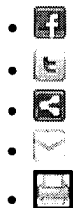


26 Jun 2013 Last updated 11:51 EST

Cattle Council meets with minister on restructure



By James Nason 26 Jun 2013

Cattle Council of Australia representatives are meeting with federal agriculture minister Joe Ludwig in Canberra today as they seek to advance a restructure process that was launched 18 months ago.

There has been a strong mood for change in the grassfed beef sector for several years, based on the view that the national body representing Australia's grassfed beef producers needs to be better resourced, more accessible to all producers and more representative of the entire industry.

A lack of resourcing has also been a key issue for the organisation in recent years. The council has had to stretch relatively meagre and dwindling resources further and further each year as it attempts to keep pace with a growing array of issues and challenges confronting Australia's multi-billion dollar beef cattle industry.

The council participates in more than 60 committees, oversees the annual expenditure of \$72 million of grassfed levies by Meat and Livestock Australia, represents producers on the National Residue Survey and Animal Health Australia, communicates directly with Governments and NGOs in Australia and overseas and provides an around-the-clock voice for the industry in the media, among other roles.

It does that job with a national budget of \$1.3 million, which has not grown in more than 10 years, and a full time staff of five, with the support of councillors who are unpaid volunteers.

Cattle Council currently draws its funding from several sources: membership income from State Farm Organisations (SFO's) - which totals \$230,000 annually; contributions from the Red Meat Advisory Council fund - around \$500k annually) and funds from sponsorship, Government funding agreements and contracted fee-for-service work, such as the regional policy forum series CCA has recently undertaken on behalf of MLA.

Cattle Council has also been criticised for being too heavily aligned with State Farm Organisations, and for not providing a direct pathway for independent or non-aligned producers to contribute to policy development.

Push continues for industry wide support

After months of consultation and behind the scenes negotiations with a range of industry groups, the council-appointed industry restructure group is still working to develop a model that can win industry-wide support.

In its current form the new model would see the board of Cattle Council restructured to include not only SFO-appointed councillors, but councillors directly elected to the board by individual producers as well.

The main plan to solve the resourcing problems still surrounds diverting a portion of the \$5/hd levy paid by producers on cattle transactions, funds which currently go MLA, to CCA to fund the specific purpose of policy development for producers.

Under the current proposal producers would have the option to 'opt-out' of diverting their levy to CCA, in which case their all of their funds would continue on to MLA.

The current proposal would see producers asked to divert 38c from their \$5/hd levy to CCA, which would generate around \$4.5m a year in funds for the restructured cattle council, provided the vast majority of Australian producers chose to opt-in.

Diverting funds from a statutory levy would require Federal Government support. Agriculture minister Joe Ludwig has maintained throughout the restructure process that the Government will only consider supporting a levy diversion if the council can demonstrate that the plan has industry-wide support.

Ultimately that is likely to require a ballot of producer interest in the proposal.

And before the council can put a restructure proposal to a producer vote, it needs to achieve agreement for that proposal from the various interest groups currently involved in its restructure process.

Support for change, structure still in disagreement

Beef Central understands that unified support exists on a number of points – the need for change, the need for better resourcing of the national grassfed representative body, and the view that a market failure currently exists in the area of strategic policy development.

However, there is still work to be done to achieve unified agreement on the best structure to move the industry forward.

Cattle Council of Australia has declined to make media comment on the restructure issue until it has the opportunity to meet with Mr Ludwig.

A Cattle Council source has indicated that most groups appear to support the concept of utilising a portion of the levy to fund strategic policy development. "At this stage that has been identified as the most equitable method of funding strategic policy development, which is something that benefits all producers and there is a market failure there at the moment," the source said.

Disagreement is said to be more focused on issues surrounding the actual structure, such as whether the board should have a greater proportion of SFO-appointed than directly elected councillors or vice-versa.

Effectively Cattle Council is still a long way short of being able to go to the minister with a proposal that is backed by a majority of industry.

Beef Central understands that today's meeting with the minister is about seeking support to get departmental processes underway that will be required to underpin a ballot of producer support for a restructure proposal and levy-funded model, once an agreed position is achieved.

Only once a single model is finalised, and producer support for it is demonstrated, can the council then go to the minister to make a decision on whether the Government will support it.

CCA chief executive officer Jed Matz told Beef Central that it was up to the industry to identify the most appropriate structure.

“There is a unified view among the industry that change is required and improved funding is required, it is the structure that we haven’t quite arrived at agreement on,” he said.

“We need to continue to work on that, and that is something the industry has to determine in its own right.”

Coalition sensitive on levy funded option

With the strong possibility that the Federal Government could change in September, the views of the federal coalition on the CCA restructure have also come into sharp relevance.

In response to questions from Beef Central at Primex Field Day near Casino last week, Mr Cobb’s indicated there were sensitivities around a levy-funded model.

“I know CCA is very worried about its ability to act as an industry representative, and are looking at different ways to fund that,” he said.

“I don’t believe our government, if the coalition is given that responsibility, will ever allow them to automatically get paid-for by industry, whether they want to or not.

“At the moment I know they have an idea out there for an opt-in or opt-out system.

“They haven’t spoke to me about that, but we did speak about a compulsory system, which I told them was not going to happen.”

“But the industry itself really has to sort this one out. The various sectors and interest groups have to come to a combined agreement. It has to sort this out, and work-out its own funding model.”

“Our government would not agree to compulsory funding, but there is nothing worse than fractured industries. Fractured industries that fail to unite are an excuse for governments to do nothing.”

“I’m a big believer in NFF and state-based organisations, but fractured ones don’t do anyone any good.

“It’s no good asking me what I think, because I won’t do what industry doesn’t want, so far as representation and structure is concerned.”



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