

1984

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

AUTOMOTIVE INDUSTRY AUTHORITY BILL 1984

EXPLANATORY MEMORANDUM

(Circulated by Authority of the Minister for Industry and
Commerce, Senator the Honourable John N. Button)

OUTLINE

This Bill proposes the establishment of an Automotive Industry Authority (the Authority) to conduct investigations and monitor the performance of and outlook for the Australian automotive industry and in particular to encourage changes which will improve the efficiency of the industry and reduce its dependence on Government support.

The establishment of the Authority is one of the measures included in the 8 year assistance program for the automotive industry to begin on 1 January 1985, as announced by the Government on 29 May 1984.

The Bill sets out the constitution, objects, functions, and powers of the Authority.

The Authority will be an independent body, designed to monitor and analyse automotive industry matters and to provide extension services that could contribute to improving management efficiency in the industry. In the performance of its functions the Authority may, if it considers appropriate, consult with government, commercial, industrial, consumer and other relevant bodies.

The Authority may also report to the Minister, outside its statutory obligations to report on certain matters, on any automotive industry matter and the Minister may refer matters to the Authority for its consideration and report. The role of the Industries Assistance Commission in respect of assistance arrangements for the motor vehicle industry in Australia is not affected by this Bill (clause 3).

The Authority is to furnish annual reports to the Minister on the automotive industry during the preceding year and on the prospects for the industry. The Authority is to also furnish annual reports on its activities. The reports are required to be tabled in the Parliament by the Minister.

Financial Impact Statement

Budget allocation for the authority in 1984/85 is \$0.5 million.

NOTES ON CLAUSES

PART 1 - PRELIMINARY

- Clause 1 Short title.
- Clause 2 Commencement date to be the date of Proclamation. This is to provide sufficient time to enable the appointment of members to the Authority in time for the Authority to be fully operational by 1 January 1985.
- Clause 3 Provides that the Bill does not affect the operation of the Industries Assistance Commission Act 1973 (i.e. the requirement of the Industries Assistance Commission Act 1973 for a report by the Commission before a change in assistance arrangements for the industry can be made will continue to apply).
- Clause 4 Defines a number of terms and expressions for the purposes of the legislation.

PART II - ESTABLISHMENT, OBJECTS, FUNCTIONS AND POWERS
OF AUTHORITY

- Clause 5 Provides for the establishment of the Automotive Industry Authority.
- Clause 6 Sets out the objects of establishing the Authority. The objects of the Authority are to monitor the performance of and the outlook for the automotive industry and to encourage the development of that industry in line with the policies of the government so as to improve the industry's efficiency and reduce its dependence on Commonwealth assistance.
- Clause 7 Provides that the functions of the Authority are to conduct investigations and monitor and analyse 'automotive industry matters' (as defined), report to the Minister each year on the state of, and prospects for, the automotive industry, report on any other relevant automotive industry matters, provide extension services that could contribute to improving management efficiency in the industry, to seek and receive information on automotive industry matters, consult with State Governments on such matters, to monitor developments and policies in other countries and provide advice to the Minister on their application in Australia and perform such other functions as are conferred upon it by an Act.

Sub-clause (2) provides a discretion for the Authority to consult with government, commercial, industrial, consumer and other relevant bodies including trade unions and associations of road users.

Clause 8 Provides that the Authority shall report to the Minister by 1 March each year on the state of, and prospects for, the automotive industry. The reports are to be tabled in the Parliament and are to include an assessment by the Authority of the industry's progress towards achieving the objectives of the policies of the Government. Identification of industries failure to co-operate with the Authority will also be made.

Clause 9 Provides that the Minister may request the Authority to report on automotive industry matters and for the Authority on its own volition to prepare and submit to the Minister a report on such matters. Failure of persons in the industry to act consistently with the policies of the Government may be reported and the Authority may recommend the publication of the report, in whole or in part.

Sub-clause (4) provides that where the Authority is to report under this section it may refer the matter to staff made available to the Authority so that they may carry out appropriate research and prepare a report, and where this is done, the report prepared by the Authority's staff may be adopted by the Authority as its report.

Clause 10 Provides for the Authority to report on and make recommendations to the Minister on the effect on the achievement of the objects of the Authority of a Commonwealth regulatory policy relating to, in particular trade practices, consumer protection, environmental protection, prices surveillance and foreign investment in Australia.

Clause 11 Provides that, in addition to any other power conferred on it by the Act, the Authority will have the power to do all things necessary or convenient to be done in connection with the performance of its functions.

PART III - CONSTITUTION AND MEETINGS OF AUTHORITY

- Clause 12 Provides that the Authority shall comprise a senior member (as defined) another member or such other number of other members or associate members as declared by the regulations. All members are to be appointed by the Governor-General on such terms and conditions as are provided by the Act or, where the Act is silent on the matter, by the Minister. The Authority may commence to perform its functions and exercise its powers as soon as a member has been appointed.
- Clause 13 Provides that members of the Authority are to hold office for the period specified in the instrument of appointment, up to a maximum period of 5 years. Members are eligible for re-appointment.
- Clause 14 Provides that a full-time member may not engage in paid employment outside his duties as a member, and a part-time member may not engage in paid employment that, in the opinion of the Minister, conflicts with the duties of the member within the Authority.
- Clause 15 Provides for the appointment of associate members to the Authority. Such members are to be appointed for a period not exceeding 5 years but are eligible for re-appointment. Terms and conditions of associate members are to be determined by the Minister. It is envisaged that persons who have special expertise in a particular field or who have particular desired qualifications or experience relevant to a matter under consideration by the Authority will be appointed as associate members.
- Clause 16 Provides for the payment of remuneration and allowances to the members and associate members of the Authority.
- Clause 17 Provides for the disclosure by the senior member of any pecuniary interests he or she may have or may acquire in any business in Australia, and provides for the disclosure by both the senior member and any other member or associate member of pecuniary and any other interests that could conflict with their duties and functions at a meeting. Where a member or associate member has or acquires such an interest he or she may not, unless with the consent of the senior member, take part in a meeting of the Authority.

Clause 18 Provides for leave of absence by all members to be granted on such terms and conditions as the Minister determines.

Clause 19 Provides for the mode of resignation by members.

Clause 20 Provides for the retirement of members on the ground of invalidity.

Clause 21 Provides the grounds upon which the Governor-General may either suspend or remove a member from office. Where the Governor-General suspends a member from office on the ground of misbehaviour or physical or mental incapacity the Minister shall cause a statement of the grounds for the suspension to be tabled before both Houses within 7 sitting days of each House after the suspension, whereupon the notice is then subject to a procedure relating to disallowance of the suspension.

Sub-clause (5) provides that if after 15 sittings days of a suspension statement being tabled before a House of the Parliament no resolution has been passed by that House to restore the suspended member to office, the Governor-General may remove that member from office.

Sub-clause (6) sets out the grounds upon which the Governor-General shall remove a member from office and which are not subject to tabling before both Houses.

Clause 22 Empowers the Minister to make acting appointments, for a period of up to 12 months, to the position of either the senior member or member during periods of vacancy or temporary absence.

Sub-clause (5) provides that the Minister may determine the terms and conditions, including remuneration and allowances, for persons appointed to act as a senior member or member. The Minister may terminate acting appointments at any time before the time limitations placed on acting appointments.

Sub-clause (8) preserves the validity of anything done by a person purporting to act under the section in spite of defects or irregularities connected with the appointment of that person on an acting basis.

- Clause 23 Provides for meetings of the Authority to be convened by the senior member as he considers necessary for the efficient performance of the Authority's functions. The senior member may give directions regarding the procedure to be followed at meetings, and records of the meetings are to be kept. The senior member is to preside at all meetings, and he and one other member form a quorum. All questions are to be decided by a majority of votes, the senior member has a deliberative vote, and in the event of an equality of votes, a casting vote.

PART IV - STAFF AND CONSULTANTS

- Clause 24 Provides that staff employed to assist the Authority shall be appointed or employed under the Public Service Act 1922. The senior member has all the powers of, or exercisable by, a Secretary of a Department of the Australian Public Service.
- Clause 25 Provides that the Authority may make arrangements with appropriate authorities of the Commonwealth or State Public Services, or, with the approval of the Public Service Board, with any other body, to obtain the services of employees of those Public Services or body.
- Clause 26 Provides that the authority may engage consultants and may determine, with the approval of the Public Service Board, the terms and conditions of their engagement.

PART V - MISCELLANEOUS

- Clause 27 Provides that each year the Authority shall furnish an annual report to the Minister covering the activities of the Authority during the preceding 12 months ending on the preceding 30 June, and the Minister shall table a copy of the report before both Houses of Parliament within 15 sitting days after the Minister's receipt of the report.
- Clause 28 Provides a discretion for the Authority to supply to a person information recieved under the Act.
- Clause 29 Requires the Authority not to disclose information supplied to it in confidence.

- Clause 30 Provides that the Department of Industry and Commerce may supply to the Authority information it has received, including confidential information, in the course of administering a relevant program (as defined in sub-clause 29(5)) and that any information given in confidence to the Authority shall be treated as confidential by the Authority. The clause further provides that the giving of any information by the Department to the Authority shall not in any way be taken to waive the Authority's responsibilities under the law in relation to copyright, defamation or breach of confidence.
- Clause 31 Provides the Governor-General with the usual regulation-making powers.
- Clause 32 Provides that the Act is to cease to have effect on 31 December 1992, the day on which the Government's 8 year assistance package to the automotive industry expires, as stated in the Government's announcement of 29 May 1984.