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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

**RURAL RESEARCH AND DEVELOPMENT LEGISLATION AMENDMENT BILL
2014**

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Agriculture
the Hon. Barnaby Joyce MP)

RURAL RESEARCH AND DEVELOPMENT LEGISLATION AMENDMENT BILL 2014

GENERAL OUTLINE

The Rural Research and Development Legislation Amendment Bill 2014 will make amendments to rural research and development (R&D) legislation to give effect to a 2014-15 Budget measure. The Bill will also make some additional governance amendments.

The Budget measure allows the government to recover the cost of membership fees to international commodity organisations and regional fisheries management organisations from the matching amounts paid to rural research and development corporations (RDCs). The additional measures remove the requirement for the Minister to organise an annual co-ordination meeting for the chairs of the statutory RDCs and remove some parliamentary tabling requirements to reduce regulation.

Background

The RDCs were established in 1989 by the *Primary Industries Research and Development Act 1989* (PIRD Act) to undertake scientific research for the benefit of Australian rural industries and with benefits flowing to the community and the nation more broadly. There are currently 15 RDCs—five of these are statutory RDCs governed by the PIRD Act and ten are industry-owned RDCs, which were created from former statutory RDCs. Most RDCs are able to undertake marketing activities in addition to their R&D activities, at the request of the relevant industry.

Most of the RDCs are primarily funded by statutory levies on primary production or products. The statutory levies for R&D are matched by the Commonwealth, up to a cap. The funds raised through the statutory levies are appropriated to the RDCs, less the cost of levy collection.

The government provides matching funding to the RDCs based on their expenditure on eligible R&D activities. The RDCs are required to submit invoices to the Department of Agriculture to claim matching funding. Matching funding provided to each RDC is subject to a cap based on the relevant industry's gross value of production. Funding for the Fisheries RDC operates differently in some respects. The Fisheries RDC receives funding from state and territory governments, as well as from levies. The caps on Commonwealth funding are based on gross value of production, but are calculated differently to those of the other RDCs.

Payment of membership fees to international commodity organisations

The Department of Agriculture currently pays fees for Australian Government membership to international commodity organisations and regional fisheries management organisations. These organisations work to improve the trading environment for agricultural products by funding and co-ordinating R&D, providing information and statistics, setting international standards, and ensuring ongoing access to fisheries.

Australia's membership of these organisations benefits the industries concerned. The international commodity organisations deliver industry good-outcomes, such as trading

standards, research on global issues, and market statistics. The regional fisheries management organisations facilitate the management of migratory stock and high seas stocks that are fished by various nations. They inform international fisheries management and stock assessments.

A 2014-15 Budget measure changes the way that the government will fund the membership costs. From 2014-15, the government will recover the cost of the memberships from the matching funding it contributes to relevant RDCs that co-ordinate research for the industry which benefits the most from the membership. The membership costs will be recovered by either deducting an equivalent amount from the matching funding paid to the RDCs, or by requiring the relevant RDC to pay the Commonwealth an amount equal to the membership fee.

The Department of Agriculture will continue to be responsible for Australia's membership of the relevant organisations, and for the payment of membership fees.

The Bill amends the PIRD Act, the *Sugar Research and Development Services Act 2013* and the *Australian Grape and Wine Authority Act 2013* to allow the government to recover the cost of the membership fees. Currently, the Australian Government is a member of four international commodity organisations, relating to the sugar, wine, grains and cotton industries, and six regional fisheries management organisations. The organisations and RDCs from which membership fees will be recovered will be specified by a new legislative instrument.

Removal of requirements for RDCs to table corporate documents

The Rural R&D legislation currently contains different requirements for the preparation and tabling of certain corporate documents. Some Acts require RDCs to produce certain corporate documents and, in some cases, table them in the Parliament. For consistency across industry-owned RDCs, the government has decided that the tabling requirements are an unnecessary administrative burden for the RDCs and the government, and will be removed.

The following legislation is amended to remove tabling requirements:

- The *Dairy Produce Act 1986* is amended to remove the tabling requirements for: the funding contract between the Commonwealth and Dairy Australia Limited; variations to the funding contract; the annual report; the report on the Dairy Structural Adjustment Fund and the compliance report (described as 'other reports' in section 14 of the Act).
- The *Forestry Marketing and Research and Development Services Act 2007* is amended to remove the tabling requirements for the funding contract between the Commonwealth and Forest and Wood Products Australia Limited, and variations to the funding contract.
- The *Australian Meat and Live-stock Industry Act 1997* is amended to remove the tabling requirements for: the funding agreement and variations to the funding agreement between the Commonwealth and the Australian Livestock Export Corporation Limited; the annual report and the compliance report of the Australian Livestock Export Corporation Limited.

- The *Sugar Research and Development Services Act 2013* is amended to remove the tabling requirements for the funding contract between the Commonwealth and Sugar Research Australia, and variations to the funding contract.

The provisions in the Bill relating to removal of tabling requirements (Part 1 of Schedule 2) will commence on 1 October 2014. This date is set to remove the obligation to table in Parliament any relevant reports that have been provided to the Minister after 1 October 2014 (and before the Act receives Royal Assent). The retrospective commencement is intended to reduce regulatory burden, and will not have prejudicial effects.

The RDCs will still be required to produce these documents and where required make them publicly available.

Removal of the annual co-ordination meeting requirement

The PIRD Act requires the Minister to organise an annual co-ordination meeting for the chairs of the statutory RDCs. Only five of the 15 RDCs are statutory bodies, and the government has decided that other co-ordination mechanisms would be more appropriate. As such, the PIRD Act will be amended to remove the requirement for an annual co-ordination meeting.

Consultation

The Department of Agriculture consulted relevant Australian Government agencies in the development of the Budget measure and this Bill, and consulted the relevant RDCs on the implementation of the measure following its announcement. An exposure draft of the Bill was released to the RDCs.

FINANCIAL IMPACT STATEMENT

The proposed amendments are expected to have a positive financial impact on the Australian Government of approximately \$7 million over four years from 2014-15.

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Rural Research and Development Legislation Amendment Bill 2014

This Bill is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the

Human Rights (Parliamentary Scrutiny) Act 2011.

Overview of the Bill

This Bill implements a 2014 Budget measure and reduces unnecessary regulation imposed on the rural research and development corporations (RDCs) and the Commonwealth. The Bill directly affects only the relevant RDCs.

The Budget measure allows the government to deduct the cost of membership fees to international commodity organisations and regional fisheries management organisations from the matching amounts paid by the Commonwealth to the relevant RDCs. Australia will continue to be a member of the organisations for which it currently holds membership, and the Commonwealth will continue to be responsible for membership and for the payment of membership fees. The Bill only changes the way that the cost of the membership fees are paid by the Commonwealth.

Additional measures remove the requirement for the Minister for Agriculture to organise an annual co-ordination meeting for the chairs of the statutory RDCs, and remove requirements for some RDCs to table documents in Parliament, such as the funding agreement, the annual report, and other compliance reports. The RDCs will still be required to produce these documents and where required make them publicly available.

Human rights implications

This Bill does not engage any of the applicable rights or freedoms. It affects only the relevant corporations, not individuals.

Conclusion

This Bill is compatible with human rights as it does not raise any human rights issues.

The Hon. Barnaby Joyce MP, Minister for Agriculture

RURAL RESEARCH AND DEVELOPMENT LEGISLATION AMENDMENT BILL 2014

NOTES ON ITEMS

Clause 1: Short Title

Clause 1 is a formal provision specifying that the short title of the Act may be cited as the *Rural Research and Development Legislation Amendment Act 2014*.

Clause 2: Commencement

Clause 2 provides for the commencement of the Act.

Sections 1 to 3, Schedule 1 (Division 1 of Part 1 and Part 2), and Part 2 of Schedule 2 to the Act will commence on the day after the Act receives Royal Assent. Schedule 1 (Division 2 of Part 1) will start the later of the day after the Act receives Royal Assent or the 31 March 2015. This will allow time for the funding agreement between the Commonwealth and Sugar Research Australia to be varied to incorporate the changes made in the Act. Part 1 of Schedule 2, which removes requirements for the tabling of certain corporate documents, will commence on 1 October 2014. To reduce regulatory burden, corporate documents covered by Part 1 of Schedule 2 that are provided to the Minister after 1 October 2014 (but before the Act has received Royal Assent) will not be required to be tabled in the Parliament. The retrospective commencement will not have prejudicial effects. The RDCs will still be required to produce these documents and where required make them publicly available.

Clause 3: Schedules

Clause 3 provides that each Act specified in a schedule to this Act is amended or repealed as set out in the applicable items of the schedule concerned and that any other item in a schedule to this Act has effect according to its terms.

Schedule 1—Contributions to international organisations

Part 1—Amendments

Division 1—Amendments commencing on the day after Royal Assent

Australian Grape and Wine Authority Act 2013

Item 1 Subsection 4(1) – Interpretation

This item inserts references to an *international grape and wine organisation*, *membership contribution*, and *membership contribution amounts*. These terms are defined in a new section to the Act (s31L, see item 2, and s37, see item 5).

Item 2 Before section 32

This item inserts a new section into the Act, before section 32. The new section (31L) provides definitions of *international grape and wine organisation* and *membership contribution*. Subsection 31L(1) states that an *international grape and wine organisation* is an international commodities organisation related to the grape and wine industry. A *membership contribution* is the amount that the Commonwealth pays for its membership to an *international grape and wine organisation*.

Subsection 31L(2) converts the membership contribution amount, if paid in a foreign currency, to Australian dollars at the time of payment by the Commonwealth. The amount in Australian dollars is the membership contribution amount payable by the Authority to the Commonwealth.

Subsection 31L(3) allows the Minister to determine by legislative instrument which international commodity organisation is an *international grape and wine organisation*. Currently, the international commodity organisation that relates to the grape and wine industry is the International Organisation of Wine and Vine. There is currently no legislative instrument that relates to this subsection, and a new legislative instrument will need to be created.

Item 3 Paragraph 32(ai) – Payments to the Authority

This item amends paragraph 32(ai), which requires the Commonwealth to pay the Authority matching funds for eligible expenditure, subject to legislated caps. The amendment makes the payment of matching funds conditional on the Authority paying the membership contribution amounts, as described at item 5.

Item 4 After paragraph 35(1)(ad) – Application of money of the Authority

This item permits the Authority to spend money to pay the membership contribution amounts to the Commonwealth.

Item 5 After section 36

A new section (section 37) is inserted into the Act to describe the payment of membership contribution amounts. It makes the payment of matching funding by the Commonwealth to the Authority conditional on the Authority's payment of the membership contribution amount. The membership contribution amount must be paid by the 31 October following the financial year in which the Commonwealth paid the membership, unless the Minister approves an extended time period.

Section 37 provides two options for the payment of membership contribution amounts. The first is for the Authority to make a payment to the Commonwealth of the membership contribution amount. The second option (subsection 37(4)) allows the Commonwealth to set-off the membership contribution amount from the matching funding that it provides to the Authority. Only one of these two options would be used for each membership contribution amount payable by the Authority, and either would satisfy the condition at subsection 37(2).

The Commonwealth makes payments during a financial year of matching funding to the Authority. In practice, the off-set option could be used by the Commonwealth reducing the matching funding paid to the Authority by the membership contribution amount.

Primary Industries Research and Development Act 1989

Item 6 Subsection 4(1) – Definitions

This item inserts references to an *international organisation*, *membership contribution*, and *membership contribution amounts*. These terms are defined in new sections to the Act (s29A, see item 7, and s34A, see item 19).

Item 7 Before section 30

This item inserts a new section into the Act, before section 30. The new section (29A) provides definitions of *international organisation* and *membership contribution*. Subsection 29A(1) states that an *international organisation* is an international commodities organisation, or a regional fisheries management organisation, related to a primary industry for which an RDC is established. A *membership contribution* is the amount that the Commonwealth pays for its membership to an *international organisation*.

Subsection 29A(2) converts the membership contribution amount, if paid in a foreign currency, to Australian dollars at the time of payment by the Commonwealth. The amount in Australian dollars is the membership contribution amount payable by an RDC to the Commonwealth.

Subsection 29A(3) allows the Minister to determine by legislative instrument which international commodity organisations are an *international organisation*, and specify to which RDC each international organisation relates. Currently, there are international commodity organisations for the grains industry (the International Grains Council), the cotton industry (the International Cotton Advisory Committee), and the sugar industry (the International Sugar Organization). There are six regional fisheries management organisations - the South Pacific Regional Fisheries Management Organisation, the Commission for the Conservation of Southern Bluefin Tuna, the Western and Central Pacific Fisheries Commission, the Southern Indian Ocean Fisheries Agreement, the Indian Ocean Tuna Commission, and the Network of Aquaculture Centres in Asia-Pacific. There is currently no legislative instrument that relates to this subsection, and a new legislative instrument will need to be created.

Item 8 Paragraph 30(1)(b) – Payments to R&D Corporation—general

This item amends paragraph 30(1)(b), which requires the Commonwealth to pay the RDCs matching funds for eligible expenditure, subject to legislated caps. The amendment makes the payment of matching funds conditional on the RDC paying the membership contribution amounts, where there is an international organisation determined by the Minister in relation to the RDC.

Item 9 Paragraph 30(1)(b) – Payments to R&D Corporation—general

This item excludes the membership contribution amount from the RDC expenditure that is eligible for matching by the Commonwealth.

Item 10 Subsection 30A(2) – Fishing industry payments other than separately levied fishery payments

This item amends subsection 30A(2), which requires the Commonwealth to pay the Fisheries RDC matching funds, subject to legislated caps. The amendment makes the payment of matching funds conditional on the Fisheries RDC paying the membership contribution amounts, where there are one or more international organisations determined by the Minister in relation to the Fisheries RDC.

Item 11 Paragraph 30A(2)(a) – Fishing industry payments other than separately levied fishery payments

This item excludes the membership contribution amount, in relation to the Fisheries RDC, from the RDC expenditure that is eligible for matching by the Commonwealth.

Item 12 Paragraphs 30A(2)(b) and (c) – Fishing industry payments other than separately levied fishery payments

This item amends paragraphs 30A(2)(b) and (c). These paragraphs provide matching funding to Fisheries RDC in relation to levies and State or Territory contributions received by the RDC.

The payments to Fisheries RDC are described separately to the payments to other RDCs, as the funding model is different. The Fisheries RDC receives funding from state and territory governments, as well as from levies. The Commonwealth funding provided to Fisheries RDC is described in paragraph 30A(2)(b) (and 30B(3)(b) for separately levied fisheries). Each paragraph in this section provides an amount of Commonwealth funding, up to a cap based on gross value of production (GVP).

In paragraphs (b) and (c), the matching funding provided is limited by one of two types cap, which are calculated based on gross value of production. Unlike other RDCs, the type of GVP cap applied to this funding is determined by the amount of expenditure of Fisheries RDC. The amendment ensures that the payment of membership contribution amounts by the Fisheries RDC will not affect the type of GVP cap that is applied to these payments. The amendment will not make the membership contribution amounts eligible for matching.

Item 13 Paragraph 30A(2)(d) – Fishing industry payments other than separately levied fishery payments

This item is a technical amendment to correct a drafting error in the Act.

Item 14 Subsection 30B(3) – Separately levied fishery payments

This item amends subsection 30B(3), which requires the Commonwealth to pay the Fisheries RDC matching funds in relation to a separately levied fishery, subject to legislated caps. The

amendment makes the payment of matching funds conditional on the Fisheries RDC paying the membership contribution amounts. There are currently no fisheries industries that have been declared as separately levied fisheries. This item would apply where the regulations declare that there is a separately levied fishery, and where there are one or more international organisations determined by the Minister in relation to that separately levied fishery.

Item 15 Paragraph 30B(3)(a) – Separately levied fishery payments

This item excludes the membership contribution amount, in relation to a separately levied fishery, from the RDC expenditure that is eligible for matching by the Commonwealth.

Item 16 Paragraph 30B(3)(b) – Separately levied fishery payments

This item amends paragraph 30B(3)(b), which provides matching funding to Fisheries RDC in relation to levies collected on a separately levied fishery. The matching funding provided is limited by one of two types cap, which are calculated based on gross value of production (GVP). The type of GVP cap applied to this funding is determined by the amount of expenditure of Fisheries RDC in relation to the separately levied fishery. The amendment ensures that the payment of membership contribution amounts by the Fisheries RDC will not affect the type of GVP cap that is applied to this funding. The amendment will not make the membership contribution amounts eligible for matching.

Item 17 Paragraph 32(1A)(a) – Retention limit for Commonwealth’s matching payments

This item is a technical amendment to correct a drafting error in the Act.

Item 18 After paragraph 33(1)(d) – Expenditure of money of R&D Corporation

This item permits the RDCs to spend money to pay the *membership contribution amounts* to the Commonwealth.

Item 19 After section 34

This item inserts a new section (section 34A) into the Act to describe the payment of membership contribution amounts. The payment of matching funding by the Commonwealth to an RDC is conditional on the payment of the membership contribution amount, if the Minister has determined that there is an international organisation in relation to that RDC. The membership contribution amount must be paid by the 31 October following the financial year in which the Commonwealth paid the membership, unless the Minister approves an extended time period.

Section 34A provides two options for the payment of membership contribution amounts. The first is for an RDC to make a payment to the Commonwealth of the membership contribution amount. The second option (subsection 34A(5)) allows the Commonwealth to set-off the membership contribution amount from the matching funding that it provides to the relevant RDC. Only one of these two options would be used for each membership contribution amount payable by an RDC, and either would satisfy the condition at subsection 34A(3).

The Commonwealth makes payments during a financial year of matching funding to the RDCs. In practice, the off-set option could be used by the Commonwealth reducing the matching funding paid to an RDC by the membership contribution amounts.

Division 2—Amendments commencing on the later of the day after Royal Assent and 31 March 2015

Sugar Research and Development Services Act 2013

Item 20 Section 4 – Definitions

This item inserts a reference to an *international sugar organisation*, which is defined in a new section of the Act (s5A, see item 24).

Item 21 Section 4 (paragraph (c) of the definition of *matching amounts*)

This item is a technical amendment to correct an error in the Act. It changes a reference to ‘regulations’ to a reference to ‘rules’. Section 14 of the Act provides for rules to be made, rather than regulations.

Item 22 Section 4 – Definitions

This item inserts a reference to a *membership contribution*, which is defined in a new section of the Act (s5A, see item 24).

Item 23 Section 5 – Simplified outline of this Part (Part 2—Funding contract)

This item amends the simplified outline for Part 2 of the Act. The simplified outline explains the types of payments that the Commonwealth makes to the industry services body (currently Sugar Research Australia). Paragraph (a) of *matching payments* outlines the activities on which the industry services body can spend the matching funding it receives from the Commonwealth. This paragraph is amended to reflect the additional type of payment that the industry services body can make to the Commonwealth (i.e. membership contribution amounts).

Item 24 After section 5

A new section is inserted into the Act, after section 5. The new section (5A) provides definitions of *international sugar organisation* and *membership contribution*. Subsection 5A(1) states that an *international sugar organisation* is an international commodities organisation related to the sugar industry, and that it must be specified in the funding contract between the industry services body and the Commonwealth. A *membership contribution* is the amount that the Commonwealth pays for its membership to an *international sugar organisation*.

Subsection 5A(2) converts the membership contribution amount, if paid in a foreign currency, to Australian dollars at the time of payment by the Commonwealth. The amount in Australian dollars is the membership contribution amount payable by the industry services body to the Commonwealth, if an international sugar organisation is specified in the funding

contract. Currently, the international commodity organisation that relates to the sugar industry is the International Sugar Organization.

Item 25 After subparagraph 6(2)(b)(i) – Funding contract

Subsection 6(2) of the Act describes the provisions that must be covered in a funding contract between the industry services body and the Commonwealth. An additional subparagraph (6(2)(b)(ia)) is inserted to ensure that the funding contract provides for the industry services body to spend matching funds on payments to the Commonwealth of membership contribution amounts.

Item 26 After paragraph 6(2)(b) – Funding contract

Two new paragraphs (ba) and (bb) are inserted into the subsection 6(2). Paragraph (ba) ensures that the funding contract between the industry services body and the Commonwealth makes the payment of matching funds conditional on the industry services body paying to the Commonwealth an amount equivalent to the *membership contribution* paid by the Commonwealth to an *international sugar organisation*.

Paragraph (bb) allows the Commonwealth to off-set the membership contribution amount from the matching funding that it provides to the industry services body. The Commonwealth makes payments during a financial year of matching funding to Sugar Research Australia. This paragraph allows the Commonwealth to reduce the amount of matching funding provided by the membership contribution amount, rather than Sugar Research Australia making a payment to the Commonwealth of the membership contribution amount.

Item 27 Subsection 7(3A) – Appropriation for payments under funding contract etc.

This item is a technical amendment to correct an error in the Act. It changes a reference to ‘regulations’ to a reference to ‘rules’. Section 14 of the Act provides for rules to be made, rather than regulations.

Part 2—Application of amendments

Items 28-30 Amendments of the *Australian Grape and Wine Authority Act 2013*, the *Primary Industries Research and Development Act 1989* and the *Sugar Research and Development Act 2013*

These items allow the amendments in Division 1 of Part 1 to apply in the 2014-15 financial year, and later financial years. Membership contributions paid by the Commonwealth from 1 July 2014 onwards will be able to be recovered from relevant RDCs.

Schedule 2—Deregulation amendments

Part 1—Amendments commencing on 1 October 2014

Australian Meat and Live-stock Industry Act 1997

Item 1 Division 4 of Part 3 – Reporting to Parliament in relation to live-stock export bodies

Division 4 of Part 3 of the Act is repealed to remove requirements for the Minister to table in Parliament certain documents of the live-stock export body (currently the Australian Livestock Export Corporation Limited). The documents that will no longer need to be tabled are the funding agreement between the Commonwealth and the live-stock export body, and variations to the funding agreement; the report on compliance with the funding agreement; and the annual report. The live-stock export body will still be required to produce these documents and, where required, make them publicly available or available to members. The information required in the compliance report is available in other reports prepared by the live-stock export body, such as the annual report.

Dairy Produce Act 1986

Item 2 Subsections 5(6) and 5(7) – Funding contract

Subsections 5(6) and 5(7) of the Act are repealed to remove the requirement for the Minister to table in Parliament the funding contract between the Commonwealth and the industry services body (currently Dairy Australia Limited), and variations to the funding contract. The industry services body will still be required to make the funding contract publicly available.

Item 3 Subsection 13(2) – Tabling of financial reports

Subsection 13(2) of the Act is repealed to remove the requirement for the Minister to table in Parliament the annual report (referred to as a financial report in the Act) of the industry services body. The industry services body will still be required to provide the annual report to the Minister and make it publicly available.

Item 4 Section 14 – Other reports

Section 14 of the Act is repealed to remove the requirement for the Minister to table in Parliament a report, following the annual general meeting of the industry services body, in relation to the year before the meeting. The information required to be in this report is available in other reports produced by the industry services body, such as the annual report.

Item 5 Subclause 79C(1) of Schedule 2 – Report to Minister

Subclause 79C of Schedule 2 is re-numbered.

Item 6 Subclause 79C(2) of Schedule 2 – Report to Minister

Subclause 79C(2) is repealed to remove the requirement for the Minister to table in Parliament the report on the administration of the Dairy Structural Adjustment Fund (DSAF). This report is no longer produced as the DSAF wound up in July 2009, the Australian Government Department of Agriculture now handles any administrative matters that arise in relation to DSAF.

Forestry Marketing and Research and Development Services Act 2007

Item 7 Subsections 8(6) and 8(7) – Funding contract

Subsections 8(6) and 8(7) of the Act are repealed to remove the requirement for the Minister to table in Parliament the funding contract between the Commonwealth and the industry services body (currently Forest and Wood Products Australia Limited), and variations to the funding contract. The industry services body will still be required to make the funding contract publicly available.

Sugar Research and Development Services Act 2013

Item 8 Subsections 6(6) and 6(7) – Funding contract

Subsections 6(6) and 6(7) of the Act are repealed to remove the requirement for the Minister to table in Parliament the funding contract between the Commonwealth and the industry services body (currently Sugar Research Australia Limited), and variations to the funding contract. The industry services body will still be required to make the funding contract publicly available.

Part 2—Amendments commencing on the day after Royal Assent

Primary Industries Research and Development Act 1989

Item 9 Section 142 – Co-ordination meetings

Section 142 is repealed to remove the requirement for yearly co-ordination meetings between the statutory RDCs to be held. This requirement is removed because, of the 15 RDCs, only 5 are statutory corporations to which the requirement would apply. The government considers that regular meetings currently held by the Council of Research and Development Corporations with the chairs of all 15 RDCs more appropriately fulfils this function.