



Your strong and independent voice for livestock producers

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15 April 2019

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TOWARDS A BETTER RED MEAT FUTURE

The independent Taskforce appointed by RMAC to review the Red Meat MOU has prepared a Green Paper for comment. This is difficult to read and appears not to have been logically presented with, for example, the Executive Summary not appearing until page 16. There are also a number of inaccuracies, such as the maps on page 22 – for South Australia, these show sheep above the dog fence, but not cattle.

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

For the sake of our members, it is essential that there is a well-structured process for the future of the sheep industry in this country. Livestock SA (along with other State Farming Organisations) has been working towards the establishment of one sheep Peak Industry Council with an amalgamation of Sheep Producers Australia and Wool Producers Australia. While we appreciate this was not an option in the Taskforce's terms of reference, it does need to be considered.

The Green Paper adequately explains the current model and the need for change. It has also identified some of the key issues that need to be addressed in a revised Meat Industry Strategic Plan. There is recognition that 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 and government.

In the Green Paper four options have been detailed for reform, and this submission concentrates on commenting on these and expanding on Option 3 as the preferred option.

Option 1: Improvements to existing MOU

Could be achieved, but the current structure is cumbersome and inefficient. The MoU is 20 years old and needs changes to reflect current challenges. It needs clarity and legislative teeth to ensure collaboration, with all participants knowing their roles and responsibilities. As stated in the Green Paper, "the current governance arrangements appear to accept unnecessary divisions between supply chain participants."

Option 2: Law of the jungle

Should not be considered - united we will prosper and divided we will fail

Option 3: A hybrid option

This may be an achievable compromise that meets the expectation of all stakeholders.

Option 4: A revitalised red meat industry led by a new organisation

This could have broad support initially but will be difficult to get consensus when establishing the detail.

Livestock SA's preference is for Option 3: A hybrid 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 RDCs currently have too much influence over the PIC decision-making processes.
- The PICs 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 PICs 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.