

# Angry cattle farmers threaten class action

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Kelly Burke

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CATTLE farmers may take legal action against Meat and Livestock Australia, to claim for damages over the Indonesian export ban.

Lawyers preparing a class action say that the directors of MLA and LiveCorp may have breached their fiduciary duties to their members by not disclosing to their members and levy payers the slaughtering conditions in some Indonesian abattoirs.

The case would have to prove that MLA directors had prior knowledge of the inhumane conditions under which Australian cattle were killed.

Farmers would also need to prove they would not have exported their cattle to Indonesia in the first place, had they been informed of the conditions.

Norman Hunt, from Hunt Partners Solicitors, said preliminary advice from a senior counsel yesterday indicated that the directors of MLA and LiveCorp may have a case to answer.

"The case would not be without its difficulties but I am now advising my clients of the possibility of bringing a class action for recovery," Mr Hunt said.

Cattle farmers paid more than \$60 million in the form of levies to MLA last year.

MLA has repeatedly said that while it was aware of some "poor animal handling practices" in Indonesia, it was not aware of the inhumane slaughtering conditions exposed in video footage taken by Animals Australia.

The meat industry is also about to be brought to the attention of the corporate watchdog. A group of meat processors confirmed yesterday they had instructed their lawyers to turn over their files to the Australian Securities and Investment Commission.

Led by Southern Meats in Goulburn and the Junee abattoir, the processors claim the files will prove that the Australian Meat Processors Corporation misled its members and collected millions of dollars in levies without having a proper basis between 2004 and 2007.

They claim the production contribution agreements became invalid in 2004 because they were contingent on all major processors signing up.

Two major processors had refused, yet the corporation continued to collect an estimated \$42 million in levies over the ensuing three years.

Southern Meats and Junee abattoir are now seeking a return of levies totalling \$1.8 million and \$700,000 respectively.

A meat industry consultant, Frank McMahon, who is acting for the disgruntled processors, said after 15 months of legal advice it was decided to hand the matter over to ASIC.

Meanwhile, in Indonesia, the President, Susilo Bambang Yudhoyono, yesterday ordered a government investigation into the meat industry.

"We have to respect animal welfare. The agriculture minister and the health minister must visit the abattoirs," Dr Yudhoyono told reporters at a news conference.

"What we need to do is find a solution for the short and long term."

*live agents*