



Your strong and independent voice for livestock producers

9L039

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Office of the Hon Joel Fitzgibbon MP
Shadow Minister for Agriculture, Fisheries and Forestry
Australian Labor Party

By email: Sandra.crowe@aph.gov.au

Red Meat Strategy Discussion Paper

Those in the Australian Labor Party responsible for preparing the Red Meat Strategy Discussion Paper are to be commended for not only this initiative but the detail in the document.

Currently the Red Meat Advisory Council has a Green Paper in circulation on the Red Meat Memorandum of Understanding, and the Discussion Paper with its wider perspective, complements this.

Livestock SA was formed in 2013 to represent the interests of beef cattle, sheep and goat producers across South Australia. Currently Livestock SA has 3,500 members.

For the sake of our members, it is essential that there is a well-structured process for the future of the red meat industry in this country.

The Discussion Paper clearly sets out the challenges for the red meat industry, and the role government can play in creating the right investment environment. We agree that the “red meat sector is a foundation stone of the Australian economy contributing over \$18 billion to Gross Domestic Product and annually earning \$15 billion in export income.”

We are pleased with the emphasis in the Discussion Paper on the issues facing producers such as product supply and the need for a comprehensive drought strategy, the need to respond to the Productivity Commission’s recommendations on the regulatory burden imposed on farm businesses, and the support for live exports.

In relation to the issue of fragmented industry leadership, this is an issue the Green Paper for the Red Meat MOU tries to address with the four options detailed for reform.

The current structure has become cumbersome and inefficient, which limits its ability to quickly respond to issues in a coherent and effective manner. The new model needs to resonate with all stakeholders – producers, industry, government. Reform can very cyclical if not done properly – rationalisation, which can

lead to dissatisfaction by groups who feel disenfranchised that their voice is not being heard under the new arrangements, resulting in large splinter groups that can be a thorn in the side of the new structure. In the Green Paper four options have been detailed for reform, and of these Livestock SA prefers Option 3 as the preferred option.

We would like to see the following –

- An RMAC style overarching body that manages cross commodity and whole of industry issues. This body would address the broader questions around social license, competition from other protein sources, climate change, animal welfare, low levels of investment, changing consumption patterns, and technological disruption. This body would provide leadership, skill-based governance and use new technology to stay connected to all members of the value chain.
- One sheep Peak Industry Council (PIC) which will incorporate Sheep Producers Australia, Wool Producers Australia, Australian Livestock Exporters Association (ALEC), and possibly Goat Industry Council of Australia. All peak industry councils will be charged with providing thought leadership while addressing the expectations of all stakeholders, including consumers. The Sheep PIC will address sheep specific issues such as live export and mulesing.
- One Cattle Peak Industry Council which will incorporate ALEC and Australian Lot Feeders Association.
- One processor Peak Industry Council
- One Research and Development Corporation (RDC) which incorporates MLA, AWI, Livecorp and AMPC.

Advantages

- This model has an element of familiarity that will increase support from a broader section of stakeholders. Any reform needs to ensure that the MoU and accompanying legislation addresses the inadequacies of the current model.
- There has been a problem with RMAC dealing with some issues where members have a conflicting opinion on how the issue should be addressed. A good example was the recent sheep live export crisis where AMIC, ALEC and Sheep Producers Australia all had different opinions on how it should be managed. With the above structure, the new RMAC would be responsible for cross commodity issues, and an issue like live export would be managed by the sheep PIC (or cattle if it was a cattle live export issue).

Other considerations

- It is essential that we have strong, independent and well-resourced Peak Industry Councils. The RDC's currently have too much influence over the PIC decision-making processes.
- The PIC's need to be supported by policy committees that allow the production sector to have input to policy development. For example, the new Sheep Producers Australia structure has policy committees where policies are formulated and tested. We should never assume that producers do not have the skills or are not interested in the governance of their industry, it would be a dangerous generalisation that will alienate producers.

- All PIC's must have the trust and respect of all stakeholders. There will be times when decisions and messages may be unpalatable for some members. Retaining their trust and confidence will be a challenge.
- We should consider the New Zealand model where the collection of levies needs to be supported by a majority of producers. This would encourage transparency and accountability from the levy recipients to ensure producers are confident they are getting a good return on their investment.

Another issue that needs to be considered but may be beyond the scope of what this Discussion Paper is wanting to achieve, is whether to expand the definition of red meat to not only cover beef, sheep and goat, but also kangaroo. To address the overabundance of kangaroos that is occurring, despite a drought in the short-term, how do we utilise this resource? Kangaroo meat is exported to over 50 countries as well as being widely available to Australian consumers. A good marketing strategy is urgently required.

Livestock SA looks forward to the opportunity to further engage with the Labor party as it progresses its Red Meat strategy deliberations.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Joe Keynes', written in a cursive style.

Joe Keynes
President

