METROPOLITAN AND EXPORT ABATTOIRS ACT AMENDMENT BILL 1972

House of Assembly, 27 September 1972, page 1649

Second reading

**The Hon. J. D. CORCORAN (Minister of Works)** obtained leave and introduced a Bill for an Act to amend the Metropolitan and Export Abattoirs Act, 1936-1964. Read a first time.

The Hon. J. D. CORCORAN: I move:

*That this Bill be now read a second time.*

For some time now the Government has been engaged in the planning of a substantial reorganization and rationalization of the meat industry of this State. The benefits that will be obtained from such a rationalization are as follows: (a) improvements in the quality and wholesomeness of meat offered for sale for human consumption; and (b) the creation of soundly based commercially viable abattoirs effectively serving the needs of all sections of the community. This Bill is the first step in giving legislative effect to the scheme and is brought down at this time to meet the urgent need for a reorganization of this State’s principal abattoir, the establishment at Gepps Cross, which is operated by the Metropolitan and Export Abattoirs Board.

The Government has been concerned that large numbers of cattle are leaving this State to be slaughtered at establishments in other States, either for sale in or export from those States or, indeed, in some cases for subsequent sale in this State. The fact that such movements are economically feasible points out the need for a critical examination of our facilities here. The effect of this Bill is to enable the board to operate as a financially viable business, ultimately economically self-sufficient and having slaughtering fees that are competitive with interstate charges. The need for this reorganization is so well recognized in the industry generally that it calls, at this stage, for little elaboration.

In addition, to provide some clear and apparent evidence of the proposed reorganization it is provided in this Bill that the Metropolitan and Export Abattoirs Board will, in future, be known as the South Australian Meat Corporation. This change of name has necessitated a considerable number of formal amendments to the principal Act, and in the consideration of the clauses of this measure I shall refer only in general terms to those clauses that are purely consequential on this change of name.

I will now deal with the Bill in some detail. Clauses 1 to 3 are formal. Clause 4 effects a number of formal and consequential amendments to section 3 of the principal Act which sets out the definition necessary for the purposes of the Act. The only amendment of substance is that proposed in relation to the definition of “stock”, which will have the effect of excluding poultry from that definition. It is not felt that, in the circumstances of this Act, poultry should be included within the definition of stock. In addition, a definition of “the corporation” is inserted by this clause. Clause 5 is a formal amendment relating to the change of name of the Metropolitan and Export Abattoirs Board, and clause 6 is a formal amendment.

Clause 7 continues in existence the present body corporate, the Metropolitan and Export Abattoirs Board, under the name of the South Australian Meat Corporation. This clause also makes certain necessary consequential amendments and transitional provisions. Clause 8 removes from office the present Chairman and eight members of the board and replaces them with a group comprised of a Chairman and five members appointed by the Governor. Members will recall that the eight members represented a number of “sectional interests”, the descriptions of which are set out in subsections (3) and (4) of section 10 of the principal Act. The removal from office of members representing these sectional interests is not to deny the valuable part that they have played in the affairs of the board in the past. In fact, it is intended that many of the interests at present represented on the board will secure representation on a proposed authority that will ultimately have wide powers in relation to the meat industry as a whole. However, it is considered that the “new-look corporation” will necessarily have to be more streamlined and perhaps more “commercially orientated”, if the plans for the Gepps Cross abattoir are to be made fully effective.

Clauses 9 to 13 are consequential or formal amendments. Clause 14 reduces the quorum for a meeting of the corporation from four to three in view of its diminished size. Clause 15 removes from section 24 of the principal Act a somewhat restrictive provision that enjoins the corporation to meet “at least once in every six weeks”. In the Government’s opinion the corporation should be free to arrange its meetings as it thinks fit. This clause also makes a number of formal amendments. Clause 16 is again an important provision in that it will enable the corporation to delegate its powers in the interests of managerial and organizational efficiency. Clauses 17 to 21 are formal or consequential amendments. Clause 22 will enable the corporation to enter into superannuation arrangements with the South Australian Superannuation Fund, and also makes some formal amendments, as does clause 23.

Clause 24 repeals section 32 of the principal Act, a somewhat archaic provision, dealing with what are, substantially, “common informers”. Clause 25 makes a formal amendment. Clause 26 repeals section 34 of the principal Act, and deserves some comment. Section 34 of the principal Act gave the old board no option in industrial disputes but to refer the matter forthwith to arbitration. Since the intention of this clause is so clearly contrary to all modern industrial thinking, that is, that arbitration is not the first but the last step in their resolution of industrial disputes, its deletion is obviously called for. Its absence will, of course, not have any other effect on the application of the industrial laws of this State to the corporation.

Clause 27 is formal. Clause 28 repeals section 37 of the principal Act, which gave the board power to promote a Bill before Parliament. A provision of this kind is clearly inappropriate in relation to the reconstituted corporation. Clauses 29 to 33 make certain formal amendments. Clause 34 repeals a provision of section 43 of the principal Act that enjoined the board to present its accounts for audit within 30 days of the end of its financial year. The Government is informed that such a provision is now not practicable. This clause makes some formal amendments. Clauses 35 to 40 make certain formal amendments.

Clause 41 removes from the Act subsections (3) and (4) of section 50, which imposed additional costs on the slaughter of stock for exporters that are considered to be unnecessary. The provisions proposed to be repealed gave a monopoly in this matter to the Government Produce Department. Clauses 42 and 43 make certain formal amendments. Clause 44 is an amendment of substantial and far-reaching importance. In effect, it removes from the principal Act all the board’s old borrowing powers together with the inhibiting controls on its expenditure, and replaces them with: (a) a power to borrow from the Treasurer (and with his consent, from any other person) for any purposes; and (b) a right for the Treasurer to guarantee the repayment of outside borrowings by the corporation. It is considered that access to funds in this manner will enable the corporation to plan its expenditure in a systematic and economically productive manner. All previous borrowings of the old board have been appropriately secured in subsection (3) of proposed section 53. Clause 45 merely removes from section 67 of the principal Act an unnecessary limitation on the location of the offices of the bankers to the corporation, and makes certain formal amendments. Clauses 46 to 56 make formal amendments. Clause 57 by amendment to section 82 of the principal Act makes it clear that the corporation has a right to charge fees for other services rendered by it in addition to slaughtering.

Clauses 58 to 62 make formal amendments. Clause 63 amends section 91 of the principal Act, which at present gives the board an absolute monopoly in the delivery of meat from its abattoir. In terms of this section the board must impose the same charge for delivery anywhere in the metropolitan abattoir area. The effect of the present section is to involve the board in losses running into tens of thousands of dollars. The effect of the proposed amendments will give power to the corporation to fix more equitable charges in this area. Clauses 64 to 67 make formal amendments. Clauses 68 and 69 amend section 96a and 96b of the principal Act by providing an alternative method of fixing fees by determination of the corporation. The need for this flexibility will be demonstrated in relation to clause 83.

Clauses 70 to 77 either effect formal law revision amendments consequential on the enactment of the Land Acquisition Act or relate to the change in name of the board. Clauses 78 to 82 make formal amendments. Clause 83, as far as possible, gives the corporation power to fix all fees by resolution as an alternative to fixing them by regulation. I make it clear that the purpose of this provision is to place the corporation in a competitive position, in that its charging structure can be rendered much more flexible by this means. It is intended to be a vehicle for encouraging the slaughtering of stock at the abattoir, not discouraging it. A provision of this kind is considered essential in the establishment of a successful commercial basis for the corporation’s operations.

Clause 84 is a formal amendment. Clause 85 removes the provision that the corporation’s regulations require the approval of the Central Board of Health as well as confirmation by the Governor. Clauses 86 to 95 make formal amendments. Clause 96 is a consequential amendment. As I said earlier, this Bill is but a first step in an overall reorganization of the meat industry. It is expected that, when the Bill to provide for this overall reorganization is introduced, substantially all of the principal Act as amended by this Bill will be re-enacted in that measure. For this reason further amendments that the Government has in mind for the principal Act have not been proposed in this Bill. All that is proposed here is the minimum number of amendments, in the Government’s view, sufficient to enable the corporation, as reconstructed, to commence its new tasks armed with a sufficiency of powers and financial resources.

Mr. RODDA secured the adjournment of the debate.