

# RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE INQUIRY INTO THE AUSTRALIAN MEAT INDUSTRY CONSULTATIVE STRUCTURE

## Hunt Partners Submission and Evidence

### Submission

1. The success of a dynamic economy in a changing world is dependant upon the activities of a multitude of voluntary associations, intermediate between the mass of individuals at the centre of political authority. It is emerging organisations, rather than old, which reflect and are capable of giving effect to changed conditions and changed circumstances.
2. RMAC as constituted under the terms of the MOU, protects the interests of the old organisations at the expense of the new and the needs of the industry as a whole.
3. RMC should be dissolved and replaced by a voluntary industry organisation Council to facilitate discussions inter se between industry organisations on matters of common interest.
4. This industry Council should have no formal administrative or advising role and should be financed (to the extent necessary) by the participants.
5. The industry reserves and functions currently administered by RMAC should be split proportionately and appropriately between the industry meat processing and meat producing sectors of the industry and administered by the AMPC and MLA respectively.
6. The AMPC and MLA are both corporations whose members are the levy payers and contractual contributors who provide the funding for joint industry activities. The AMPC and MLA are constrained by the provisions of the Corporations Law and are therefore more representative of the interests of the industry than a collection of agricultural political organisations whose claims to be representative of the majority of the members of the industry are disputed.
7. The Minister of the day should in future obtain his advice on industry matters from the multitude of voluntary associations, groups and individuals representing the different interests of industry in the time-honored manner which has evolved under the Westminster system.

### Evidence (Norman Hunt quoted from Hansard, 27 September 2002)

I want to make it clear that my criticism is about [RMAC's] structure and it is certainly not about the people who are in it, because the people who are in it have a great deal of knowledge about the industry. They represent significant interests in the industry. They are people of integrity. And that is the very point; because they are people of integrity and they represent a whole lot of agripolitical organisations, they are bound at law and ethically to represent the interests of their members - and they do. But the

interests of their members are often diverse; they are often at odds with each other, so the problem is with the structure.

What RMAC represented was an attempt, introduced in the mid-nineties, to interpose a one-stop shop advisory body between industry and the government. I suspect that the concept was that it would make life easy for the Minister of the day. But as John Carter alluded to when he spoke, it is actually a group of peak councils that make up the board of RMAC. They are protected by legislation, they are set in stone but they are funded from levy payer funds and they have a veto over any new entrant - the right of any new entrant to enter the club. Presumably RMAC is going to sail into the next millennium in its exact nature. It is a body that is made up of industry organisations which represent butchers, retailers, brokers, livestock exporters, feedlotters, and sheep, cattle and goat farmers, and they all have a right to vote on each other's issues - it was doomed from the outset.

The fact that it was doomed from the outset has been borne out by subsequent events. When all the other industry organisational structures were being reorganised during the 1990s in response to the brave new world of deregulation, none of them adopted the meat industry model. The cotton industry has never had any peak council and never had any structured advisory bodies, but it manages its affairs. The wool industry was restructured in 1999, and there is no wool producer peak council, there is no structured advisory body and there are no industry organisations funded from levy payer's money. I think there is one advisory group on R&D, and it is an appointed voluntary group. There are no one-stop shops for any of those structures, so why do we have it in the red meat industry?

The political organisations and groups have lobbied governments and politicians from time immemorial. They arise for particular purposes and they disappear. For instance, the Australian Wool Growers Association - which arose for the very purpose of seeking restructure in the wool industry - has now disbanded because its purpose has been fulfilled. Yet, when you look at the RMAC model, it presumes these industry organisations will continue ad infinitum. It also presumes some sort of pre-eminence or right in terms of government advice. I can understand why it does, because there are acts of Parliament and MOUs that give it special place in the sun.

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