999* and related Regulations, as determined by the Minister in consultation with affected parties.

- (b)
 - (1) The Commonwealth will enter into agreed conditions of funding with LiveCorp whereby charges imposed on cattle and livestock exporters under the *Primary Industry (Customs) Charges Act 1999* for the purposes of payment to the livestock export marketing body and the livestock export research body will be paid to LiveCorp to fund its activities, including core functions and its share of joint functions.
 - (2) Customs Charges are payable at the rate set out in the Primary industry (Customs) Charges Amendment Regulations 2004, as determined by the Minister in consultation with affected parties.
- (c) The Commonwealth will enter into agreed conditions of funding with MLA whereby levies imposed on producers under Levy Acts for the purpose of payment to the industry marketing body and the industry research body will be paid to MLA to fund its activities including its core functions and its share of joint functions.
- (d) CCA, SCA, ALFA, GICA, AMIC and ALEC will be declared by the Minister to be bodies whose recommendations are to be taken into consideration about the relevant amounts to be prescribed under the applicable Levy Acts for the purpose of payment to the industry marketing body and the industry research body.
- (e) CCA, SCA, ALFA and GICA are non voting members of MLA and they will have the sole right to put to the members of MLA in general meeting resolutions to be considered and, if thought fit, passed by the relevant producer members of MLA endorsing recommendations to the Minister of changes proposed to levies imposed on producers under Levy Acts for the purpose of payment to MLA as the industry marketing body and the industry research body.

8 Industry reserves

- (a) The Commonwealth will determine conditions for the transfer of assets for each of MLA, AMPC, LiveCorp, AUS-MEAT and RMAC whereby start up capital will be provided to each company from industry reserves to enable them to carry out their activities.
- (b) The Commonwealth will determine conditions for the transfer of assets for RMAC whereby net industry reserves will be held and invested by RMAC for the benefit of the industry in accordance with a reserves' investment strategy developed by RMAC from time to time under the conditions for transfer.

9 Research and development activities

- (a) In accordance with existing research and development policy, the Commonwealth will, under Part 3 *Australian Meat and Live-stock Industry Act 1997*, maintain the matching funding of industry research and development to be undertaken by or arranged through MLA.
- (b) Industry contributions to industry research and development, and matching Commonwealth funding, will be expended by MLA in the interests of the sector involved.
- (c) The Minister may from time to time advise MLA of the Commonwealth's priorities for industry research and development to be undertaken by or arranged through MLA for the benefit of the industry and MLA will act consistently with that advice.

10 MOU review

10.1 Implementation of the MOU

- (a) The signatories to the MOU agree to work together in implementing the MOU for the benefit of the industry.
- (b) The signatories to the MOU acknowledge that they will negotiate in good faith and in the interests of the industry:
 - (1) to agree:
 - (A) any variation or addition proposed to this Statement of Principles;
 - (B) any variation or addition proposed to a Schedule to which they are a party; or
 - (C) any proposal to add or remove a Schedule to or from the MOU; and
 - (2) to resolve within a reasonable time any dispute that may arise out of the MOU.

10.2 Changes to Statement of Principles

- (a) This Statement of Principles may be varied or added to from time to time.
- (b) Any variation or addition to the Statement of Principles may be proposed by a party to this Statement of Principles through RMAC as custodian of the MOU.
- (c) A variation or addition to this Statement of Principles may be made only by unanimous agreement of the signatories to the MOU.
- (d) A variation or addition to this Statement of Principles which affects or may affect the responsibilities of the Commonwealth under the MOU may be made only with the consent of the Commonwealth.

10.3 Changes in signatories to the MOU

- (a) A party may cease to be a signatory to the MOU by giving 1 year's written notice to all other parties of its intention to cease to be a signatory to the MOU.
- (b)
 - (1) A body that ceases its existing role as a Peak Industry Council, the industry marketing body, the industry research body, the livestock export marketing body, the livestock export research body, the processor marketing body, the processor research body or a donor company will automatically cease to be a party to this Statement of Principles.
 - (2) A body that becomes a Peak Industry Council, the marketing body, the research body, both the marketing body and the research body, or a donor company may, if the signatories to the MOU agree, become a party to this Statement of Principles and any relevant Schedule.
- (c) On any change to the signatories to the MOU the remaining parties to this Statement of Principles will negotiate in good faith and in the interests of the industry to agree on any variations or additions to the MOU that may result from the change.

11 Schedules

- (a) There will be set out in greater detail in the Schedules matters on which the parties to those Schedules have reached agreement.
- (b) A Schedule may be added to or removed from the MOU from time to time with the agreement of all parties to this Statement of Principles and the Schedule.
- (c) The parties to a Schedule may be some or all of the signatories to the MOU and GICA depending on the relevance of the Schedule to the body.
- (d) A Schedule may be varied or added to from time to time with the agreement of the parties to the Schedule, following consultation with the signatories to the MOU.
- (e) A body which ceases to be a party to this Statement of Principles will cease to be a party to a Schedule (to which it is a party) automatically on ceasing to be a party to this Statement of Principles.
- (f) The following Schedules are in operation as at the date of this Statement of Principles:
 - Schedule 1** - RMAC
 - Schedule 2** - Joint functions and core functions
 - Schedule 3** - AUS-MEAT
 - Schedule 4** - SAFEMEAT
 - Schedule 5** - Funding flows
 - Schedule 6** - Crisis and issues management
 - Schedule 7** - Intellectual property

Annexure "A"

MEAT INDUSTRY STRATEGIC PLAN

Annexure "B"

CONTRACTS

PURPOSE

To provide an overview of the process supporting contracting arrangements to be engaged between Meat and Livestock Australia (MLA) and donor companies. These contracting arrangements will underpin the provision of service delivery activities by MLA on behalf of donor companies and other individuals/companies where these activities are in the interest of industry and do not conflict with MLA's interests.

BACKGROUND

The contracting arrangement as outlined in this paper must be considered against the agreed principles of value for money, effective and efficient delivery of industry services, and the minimising of administrative overheads. Where possible, contracting parties would seek to minimise the number, variety and complexity of contracts.

APPROACH

The structure of industry contracts to be entered into between MLA and donor companies is to be negotiated between the parties prior to the signing of contracts as would apply in any commercial industry undertaking. Contracting structural arrangements will vary between complex and very detailed multi-purpose contracts to simple contract forms with minimum detail. Contract structures are to be developed with industry interests as a primary consideration. As such, they will be efficient and effective in design with an objective of reducing industry administrative costs where possible.

MLA would also have the right to seek obligations on the part of their contracting parties (ie. donor companies) in areas such as funding obligations, liabilities and entitlements.

MLA Right to Refusal - MLA may wish, and would have the right, to refuse to perform certain activities, eg. where in MLA's view, that activity is inappropriate to its business or not in the interests of the industry or its members/clients, prior to the entering into of contracts. In these circumstances, proponents of the activity would be able to contract the performance of these activities elsewhere.

Annexure "C"

CONTESTABILITY

PURPOSE

To provide a description of the process for supporting contestability arrangements underpinning the provision of service activities to be provided by Meat and Livestock Australia Ltd (MLA).

BACKGROUND

In the contracting of red meat industry services contestability does not mean competition/contestability as to who provides the service, ie between MLA and the donor companies. **MLA is the only service providing company, unless a service is refused to be provided by MLA. In such circumstances the proponent of the service can seek alternate arrangements for delivery of the service.**

These arrangements do not apply to current/future peak industry council activities/responsibilities.

MLA RIGHT OF REFUSAL

Donor Companies and Services - Donor companies should not undertake services/projects on their own, which can reasonably be undertaken by MLA, unless refused to be undertaken by MLA.

MLA would have the right to undertake services/projects requested by individuals separate from its members and donor companies, provided these activities are in the interest of the industry and do not conflict with its member's interests.

APPROACH

Tendering - when entering into a tender process those supplying funding and requesting a project/service may put forward the names of potential tenderers and may be included in the selection process.

The tendering process is underpinned by the general principle of ensuring that the best value for money is received in the delivery of industry services. Value for money is to be assessed from both a qualitative and cost perspective, ie. tenders are to be considered in terms of the quoted cost and the delivered quality of the product or service.

In House Services - clearly there are a number of services which will and should be delivered in-house by MLA. These services will only be provided where:

- (i) it is in the commercial interests of industry to do so; or
- (ii) MLA is the most efficient and effective provider of the service.

MLA is required to undertake performance audits of its services and activities. Part of this audit process will include benchmarking internal services against other service providers where they exist. Outcomes of these audits are to be made publicly available.

Efficiency audits under (ii) above may be demonstrated under individual services or under a routine internal review of the efficiency/effectiveness of internally provided services in comparison to market place providers of a similar service. Where MLA does not meet the industry benchmark, which is to be established against external providers of a similar product or service, it will restructure the delivery of the service with the aim of providing a competitive service, or contract out the service.

All internal services are to be reviewed at least once every three years.

Annexure "D"

RE-INTRODUCTION OF STATUTORY LEVIES

CONTENT BECAME OBSOLETE AND WAS DELETED AUGUST 2007

Annexure"E"

DISTRIBUTION OF AVAILABLE FUNDS FROM INVESTMENT OF NET INDUSTRY RESERVES

Basis of Agreement

The agreement is based upon:

- (a) adequate resourcing of Peak Industry Councils to enable them to meet their new commitments arising from the MOU;
- (b) use of the monies for the benefit of the industry in accordance with the MOU;
- (c) maintenance of the real value of the net industry reserves; and
- (d) funding the activities of RMAC.

An overriding factor will be “availability” of funds for use by industry.

The proposed distribution for the purposes of (a) and (b) above is to be based on the five industry sectors: cattle producers, sheep producers, processors, lot feeders and livestock exporters.

Start up Funding for Peak Industry Councils

For year one where there will be a gap in funding until yields from investments become available, it is proposed \$1 million be made available from net industry reserves. Allocations will be 25% of this amount divided equally to each sector, with the remaining 75% distributed: 4.3% to ALEC and thereafter the balance distributed cattle 31.3%; sheep 13.25%; processors 49.2%; and ALFA 6.25%.

Annual Funding for Peak Industry Councils

Funding on an ongoing basis (also to include year 1) from available returns as they become available would follow a similar formula - ie. 25% would go in equal shares to each sector and the balance of 75% distributed 4.3% to ALEC and thereafter the balance distributed - cattle 31.3%; sheep 13.25%; processors 49.2% and ALFA 6.25%.

First priority for funding will be for the support of RMAC activities in accordance with Schedule 1 of the MOU.

Thereafter there will be a maximum amount of \$2.5 million (indexed) available from returns on investment for the purposes of (a). For the purposes of use of funds provided within the limit of \$2.5 million, each Peak Industry Council may decide, in consultation with the industry sector if required, to apply these monies for the benefit of its industry sector in accordance with the MOU.

Any income above \$2.5 million would be used first to replenish any draw down of funding provided for managing crises, then for maintaining the real value of net industry reserves (for the years 1998/99/ & 1999/2000 net industry reserves are to be maintained at nominal values) and thereafter in the interests of industry through each sector as provided by the formula, and according to the MOU.

Use of funding for any purpose will need to be transparent with accountability back to RMAC and the Commonwealth through the conditions of transfer to RMAC. In the case of funding the

Peak Industry Councils, each would be obliged to fully justify its claims through a business plan and to account for expenditure of these funds accordingly, to the industry sectors it represents and to the Commonwealth.

The agreement will be subject to review two years after implementation and, if there is not unanimous agreement to revise the proportional distribution of monies and the limit set out above, the formula agreed herein will continue to apply.

Executed under seal:

**The common seal of
Cattle Council of Australia Inc**
was affixed to this Statement
of Principles in the presence of:

Signature of witness

Signature

Name and position

Name and position

**The common seal of
Sheepmeat Council of Australia Inc**
was affixed to this Statement
of Principles in the presence of:

Signature of witness

Signature

Name and position

Name and position

**The common seal of the
Australian Meat Industry Council**
was affixed to this Statement
of Principles in the presence of:

Signature of witness

Signature

Name and position

Name and position

**The common seal of
Australian Livestock Exporters' Council Limited**
was affixed to this Statement
of Principles in the presence of:

Signature of witness

Signature

Name and position

Name and position

**The common seal of
Australian Lot Feeders' Association**
was affixed to this Statement
of Principles in the presence of:

Signature of witness

Signature

Name and position

Name and position

**The common seal of
Meat & Livestock Australia Limited**
was affixed to this Statement
of Principles in the presence of:

Signature of witness

Signature

Name and position

Name and position

**The common seal of
Australian Meat Processor Corporation Limited**
was affixed to this Statement
of Principles in the presence of:

Signature of witness

Signature

Name and position

Name and position

**The common seal of
Australian Livestock Export Corporation Limited**
was affixed to this Statement
of Principles in the presence of:

Signature of witness

Signature

Name and position

Name and position

Executed for and on behalf of the
Commonwealth of Australia
by the Hon Peter McGauran
Minister Agriculture, Fisheries and Forestry
of the Commonwealth of Australia
in the presence of:

Signature of witness

Signature

Name

Schedule 1 - Red Meat Advisory Council

Commencement date: 27 April 1998

1 Parties

Peak Industry Councils

2 Purpose of schedule

To define a framework for the structure and functions of RMAC.

3 Detail

3.1 Structure

- (a) Each Peak Industry Council will be a member of RMAC. A body that ceases to be a Peak Industry Council will automatically cease to be a member of RMAC.
- (b) The directors of RMAC will be the presidents for the time being of the Peak Industry Councils. In the case of AMIC, the directors of RMAC will be the Chairman of AMIC's Processor Council and one other senior delegate of AMIC's choosing.
- (c) Each year the directors will, by unanimous decision, appoint a person (who may be independent or who may be one of the directors) to be the chairperson of RMAC. If the chairperson is one of the directors, that person will have a deliberative vote but not a casting vote. Otherwise that person will not have a deliberative or a casting vote. The person will hold the office of chairperson for a period of one year but may be reappointed.
- (d) Each director will have the right to appoint an alternate director to act in that director's temporary absence.
- (e) Each director will have the right to nominate one person (preferably the executive director of their Peak Industry Council) to attend directors' meetings as an observer.
- (f) At general meetings each Peak Industry Council will have one vote except for AMIC, which will have two votes, and at directors' meetings each director (and in their absence their alternate) will have one vote.
- (g) The quorum for a general meeting will be 2/3 of the members. The quorum for a directors' meeting will be 2/3 of the directors.

3.2 Role

The role of RMAC will be:

- (a) to consult with the Minister on agreed whole of industry matters including matters arising out of licensing and quota administration;

- (b) to respond to the Minister on issues the Minister raises with it;
- (c) to be custodian of the MOU and MISP and promote and guide the assessment and progressive development of these understandings and plans;
- (d) to develop and keep current a reserves investment strategy (within conditions for the transfer of assets determined by the Minister) which has regard to, among other things:
 - (1) the need to fund Peak Industry Councils from income from net industry reserves; and
 - (2) any other application of net industry reserves for the benefit of the industry that is permitted under the conditions for transfer;
- (e) to administer, and to report to industry on:
 - (1) any distribution of income from net industry reserves which is allocated towards funding Peak Industry Councils; and
 - (2) any other amount available from net industry reserves administered by it under conditions for the transfer of assets determined by the Minister;
- (f) to co-ordinate and fund development/update of MISP with Peak Industry Councils as well as monitor and report on progress in delivery of its responsibilities;
- (g) to review and provide support to the effective working of the interface between the Companies (as set out in the Statement of Principles) as regards fund flows, contracts and AUS-MEAT or partnership arrangements; and
- (h) to foster harmony on appropriate issues and provide a forum for prevention or resolution of conflict across industry sectors or Companies.

3.3 Funding

- (a) RMAC will have an operating budget for any work it may need to undertake and that work will be funded from income from net industry reserves administered by it under conditions for the transfer of assets determined by the Minister.
- (b) Secretariat services as required will be outsourced.
- (c) The cost of representation by a Peak Industry Council in RMAC will be funded by the Peak Industry Council.
- (d) Funding of Peak Industry Councils from income from net industry reserves will be provided by RMAC on the basis set out in Annexure "E". Peak Industry Councils will be accountable to RMAC for their funding expenditure.

3.4 Meetings

- (a) Directors' meetings will be held in accordance with s.4.8(a) of RMAC Limited's Articles of Association.

- (b) The chairpersons of the Companies will be invited to attend directors' meetings as observers. Other persons may also be invited to attend directors' meetings where appropriate.

Signed on behalf of
Cattle Council of Australia Inc.

by:

Signature

Name and Position

Signed on behalf of
Sheepmeat Council of Australia Inc.

by:

Signature

Name and Position

Signed on behalf of
Australian Meat Industry Council

by:

Signature

Name and Position

Signed on behalf of
Australian Livestock Exporters' Council Limited

by:

Signature

Name and Position

Signed on behalf of
Australian Lot Feeders' Association

by:

Signature

Name and Position

Schedule 2 - Joint functions and core functions

Commencement date 27 April 1998

1 Parties

- 1. Peak Industry Councils**
 - 2. Companies**
-

2 Purpose of schedule

To identify as joint functions:

- (a) market access;
- (b) research and development;
- (c) animal health and welfare;
- (d) database collection;
- (e) meat safety and hygiene;
- (f) crisis and issues management; and
- (g) eating quality;
- (h) environment;
- (i) resource management; and
- (j) AUS-MEAT.

To identify as core functions:

- (a) producer beef marketing;
 - (b) producer sheepmeat marketing;
 - (c) live export marketing;
 - (d) core producer R&D;
 - (e) core processor R&D;
 - (f) core live exporter R&D; and
 - (g) levy collection.
-

3 Detail

Future activities

Each year (commencing in 1999) activities to be undertaken by or arranged through MLA as joint functions and core functions and the broad funding arrangements for those activities in the period of 3 years beginning on 1 July in that year will be agreed in accordance with clauses 5 and 6 of the Statement of Principles and any relevant Schedule.

Signed on behalf of
Cattle Council of Australia Inc

by:

Signature

Name and Position

Signed on behalf of
Sheepmeat Council of Australia Inc

by:

Signature

Name and Position

Signed on behalf of
Australian Meat Industry Council

by:

Signature

Name and Position

Signed on behalf of
Australian Livestock Exporters' Council Limited

by:

Signature

Name and Position

Signed on behalf of
Australian Lot Feeders' Association

by:

Signature

Name and Position

Signed on behalf of
Meat & Livestock Australia Limited

by:

Signature

Name and Position

Signed on behalf of
Australian Meat Processor Corporation Limited

by:

Signature

Name and Position

Signed on behalf of
Australian Livestock Export Corporation Limited

by:

Signature

Name and Position

Schedule 3 - AUS-MEAT

Commencement date 27 April 1998

1 Parties

1. Peak Industry Councils
 2. MLA
 3. AMPC
-

2 Definitions in addition to those in Statement of Principles

PIMC means Primary Industries Ministerial Council (formerly ARMCANZ meaning the Agricultural and Resource Management Council of Australia and New Zealand) consisting of the Australian Federal and State/ Territory and New Zealand Ministers responsible for agriculture, soil, water (both rural and urban) and rural adjustment policy.

3 Purpose of Schedule

To set out the terms on which AUS-MEAT will be established as the national industry organisation responsible for the objective description of Australian meat and livestock based on approved quality assurance systems.

A diagram showing the structure of AUS-MEAT is attached to this Schedule as Annexure I.

4 Detail

4.1 AUS-MEAT joint venture

- (a) AMPC and MLA will establish AUS-MEAT as a joint venture company to be owned 50% by AMPC and 50% by MLA.
- (b) AUS-MEAT will have 5 directors, 2 persons appointed by AMPC, 2 persons appointed by MLA and a fifth director, as non-voting independent chairperson with industry background, selected by AMPC and MLA. If AMPC and MLA fail to agree on the selection of an independent chairperson, the directors will elect a chairperson from among themselves and the position will rotate each year (at the conclusion of the AGM) between an appointee of AMPC and an appointee of MLA.
- (c) The quorum for a directors' meeting will be 3 comprising the independent chairperson, one director appointed by AMPC and one director appointed by MLA. If there is not an independent chairperson, the quorum will be 2, one appointed by AMPC and one appointed by MLA.

- (d) At directors' meetings, each director (other than the independent chairperson) will have one vote. The chairperson will not have a casting vote. Decisions by the directors will be by unanimous vote.
- (e) The quorum for a general meeting will be 2 members, one being or representing AMPC and one being or representing MLA.
- (f) At general meetings, each member will have one vote. The chairperson will not have a casting vote.
- (g) A deadlock between AMPC and MLA on any matter, whether at a directors' meeting or a general meeting, will be referred to the chairperson of AMPC and the chairperson of MLA for resolution.
- (h) The directors may appoint a person as Chief Executive Officer of AUS-MEAT. The Chief Executive Officer will be responsible to the directors but will not be appointed as a director.

4.2 Australian Meat Industry Language and Standards Committee

- (a) The directors of AUS-MEAT will expand the AUS-MEAT Advisory Committee established by AMLC to a committee consisting of 12 members. The Committee will be responsible for making recommendations in relation to the management of the AUS-MEAT language and the setting and maintenance of AUS-MEAT standards.
- (b) The committee will be chaired by a person appointed by AUS-MEAT. The Chief Executive Officer of AUS-MEAT will be a member of the committee.
- (c) The committee will have 10 representatives from the industry as follows:
 - AMIC 4 nominees
 - CCA 1 nominee
 - SCA 1 nominee
 - ALFA 1 nominee
 - Australian Supermarkets Institute 1 nominee
 - Australian Pork Corporation 1 nominee
 - PIMC 1 nominee
- (d) Decisions of the committee will be made by majority vote.

4.3 AUS-MEAT operations

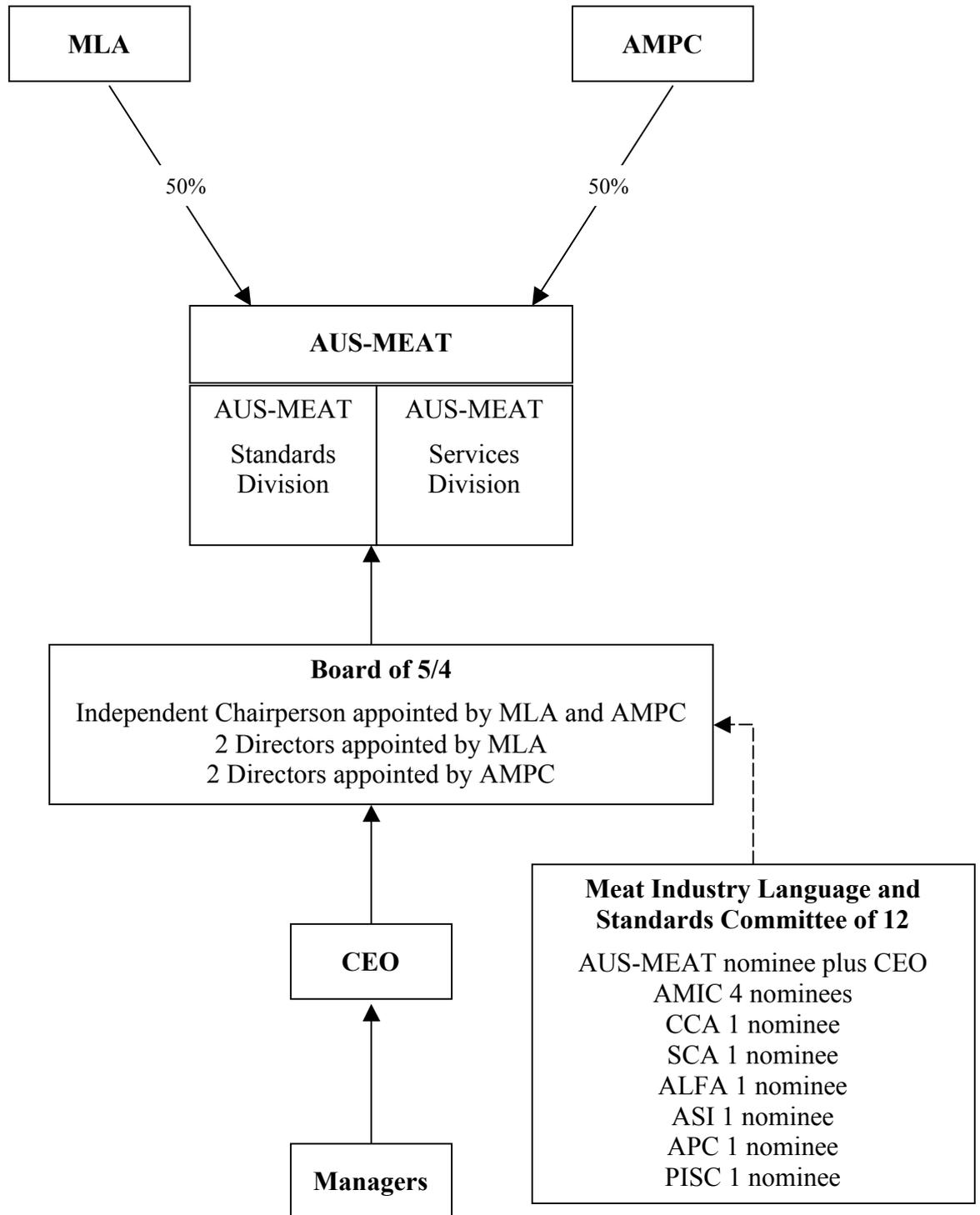
- (a) The business carried on by AMLC in Brisbane under the name AUS-MEAT will be transferred to AUS-MEAT.
- (b) AUS-MEAT will acquire the assets of AMLC which are employed in the AUS-MEAT business.
- (c) AUS-MEAT will operate under 2 divisions - a standards division and a services division. Services provided by AUS-MEAT will be contestable.
- (d) AUS-MEAT will prepare operating plans for delivery of the services required to be undertaken by it to implement the actions and achieve the

goals for the AUS-MEAT business agreed from time to time by MLA and AMPC in consultation with the Peak Industry Councils.

- (e) AUS-MEAT will be provided with start-up capital from industry reserves.
- (f) The net operational costs (including administrative costs) of the standards division of AUS-MEAT will be funded equally by AMPC and MLA.
- (g) The services division of AUS-MEAT is to be operated on a commercial basis.

Annexure I

AUS-MEAT JOINT VENTURE



Signed on behalf of
Cattle Council of Australia Inc.

by:

Signature

Name and Position

Signed on behalf of
Sheepmeat Council of Australia Inc.

by:

Signature

Name and Position

Signed on behalf of
Australian Meat Industry Council

by:

Signature

Name and Position

Signed on behalf of
Australian Livestock Exporters' Council Limited

by:

Signature

Name and Position

Signed on behalf of
Australian Lot Feeders' Association

by:

Signature

Name and Position

Signed on behalf of
Meat & Livestock Australia Limited

by:

Signature

Name and Position

Signed on behalf of
Australian Meat Processor Corporation Limited

by:

Signature

Name and Position

Schedule 4 - SAFEMEAT

Commencement date 27 April 1998

1 Parties

1. Peak Industry Councils
 2. MLA
 3. The Commonwealth
-

2 Definitions in addition to those in Statement of Principles

States/Territories Meat and Livestock Authority means the State or Territory government organisation in a State or Territory with the responsibility for registering and overseeing industry standards.

ADF means Australian Dairy Farmers Ltd, accepted as a full member of SAFEMEAT in April 2006 though not as a signatory to this Schedule.

3 Purpose of schedule

To describe the arrangements for the establishment and operation of SAFEMEAT.

4 Detail

4.1 Membership

- (a) The members of SAFEMEAT will be:
- (1) the Secretary, Department of Agriculture, Fisheries and Forestry: to represent the Commonwealth and facilitate management and implementation of Commonwealth responsibilities;
 - (2) the CEO from a State Department of Agriculture/Primary Industries: to represent States/Territories and facilitate management and implementation of States/Territories responsibilities;
 - (3) the Chairperson from a States/Territories Meat and Livestock Authority to represent States/Territories Meat and Livestock Authorities;
 - (4) the Chairpersons/Presidents of each of CCA, SCA, ALFA, ALEC, ADF and, in the case of AMIC, the Chairperson of AMIC's Processor Council plus one other senior delegate of AMIC's choosing: to be responsible for actions needed to ensure hygienic and safe product throughout each industry sector they represent; and
 - (5) the Commonwealth Chief Veterinary Officer (CVO): the CVO has direct links into the human health network and has a key

responsibility for international market access negotiations and international organisations such as the World Organisation for Animal Health (OIE).

- (b) Each member will have the right to nominate a person to act on their behalf in any of the activities carried out or to be carried out by or through SAFEMEAT. The person must be senior and able to take decisive action on behalf of the government or industry sector they represent.
- (c) Each year AMIC will nominate a chairperson for members' ratification. In the event of this person being rejected, a further nomination will be provided by AMIC. The person will hold the office of Chairperson for a period of one year and may be reappointed.
- (d)
 - (1) The chairperson of MLA will be a full participant in discussions and MLA will provide back-up support by way of research, analysis and advice. Services which MLA may be asked to provide to underpin the operations of SAFEMEAT will be delivered in an efficient and cost effective manner.
 - (2) The chairperson of MLA will have the right to nominate a senior person to act on their behalf who has authority to take any decisive action which may be required.
- (e) Other persons may be called upon from time to time to have direct and full participation in SAFEMEAT, depending on the issues involved. This applies particularly to the Commonwealth or States/Territories Chief Medical Officers.

4.2 Role

The role of SAFEMEAT will be:

- (a) to work with the objective of establishing world best practice in ensuring the safety of meat;
- (b) to ensure each industry sector implements sound management systems to ensure safe and hygienic product is delivered to the market place;
- (c) to ensure adequate and nationally consistent government standards and regulations relating to meat safety and hygiene;
- (d) to ensure that effective crisis management strategies are in place by the appropriate industry sectors and, to this end, ensure that there is a fully integrated and effective communications network; and
- (e) to monitor industry meat safety performance.

4.3 Operations

- (a) SAFEMEAT will operate as a working partnership of Commonwealth and States/Territories government interests and industry sector interests, with each participant responsible for reporting to their respective government or industry sector and ensuring that outcomes required of them are delivered.
- (b) SAFEMEAT participants will appoint working groups which will have direct responsibility for carrying out work required and delivering outcomes.

- (c) The secretariat will be selected by competitive tender.
- (d) Members will meet at least twice a year.

Signed on behalf of
Cattle Council of Australia Inc

by:

Signature

Name and Position

Signed on behalf of
Sheepmeat Council of Australia Inc

by:

Signature

Name and Position

Signed on behalf of
Australian Meat Industry Council

by:

Signature

Name and Position

Signed on behalf of
Australian Lot Feeders' Association

by:

Signature

Name and Position

Signed on behalf of
Meat & Livestock Australia Limited

by:

Signature

Name and Position

Signed on behalf of
Commonwealth of Australia

by:

Signature

Name and Position

Schedule 5 - Funding flows

Commencement date 1 September 2007

1 Parties

1. Peak Industry Councils
 2. GICA
 3. Companies
 4. The Commonwealth
-

2 Definitions in addition to those in Statement of Principles

Industry marketing body and **industry research body** each mean MLA declared by the Minister to be both the industry marketing body and the industry research body under s.60(1) and 60(2) of the *Australian Meat and Live-stock Act 1997*.

Livestock export marketing body and **livestock export research body** each mean LiveCorp declared by the Minister to be both the livestock export marketing body and the livestock export research body under s.60(3) and 60(3A) of the *Australian Meat and Live-stock Industry Act 1997*.

Processor marketing body and **processor research body** each mean AMPC declared by the Minister to be both the processor marketing body and processor research body under s.60(3AA) and s.60(3AB) of the *Australian Meat and Live-stock Industry Act 1997*.

3 Purpose of schedule

To set out the manner in which funds will be made available to:

- (a) MLA to undertake activities on behalf of the industry including joint functions, core functions and functions on behalf of other persons for the benefit of the industry;
- (b) AMPC to:
 - (1) undertake activities on behalf of the processing sector;
 - (2) contribute to the agreed cost of agreed joint functions and agreed cost of core functions;
 - (3) contribute to the cost of agreed activities undertaken solely by MLA for and on behalf of the whole red meat industry; and
 - (4) provide any other meat processing industry service activities that are not covered by the Statement of Principles;
- (c) LiveCorp to:
 - (1) undertake activities on behalf of the livestock export industry;
 - (2) contribute to the agreed cost of agreed joint functions and agreed cost of core functions;

- (3) contribute to the cost of agreed activities undertaken solely by MLA for and on behalf of the whole red meat industry; and
- (4) provide any other livestock export industry service activities that are not covered by the Statement of Principles,

A diagram showing the flow of funds is attached to this Schedule as Annexure II.

4 Detail

4.1 Cattle producers and lot feeders

- (a) Cattle producers and lot feeders pay a levy or charge for the purpose of payment to the industry marketing body because of:
 - (1) paragraphs 6(1)(a), 6(2)(a) and 6(3)(a) of Schedule 3 of the *Primary Industries (Excise) Levies Act 1999*; or
 - (2) paragraphs 3(1)(a) and 3(2)(a) of Schedule 3 of the *Primary Industries (Customs) Charges Act 1999*.
- (b) Cattle producers and lot feeders pay a levy or charge for the purpose of payment to the industry research body because of:
 - (1) paragraphs 6(1)(b), 6(2)(b) and 6(3)(b) of Schedule 3 of the *Primary Industries (Excise) Levies Act 1999*; and
 - (2) paragraphs 3(1)(b) and 3(2)(b) of Schedule 3 of the *Primary Industries (Customs) Charges Act 1999*.

4.2 Sheep producers

- (a) Sheep producers pay a levy or charge for the purpose of payment to the industry marketing body because of:
 - (1) Schedule 18, paragraph 4(1)(a) of the *Primary Industries (Excise) Levies Act 1999*; or
 - (2) Schedule 12, paragraph 3(a) of the *Primary Industries (Customs) Charges Act 1999*.
- (b) Sheep producers pay a levy or charge for the purpose of payment to the industry research body because of:
 - (1) Schedule 18, paragraph 4(1)(b) of the *Primary Industries (Excise) Levies Act 1999*; or
 - (2) Schedule 12, paragraph 3(b) of the *Primary Industries (Customs) Charges Act 1999*.

4.3 Lamb producers

- (a) Lamb producers pay a levy or a charge for the purpose of payment to the industry marketing body because of:
 - (1) Schedule 18, paragraph 4(3)(a) of the *Primary Industries (Excise) Levies Act 1999*; or

- (2) Schedule 12, paragraph 4(a) of the *Primary Industries (Customs) Charges Act 1999*.”
- (b) Lamb producers pay a levy or a charge for the purpose of payment to the industry research body because of:
 - (1) Schedule 18, paragraph 4(3)(b) of the *Primary Industries (Excise) Levies Act 1999*; or
 - (2) Schedule 12, paragraph 4(b) of the *Primary Industries (Customs) Charges Act 1999*.

4.4 Goat producers

- (a) Goat producers pay a levy or charge for the purpose of payment to the industry marketing body because of:
 - (1) Schedule 18, paragraph 4(4)(a) of the *Primary Industries (Excise) Levies Act 1999*; or
 - (2) Schedule 12, paragraph 5(a) of the *Primary Industries (Customs) Charges Act 1999*.
- (b) Goat producers pay a levy or charge for the purpose of payment to the industry research body because of:
 - (1) Schedule 18, paragraph 4(4)(b) of the *Primary Industries (Excise) Levies Act 1999*; or
 - (2) Schedule 12, paragraph 5(b) of the *Primary Industries (Customs) Charges Act 1999*.

4.5 Levies collection and payment to MLA

- (a) The levy or charge is collected from producers by intermediaries who earn interest on those moneys towards their costs of collecting them.
- (b) Each month commencing in September 1998 the intermediaries are to pay the levies and charges they collect to the Levies Revenue Service of the Department of Agriculture, Fisheries and Forestry one month and 28 days following the month in which the levy transaction occurred and the Department in turn pays them into the Consolidated Revenue Fund.
- (c) Amounts equal to the levies and charges raised for the purpose of payment to the industry marketing body and the industry research body will be paid to MLA out of the Consolidated Revenue Fund under conditions agreed between the Minister and MLA.

4.6 Beef Processors

- (a) Beef processors will pay a charge for the purpose of payment to the processor marketing body because of Schedule 1, paragraph 3(1)(a) of the *Primary Industries (Excise) Levies Act 1999*.
- (b) Beef processors will pay a charge for the purpose of payment to the processor research body because of Schedule 1, paragraph 3(1)(b) of the *Primary Industries (Excise) Levies Act 1999*.

- (c) AMPC will negotiate the terms of contracts and enter into contracts with MLA for the provision of joint functions and core functions which AMPC agrees to fund or to which it agrees to contribute funding.

4.7 Sheep Processors

- (a) Sheep processors will pay a charge for the purpose of payment to the processor marketing body because of Schedule 17, paragraph 3(1)(a) of the *Primary Industries (Excise) Levies Act 1999*.
- (b) Sheep processors will pay a charge for the purpose of payment to the processor research body because of Schedule 17, paragraph 3(1)(b) of the *Primary Industries (Excise) Levies Act 1999*.

4.8 Lamb Processors

- (a) Lamb processors will pay a charge for the purpose of payment to the processor marketing body because of Schedule 17, paragraph 3(2)(a) of the *Primary Industries (Excise) Levies Act 1999*.
- (b) Lamb processors will pay a charge for the purpose of payment to the processor research body because of Schedule 17, paragraph 3(2)(b) of the *Primary Industries (Excise) Levies Act 1999*.

4.9 Goat Processors

- (a) Goat processors will pay a charge for the purpose of payment to the processor marketing body because of Schedule 17, paragraph 3(3)(a) of the *Primary Industries (Excise) Levies Act 1999*.
- (b) Goat processors will pay a charge for the purpose of payment to the processor research body because of Schedule 17, paragraph 3(3)(b) of the *Primary Industries (Excise) Levies Act 1999*.

4.10 Levies collection and payment to AMPC

- (a) The charge is payable by processors directly to the Levies Revenue Service of the Department of Agriculture, Fisheries and Forestry.
- (b) Amounts equal to the levies raised for the purpose of payment to the processor marketing body and the processor research body will be paid to AMPC out of the Consolidated Revenue Fund under conditions agreed between the Minister and AMPC.
- (c) AMPC will negotiate the terms of contracts and enter into contract with MLA for the provision of joint activities which AMPC agrees to fund or to which it agrees to contribute funding.

4.11 Cattle exporters

- (a) Cattle exporters pay a charge for the purpose of payment to the livestock export marketing body because of Schedule 2, paragraph 3(1)(a) of the *Primary Industries (Customs) Charges Act 1999*.
- (b) Cattle exporters pay a charge for the purpose of payment to the livestock export research body because of Schedule 2, paragraph 3(1)(b) of the *Primary Industries (Customs) Charges Act 1999*.

4.12 Sheep exporters

- (a) Sheep exporters pay a charge for the purpose of payment to the livestock export marketing body because of Schedule 11, paragraph 3(a) of the *Primary Industries (Customs) Charges Act 1999*.
- (b) Sheep exporters pay a charge for the purpose of payment to the livestock export research body because of Schedule 11, paragraph 3(b) of the *Primary Industries (Customs) Charges Act 1999*.

4.13 Lamb exporters

- (a) Lamb exporters pay a charge for the purpose of payment to the livestock export marketing body because of Schedule 11, paragraph 4(a) of the *Primary Industries (Customs) Charges Act 1999*.
- (b) Lamb exporters pay a charge for the purpose of payment to the livestock export research body because of Schedule 11, paragraph 4(b) of the *Primary Industries (Customs) Charges Act 1999*.

4.14 Goat exporters

- (a) Goat exporters pay a charge for the purpose of payment to the livestock export marketing body because of Schedule 11, paragraph 5(a) of the *Primary Industries (Customs) Charges Act 1999*.
- (b) Goat exporters pay a charge for the purpose of payment to the livestock export research body because of Schedule 11, paragraph 5(b) of the *Primary Industries (Customs) Charges Act 1999*.

4.15 Customs Charges collection and payment to LiveCorp

- (a) The charge is payable by exporters directly to the Levies Revenue Service of the Department of Agriculture, Fisheries and Forestry.
- (b) Amounts equal to the levies and charges raised for the purpose of payment to the livestock export marketing body and the livestock research body will be paid to LiveCorp out of the Consolidated Revenue Fund under conditions agreed between the Minister and LiveCorp.
- (c) LiveCorp will negotiate the terms of contracts and enter into contract with MLA for the provision of joint activities which LiveCorp agrees to fund or to which it agrees to contribute funding.

4.16 Individual enterprises

MLA and/or LiveCorp and/or AMPC may enter into a contract for the provision of industry marketing and promotion activities with any person subject to MLA and/or LiveCorp and/or AMPC being satisfied that the services are for the benefit of the industry.

4.17 Matching funding for research and development

- (a) The Commonwealth Government will pay MLA as the industry research body matching funding out of the Consolidated Revenue Fund of amounts equal to 50% of eligible research and development expenditure incurred by MLA for industry research and development from approved donors up to a cap in each financial year of an amount equal to 0.5% of the amount the Secretary of the Department of Agriculture, Fisheries and Forestry

determines to be the gross value of production of the industry for the financial year under s.66 *Australian Meat and Live-stock Industry Act 1997*.

- (b) AMPC will be an approved donor for matching funding purposes.
- (c) LiveCorp will be an approved donor for matching funding purposes.
- (d) MLA will establish a wholly owned subsidiary to be an approved donor for matching funding purposes to facilitate the undertaking by or through MLA of industry research and development on behalf of any person subject to MLA being satisfied that the activities are for the benefit of the industry.