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## Cattle Council restructure plan takes shape



By James Nason 15 Nov 2012

Cattle Council of Australia's preferred restructure model has emerged following a three-day meeting in Western Australia this week.

This week's meetings represent the first time the full 18 member council has come together to discuss the ongoing restructure and funding process, and has produced several significant outcomes.

The council has identified a preferred structure model but says agreement is still needed on the formal process required to deliver the funding model that underpins the structure.

Key developments from the meetings which wound up yesterday include:

- The council's preference is for a 15 member board, of which seven seats will be allocated to each state/territory (excluding ACT), with each state's representative to be nominated by State Farm Organisations; and eight seats to be filled by independent board members, directly-elected from membership;
- The NTCA, AgForce, NSW Farmers, VFF, TGFA and SAFF will each nominate the director for their state or territory, with WAFF & PGA to determine how to fill WA's state seat;
- Four independent directors would be elected from the North (NT & Qld); three from South (NSW, Vic, SA, Tas) and one from WA;
- Board members' and president's terms would be two years, with the president elected from the board;
- Voting for board members would be based on a 'one-membership, one-vote' system;
- CCA staff have been instructed to begin working immediately on establishing a direct membership channel, to allow grassfed levy payers to directly join Cattle Council for a membership fee;
- The Federal Government has advised Cattle Council that it must fully investigate all other funding options before it will give consideration to allowing Cattle Council to access part of the levy;
- CCA will develop the concept of holding a major policy forum in a regional centre each year to allow all grassfed producers to participate in policy debates, which will feed directly into the Cattle Council of Australia's policy-development process.
- While there have been calls from some quarters for CCA to take direct control of the approximately \$60 million raised through annual grassfed levies, and to then allocate the funds to service providers such as MLA, the council has ruled out following that path.

The Cattle Council will now develop a reform implementation committee, comprising cross-sectoral industry and Government representatives, and with its own constitution and terms of reference, to oversee the next phase of the restructure and funding process.

As reported by Beef Central last week, CCA is in discussions with Government and Meat & Livestock Australia to conduct consultancy services to MLA in return for levy-funded payments.

As part of this process CCA plans to augment its existing sub-committee structure to allow people external to the current membership base of SFOs to participate in marketing task force or an R&D taskforce and to provide input into how MLA expenditure should be targeted.

Cattle Council of Australia Chief Executive Officer David Inall said there had been agreement from the start that the council's restructure and funding review should be an evolutionary process, and not a revolutionary "tear it down and rebuild it from the ground-up" one.

While there have been loud calls from some sectors for the council to divorce its association with the State Farm Organisation system entirely, Mr Inall said the view among councillors was that the council's membership should continue to include SFOs, but be broadened to include direct membership as well.

"Cattle Council believes that we do need to maintain close and policy-setting relationship with State Farmer Organisations," Mr Inall said.

"They have an established network, they have enormous equity in the CCA, and they have provided delegates over 30 plus years

"That being said, we know that we have to widen the net and that is what we're going to do."

Mr Inall said that throughout the consultation period the council did not get a strong impression from the wider industry that it be the direct recipient of \$60m worth of annual levies.

"We're certainly not set up at the moment to do that," he said.

Cattle Council's plans to undertake levy-funded service work for MLA has drawn criticism that the peak grassfed producer organisation is going 'cap in hand' back to MLA to secure producer's own money, and may also affect CCA's capacity to effectively oversee the business of MLA.

However Mr Inall said the council was confident its ability to manage MLA would not be compromised.

"We do recognise that it is ultimately producer's money, and also potentially the concerns around the fact that we have a contract with MLA when we're meant to be overseeing the business MLA.

"We're strongly of the view that we can be objective enough in our view of MLA's business and we would simply have a business arrangement with MLA, just like an auditor would when they audit a business' books.

"This is producers' money, MLA didn't raise it on its own, it is money that has come from producers, however, it has been collected for a very specific purpose so therefore we will be very careful that we meet the specific guidelines.

"We are currently engaged with Government to ensure that we meet all the governance and transparency requirements."

Mr Inall said he was "very pleased and proud" of the comprehensive process of consultation that Cattle Council has conducted throughout 2012.

"The next phase is critically important, in particular the need to work through a formal process of investigating and developing a suitable, sustainable funding source.

"Money is central to this debate and we look forward to continuing the journey with industry and government as we secure a funding model that works for Australia's beef producers."

