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CPA questions RMAC's role at RedMeat 2018

A delegation of Cattle Producers Australia members attended the RedMeat 2018 forum in Canberra this week to question industry leaders about concerns within the industry.

CPA Chair, Dr Paul Wright said, "it is astonishing how little real progress has been made in fundamental cattle industry reform given the overwhelming weight of evidence supporting the need for reform."

CPA endorses the recommendations of two Senate Inquiries and an ACCC Cattle and Beef Market Study into issues relevant to structures, systems, competition and transparency impacting upon grass-fed cattle transaction levy payers. These reports concluded that the present systems and structures do not adequately or appropriately represent the interests of cattle producers and that fundamental changes must be made.

The RedMeat 2018 forum explored all aspects of the industry in a series of events including panel discussions, questionnaires and in-depth insights into industry matters.

At the industry forum featuring panellists from various industry bodies, CPA Chair Dr Paul Wright questioned Chair of the Red Meat Advisory Council (RMAC) Mr Don Mackay about how he manages matters with commercial conflict of interest between the various red meat industry sectors that it represents and how it advises Government on important issues such as live sheep and cattle exports, citing processors support for the closing of the live export trade.

Mr Mackay stated it is the role of the peak organisations to deal with that issue.

Mr Mackay indicated that it is unfair to expect that RMAC handles all the issues that arise in the industry, the peak bodies are there to deal with these issues.

This response highlights the lack of ability of RMAC to deal with these key issues which are so vital to the red meat industry as they arise. Dr Wright said, "either you are the voice to Government for whole of industry or you are not! These inherent commercial conflicts of interest go to the heart of the RMAC's structure and its current role as a one stop advisory body for Government."

CPA endorses retiring MLA Managing Director, Mr Richard Norton's comments in his final report to the MLA AGM that "Industry must embrace change and the opportunities it presents. Often change is difficult particularly when old ways are entrenched, and interests are vested." He went on to say that industry has an MoU that sets out the roles and responsibilities for the red meat peak councils and service providers and that the review must resolve industry responsibilities and ownership of industry roles.

Dr Wright said, “the fact that RMAC was unable to reconcile the conflicting commercial interests of processor and producer members on their board during the 2011 live export ban to Indonesia highlights the level of dysfunction of this structure.” The [2014 Grass-fed levy Inquiry](#) recognized this failure by RMAC to advise government. “This dysfunction contributed to the imposition of a live cattle export ban to Indonesia, delivering windfall profits to the processing sector largely at the expense of cattle producers, are we now seeing history being repeated with the current situation with sheep live exports?”

[The 2017 ACCC Cattle and Beef Market Study](#) identified a lack of transparency in some cattle marketing systems and charged existing industry representative structures with the responsibility of implementing necessary reforms. In May 2018 an [ACCC update report](#) concluded that these bodies were unresponsive to change and in its [media release](#) the ACCC pointed out that the inaction of industry representative participants demonstrated that they either did not understand the value of transparency or it did not suit their interests to make improvements.

Dr Wright noted “that the Terms of Reference for the Red Meat Industry MoU Taskforce Review provide for a robust, independent root and branch examination of the current red meat organisational structures to ensure that these structures were appropriate to provide the best outcomes for the red meat interests going forward”.

“Twenty years have elapsed since the current red meat industry structures were put in place and our economy has changed enormously during that time and consequently, it is imperative that the current review of the Red Meat Industry MoU comprehensively addresses all these issues if concerns of cattle producers are to be alleviated and the findings and recommendations of the Taskforce are to be accepted by industry and Government”

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About Cattle Producers Australia

Cattle Producers Australia Ltd (CPA) is the new voice on issues that affect grass-fed cattle production businesses. We offer a new era of leadership in advocacy and governance for the grass-fed cattle industry. As a democratically elected organisation, all grass-fed cattle producer members have voting rights and equal opportunity to stand for election. Policy Advisory Councilors will be elected from 15 regions across Australia. Control of CPA will be directly in the hands of grass-fed levy paying cattle producers.

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