

# Grass-fed Cattle Industry Roundtables: National Representation

## Discussion Paper

### BACKGROUND

In November 2020, Cattle Council of Australia (CCA) and Cattle Producers Australia received a joint letter from Minister Littleproud requesting that a roundtable meeting be held between the two organisations to “settle a forward pathway, mechanism and timeline for reaching agreement on representation in the sector – including role, board and governance, funding streams, membership, and relationships with other red meat supply chain bodies.”

The first roundtable meeting occurred in Brisbane on 16 December 2020. Meeting attendees<sup>1</sup> acknowledged that grass-fed cattle industry representation is essential and there is a cost to producers, government, communities, and the industry itself without strong, influential beef industry representative arrangements that can achieve unified positions on nationally and internationally important issues.

It was agreed that there was a need for a more democratic representative system, which engages most cattle producers and the need to set a direction and make the transition to an appropriate governance arrangement, building on what is already working. Six principles to underpin a future industry representative arrangement were agreed:

- inclusivity;
- diversity (beyond geographic diversity);
- trust and respect;
- the ability to be proactive and strategic;
- performance, results, and accountability, and
- sustainability (an enduring organisation).

A second roundtable meeting occurred in Brisbane on 22 February 2021. Meeting attendees<sup>2</sup> welcomed the progress since the last meeting to identify the issues that would need to be resolved to form a single grass-fed cattle representative body. Attendees expressed a strong desire to get on with designing a new representative model for the grass-fed cattle industry and to start broader consultation with the rest of the industry as part of that process.

Outside the roundtable meetings, work has been progressing to analyse potential structural and funding options for a new grass-fed cattle representative body that can be used as a basis for broader discussion with the grass-fed cattle industry. For the purposes of this discussion paper, the new grass-fed cattle industry organisation will be referred to as ***‘Beef Industry Australia’ (BIA)***.

---

<sup>1</sup> **CCA:** Markus Rathsmann (President), Lloyd Hick (Vice President and AgForce Director), Alice Greenup (Northern Independent Director), Bill Stacy (NSW Farmers Director), Peter Star (VFF Director), Travis Tobin (CEO).

**CPA:** Paul Wright (Chair), Cameron McIntyre (CPA), Norman Hunt (Company Secretary), David Byard (Australian Beef Association), Ernie Camp (Gulf Cattleman's Association), Phil Keevers (Richmond River Beef Association).

<sup>2</sup> **CCA:** Markus Rathsmann (President), Lloyd Hick (Vice President and AgForce Director), Alice Greenup (Northern Independent Director), Bill Stacy (NSW Farmers Director), Travis Tobin (CEO).

**CPA:** Paul Wright (Chair), Cameron McIntyre (CPA), Norman Hunt (Company Secretary), David Byard (Australian Beef Association), Ernie Camp (Gulf Cattleman's Association), Phil Keevers (RRBA).

## ORGANISATIONAL IMPERATIVE AND OUTCOMES SOUGHT

The imperative for change and transition from the current representative structure to the BIA proposal is the need to establish and maintain meaningful engagement and a sense of ownership by grass-fed cattle producers with their peak industry organisation. The longer it takes to realise necessary reforms within the grass-fed cattle industry and the broader red meat sector, the greater the cost to cattle producers, their industry and government.

The grass-fed cattle industry makes an important contribution to the Australian economy. It accounts for around 21% (\$12.8 billion) of the total gross value of farm production, around 22% of the total value of farm export income and has over 46,000 businesses producing beef on more than 77% of the total area used for agricultural production<sup>3 4</sup>.

The grass-fed cattle industry has significant potential to influence the policies and politics that impact the beef and broader red meat industries. Considering the whole red meat and livestock sector, the grass-fed cattle industry accounts for<sup>5</sup>:

- 25% of the total turnover (\$72.5 billion)
- 41% of the total contribution to GDP (\$17.6 billion)
- 59% of the total businesses (77,400); 92% of the businesses in the beef industry.

The grass-fed cattle industry has the potential to be significantly more influential in industry affairs and government policy setting. As the largest single agricultural industry in the country, if unified and strategically focused it also has the greatest potential to help realise the Federal Government's commitment to support the agricultural sector's ambition to become a \$100 billion industry by 2030<sup>6</sup>.

The industry's producers need and deserve a united, effective, leading peak body. Realising such a body will require compromise and open and transparent discussions by different sectoral interests and a strong focus on 'industry good'. Failing to do so will see the grass-fed cattle industry remain fractured and continue to have a lot less power than it should in influencing matters affecting the industry, both now and into the future.

The BIA proposal aims to deliver:

- A structure that is built around democracy and regional representation.
- Democratic representation of and engagement with grass-fed cattle levy payers.
- Transparency that demonstrates it is levy payer based and owned.
- A formalised place for State Farming Organisations (SFOs) in the system to ensure any changes continue to capture the considerable value they bring to the industry, such as knowledge, networks, regional structures, and influence.
- Greater engagement of the larger businesses while maintaining the strong engagement with smaller producers through a split voting register for the board and regional Policy Council structure.
- Greater control of grass-fed cattle levy payer funds.
- Ability to direct policy research, facilitate inclusive and engaging discussions with grass-fed cattle levy payers to formulate industry agreed and owned positions.
- Sustainably funded organisational model.

---

<sup>3</sup> Thompson, T & Litchfield, F, 2020, *Australian beef: financial performance of beef farms, 2017–18 to 2019–20*, ABARES, Canberra, September.

<sup>4</sup> State of the Industry Report 2020. Meat & Livestock Australia

<sup>5</sup> State of the Industry Report 2020. Meat & Livestock Australia

<sup>6</sup> <https://minister.awe.gov.au/littleproud/media-releases/delivering-ag2030> (Ag2030 Plan)

- Access to a levy payer register to underpin communication and engagement.
- A fit for a purpose RMAC structure that is realised through a new MoU.
- A structured transition from the current grass-fed cattle producer Peak Industry Council (CCA) to the new reformed grass-fed cattle producer Peak Industry Council (BIA).

## **PROPOSED STRUCTURE AND FUNDING TO DELIVER DESIRED OUTCOMES**

**Attachment 1 – Proposed representative structure and function for cattle levy payers** details a suggested Peak Industry Council structure capable of delivering the outcomes sought. The structure separates the functions of the consultative and routine policy setting framework from the role of the board to better focus effort, priorities, resources, skills, and get greater cattle levy payer engagement. Clear demarcations between the role of a Policy Council and the Board should help identify the best people for these very different roles, and it would also enable the organisation to clearly demonstrate the separation of policy and advocacy – something that will be important for determining the use of possible funding streams.

**Attachment 2 – CattleCorp** details the governance and operating model for the establishment of a new levy receiving organisation that would enable the grass-fed cattle industry to collect and administer its levies in the same way that the processor and live-export industry sectors do now. CattleCorp would deliver greater oversight and control over how grass-fed cattle industry levies are spent and the much needed and long-awaited levy payer register.

**Attachment 3 – Potential BIA funding mix** details the potential and possible funding mix for BIA to enable it to become a united, engaging, and effective peak industry body capable of (per the Red Meat MoU) leading the grass-fed cattle industry, formulating its policies, setting its strategic imperatives and overall levels of levy expenditure, and assessing the performance of the services delivered by the industry’s service providers.

## **NEXT STEPS**

CCA and CPA are consulting with their respective members and associates on the BIA proposal. The organisations have requested a joint meeting with Minister Littleproud in late April 2021 to formally respond to the requests of CCA and CPA in his November 2020 letter.

A strategic communications plan and project outline are being developed to ensure a structured and inclusive approach to the wider industry consultation process that will need to occur following the anticipated April meeting with the minister.