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HUNT BLOG NEWSLETTER

3 JANUARY 2018

WILL AUSTRALIA'S CATTLE PRODUCERS

EMBRACE

REPRESENTATIVE DEMOCRACY IN 2018?

Huntblog's attached 15 December 2017 Newsletter lamented the fate of Australia's sheep meat producers who have been lured to their agri-political death as a consequence of having Sheep Producers Australia Limited imposed on them as their representative Peak Council.

Sheep Producers Australia is a company limited by guarantee with a State Farm Organisation (SFO) selected special qualification board that morphed from the SFO based Incorporated Association Sheep Council of Australia (SCA) as Australia's sheep meat producers new Peak Council without a yea or nay plebiscite of sheep meat levy payers.

The problem for Australia's sheep producers is that not only did they not get a say in the SCA metamorphous into Sheep Producers Australia Limited but their future role in relation to Sheep Producers Australia is limited to rubber stamping the appointment of future Sheep Producers Australia board members chosen by an SFO selection committee.

Thus far Australia's cattle producers appear to be resisting the siren call to join the slaughter of representative democracy that has engulfed their sheep producing cousins.

Whilst some cattle producers in the southern states are suggesting that Cattle Australia should emulate their sheep producer cousins, commit harakiri, and dispense with a representative Peak Council model; it would appear that the most of Australia's cattle producers are determined to stick with representative democracy.

The Implementation Committee that was formed in late 2014 at then Federal Agriculture Minister Barnaby Joyce's instigation to establish Cattle Australia with a board directly elected by grass fed cattle transaction levy payers to replace the SFO based Cattle Council of Australia (CCA) as the grass fed cattle

producers' Peak Council, is made up from representatives of the CCA, the Australian Beef Association (ABA) and the Australian Meat Producers Group (AMPG).

The ABA was founded in the mid 1990's by the blue blood who's who of Australia's cattle producer industry because of concerns about the undemocratic structure of operational service provider Meat & Livestock Australia Limited. The AMPG think tank was formed after the massive beef producer forums held in Armidale and Rockhampton in 2010 calling for democratic reform of the red meat industry organisational structures. So, both of those organisations are dedicated to representative democracy and believe that a truly representative grass fed cattle Peak Council is fundamental to the best interests of Australia's beef cattle producers.

The CCA commissioned a report in October 2012 by highly regarded advisor to government, industry, and commerce on organisational effectiveness, Innovact Consulting Pty Ltd. The report looks into measures that could be taken to strengthen policy services in the grass-fed cattle industry.

The 2012 Innovact Consulting Report found that '*... the traditional model of farmers having national representation via their membership of a multi commodity State Farming Organisation had been in decline in most States and in the grass fed cattle industry, the long term decline in cattle producer membership of SFO's had placed financial stress on both SFO's and Cattle Council of Australia.*'

A trend that Innovact saw as '*... undermining the capacity of the Cattle Council to demonstrate that it represents a substantial coverage of the industry which is critical maintaining its role as a Peak Industry Council under the Red Meat MOU.*'

The Innovact report went on note that '*...[t]here are fundamental flaws in the existing system that disconnects cattle producers from their national representative body. For example, while CCA receives RMAC funding and as such has to represent the interests of all grass fed cattle producers, its ability to engage directly with all producers is constrained by its SFO membership. Cattle producers cannot join CCA directly and the Councils communications with producers are channelled via their SFO membership. That is, direct communications with producers is primarily via SFOs (with their limited membership) and not by Cattle Council (with all levy payers).*'

CCA to its great credit accepted the recommendations contained in the October 2012 Innovact Report that it no longer truly represents the vast majority of Australia's grass fed cattle producers and has acted on that Report's recommendations and engaged with the broader grass fed cattle industry on the issues contained in that Report.

CCA attached a copy of the October 2012 Innovact Report on *The Need to Strengthen Policy Services in the Grass-Fed Cattle Industry* to its submission to the 2013 Senate RRAT References Committee Inquiry into Grass Fed Cattle Transaction Levy Funded Industry Structures and Systems and appeared at the Senate Inquiry hearings to give evidence and answer questions on the Innovact Report.

Importantly, following the handing down of the findings and recommendations of that Senate RRAT Inquiry into grass fed cattle structures and systems in late 2014, CCA joined with the ABA and AMPG at the Federal Agriculture Minister Barnaby Joyce's request and presented Minister Joyce with a unified consensus agreement by each of those disparate grass fed cattle industry groups for the establishment of a truly representative new corporation with a board directly elected by grass fed cattle transaction levy payers to replace the CCA as the grass fed cattle producers representative Peak Council.

Agreement was also reached by those disparate grass fed cattle organisations to hold a grass fed cattle transaction levy payer plebiscite to endorse or reject the proposed new representative body.

So Australia's cattle producers, thus far, appear to be resisting the lures and sweetness of voice of Homer's sirens and thereby avoiding being drawn onto the rocks of destruction without the need to resort

to stopping their ears with beeswax as the ancient mariners did or tying themselves to the mast of the ship like Odysseus.

But to paraphrase George S. Patton's famous speech to his troops on the day before the D-Day landings in Normandy in June 1944, Australia's cattle producers must remain alert otherwise the proponents of 'selected' representatives will sneak up behind them and beat them to death with a sock full of manure or, even worse, lure them to their death like lambs to the slaughter on the Orwellian rocks of special qualifications.

Please visit www.huntblog.com.au for further information and commentary on Australian rural industry reform issues.



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HUNT BLOG NEWSLETTER

15 DECEMBER 2017

AUSTRALIAN SHEEP PRODUCERS LED LIKE LAMBS TO THE SLAUGHTER

When Huntblog was growing up in the northwest of NSW in 1950's, Australia was riding on the sheep's back. Wool sold for a pound a pound and we lived in a representative democracy. Federal Parliamentarians were elected by adult Australian citizens from a number of candidates running for office in different electorates spread across Australia and our State Parliamentarians and Local Government Councillors were elected on a similar basis.

Importantly, in those times, all (or nearly all) the NSW wool and sheep producers belonged to the Graziers Association and the elected President and Secretary of the local Graziers Association branch represented our local area at the District level and the elected District Graziers Association President and Secretary represented our District at the Regional level and the elected Regional President and Secretary headed off to Sydney to represent the Region at the State Graziers Association conference. The elected President and Secretary of each State Graziers Association then headed to Canberra for the Federal Graziers association conference and to lobby the federal politicians.

However, as Bob Dylan so famously sang in the 1960's, *The Times They are A-Changing* and by the 1990s when the current red meat industry organisational structures were put in place NSW Farmers had just over 25,000 members and the other States had relatively similar numbers. Consequently, the State Farmer Organisation based Sheep Meat Council and the Cattle Council of Australia had sufficient funding from membership fees to carry out their functions under the Red Meat Industry Memorandum of Understanding (MOU).

Fast forward to 2017 and NSW Farmers has just over 5,000 members and the equivalent SFO bodies in the other States have had similar declines in membership numbers. In the result, the SFO-based red meat industry representative Peak Councils no longer represent the vast majority of their constituents and they do not have the money to carry out their functions under the current organisational structures.

Sadly, this November the Sheep Meat Council responded to the challenge of its times by walking away from representative democracy and morphing itself from an SFO Incorporated Association to an SFO Company Limited by Guarantee and rebadged itself – Sheep Producers Australia Limited. A rebadged SFO company with a special qualification board comprising seven people selected by an SFO appointed

Selection Committee with the right for Sheep Producer Australia's members to endorse the Selection Committee's nominees.

Sheep Producers Australia's role under the current red meat industry structure is to represent all Australia's sheep producers, lobby Government on their behalf, and instruct and supervise the service company Meat & Livestock Australia's (MLA's) expenditure of sheep producer levies.

But how can a special qualification board appointed and anointed by an SFO Selection Committee whose continuing falling membership base comprises less than 20% of Australia's sheep producers represent the majority of Australian sheep producers?

Since whence did representative democracy rely on 'appointed' representatives? How can an 'appointed' delegate claim to have the ear of grass roots constituents?

Representative democracy relies on representatives elected by the relevant constituents to represent them. Representatives that truly represent the voice of their people.

Boffins and special qualification board members may have a place in an operational Company – but how can they have a role in a representative, '*voice of the people*', advocacy body?

So where to now for a representative voice for sheep producers? How do grass roots non-SFO member sheep producers ever achieve a voice over how their levies are spent? Their levies are paid to the operational service company MLA whose board is selected by a selection committee and rubber stamped by MLA sheep and cattle producer members. Yet, under the MOU, Sheep Producers Australia Limited, whose board is also selected by a selection committee and rubber stamped by the few members that it has, are meant to direct and supervise MLA's expenditure sheep levy expenditure.

To take away the ability of a people to elect representatives is to step away from representative democracy and toward an Orwellian future that is anathema to our Australian values. Members of the other rural industry sectors should be on guard to make sure that they do not suffer the same fate.

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