

31<sup>st</sup> January 2022

Dear Members,

### **Chairman's Report**

Welcome to the third AGM of Cattle Producers Australia.

I concluded my 29 January 2021 AGM Report with the following statement:

'CPA continues to strive diligently, thoughtfully, and pragmatically in an inclusive manner towards attaining the representative reforms to which cattle producers aspire. There is reason for optimism that 2021 may be the year during which these keenly sought reforms are realised.'

Members, we are not there yet but the reasons for optimism remain viable.

2021 developed into a tough year of negotiation for CPA - significantly aggravated by Covid-19 restrictions - but far more significantly by entrenched intransigence to the required reforms copiously and disappointingly exuded by sections of our cattle industry. This has certainly taken a toll on those of us working at the "coal face" on your behalf and we are grateful for, and buoyed by, your patience and ongoing support as members of CPA.

The initial Roundtable meeting between CPA and CCA representatives held in Brisbane on 16<sup>th</sup> December 2020 - and referred to in my last report- appointed a working group comprised of 3 representatives from each organisation to work through the details of a proposal for representative and resourcing reform of the cattle Peak Industry Council. The working group comprised of CCA representatives Markus Rathsman, Lloyd Hick and Travis Tobin along with CPA representatives Cameron McIntyre, Norman Hunt and Paul Wright. This group was to report back to the second Roundtable conference to be conducted in February 2021.

CPA members, I'm pleased to report that while there was a good deal of robust discussion, this group worked diligently and harmoniously in the best interests of levy payers and, I believe, made astonishing progress. I take this opportunity to thank our CCA counterparts on behalf of CPA members for the professional manner in which they conducted themselves on behalf of all members of the cattle industry.

The second Roundtable meeting, while expressing reservations still lurking among some CCA board members and some SFOs, broadly endorsed the working group report and authorised its presentation to the Northern Pastoral Group (NPG) for consideration. This was done and the reform package was soundly supported and endorsed by the NPG.

Having received NPG support, a CPA/CCA delegation presented the plan to Minister Littleproud who appeared to be singularly impressed by the suggested representative structure and listened with keen interest to the resourcing options flagged in the proposal. The Minister stated that while the

resourcing options appeared realistic more work would have to be done across the industry to flesh out the proposals in more detail.

Subsequent meetings with the Minister disappointingly threw up more impediments to the resourcing aspects of the plan - perhaps as the Minister came under increasing pressure from other vested interests in the red meat supply chain who may consider that any disruption to the existing status quo undesirable for their particular sector - however the Minister did raise the prospect of perhaps part of the levy being accessed by BIA (a name arbitrarily coined with reference to the reformed PIC) in some form yet to be decided.

At this stage of the consideration of the plan, a conference was convened between CCA, CPA, NPG and the SFO executive teams from each State. This turned out to be quite a productive meeting with broad consensus quite readily reached.

Despite CCA undertaking repeated rounds of consultation with its SFO “foundation members”, it continued to struggle in gaining consensus from its own board and from certain SFOs. CCA finally proposed that an Industry Leaders Forum (ILF) should be held over a couple of consecutive days to clarify a CCA position on the plan. The ILF was to be a platform for information exchange and to canvass improvement/wider approval for the reform package agreed to and presented to the Minister. CPA was invited to attend to assist the CCA working group representatives in the presentation and explanation of the plan while seeking suggestions as to how the plan might be improved. To this, CPA agreed.

However, to CPA’s alarm, the ILF gradually morphed under communications to ILF members from the CCA secretariat from an information sharing exercise into a directives issuing operation as to how PIC reform should proceed. As this forum was being conducted under the facilitation of CCA appointed personnel, this alteration of the “modus operandi” was of acute concern to CPA representatives. Clear agreements forged between CPA and CCA working group representatives focusing on the Steering Committee and supporting Secretariat composition were in jeopardy. Furthermore, as the forum process began to unfold it became clear that the forum facilitator appeared to have been prevailed upon by elements of the ILF to move towards a predetermined outcome as, ultimately, two alternative options, neither of which were supported to any significant degree by the ILF “breakout groups”, were offered to the ILF to decide upon. Both these options seriously impacted upon the level of CPA representation and influence on the Steering Committee and were in breach of agreements made between CPA and CCA. To his great credit, CCA chair Markus Rathsman pointed this out to the ILF forum on more than one occasion.

Rather than risk the reform process being permanently derailed as was the intention of some ILF participants who had earlier prevailed during a vote taken by the CCA board, CPA representatives determined to opt for lesser representative position of 2xCPA, 2xCCA, 2xNPG, 2xSFO on the Restructure Steering Committee supported by an “independent Secretariat” (to the exclusion of Norman Hunt and Travis Tobin as had been previously agreed between CPA and CCA).

To date the RSC (Restructure Steering Committee) has met on five occasions including one “face to face” meeting and with another “face to face” scheduled for 13<sup>th</sup> February 2022. An independent chair and an independent secretariat have been appointed.

The fundamental objective of the RSC is to oversee the process of installing a levy payer representative, well-resourced cattle producer Peak Industry Council to replace CCA as the cattle industry's PIC by 30<sup>th</sup> June 2022.

Please be assured that your interests as CPA members and the interests of all payers of the grass-fed cattle levy transaction tax who are also seeking long overdue reform of the national cattle producer Peak Industry Council will be kept "front and centre" by your RSC representatives.

I would like to take this opportunity to thank members of our CPA Committee along with our membership base for your support, and a special thanks to Accountants Alands who are providing pro-bono financial support and undertaking our financial return, Filomena Harrington and Kim Peacock for finance and administration contributions, and Julian Carroll for his technical support.

Kindest regards,

A handwritten signature in cursive script, appearing to read 'Dr Paul Wright'.

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