

RED MEAT ADVISORY COUNCIL LIMITED

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Presiding Commissioner
Regulatory Burdens – Primary Sector
Productivity Commission
PO Box 80
BELCONNEN ACT 2616

BY E-MAIL

Dear Commissioner

RE: RESPONSE TO THE PC's DRAFT RESEARCH REPORT FOR ITS ANNUAL REVIEW OF REGULATORY BURDENS ON BUSINESS: PRIMARY SECTOR

In response to the Productivity Commission's *Draft Research Report* for its first *Annual Review of Regulatory Burdens on Business: Primary Sector*, I am writing on behalf of Red Meat Advisory Council Limited (RMAC Ltd) to add emphasis to two of the issues raised: transport (particularly livestock loading restrictions) and the National Livestock Identification System.

RMAC Ltd

RMAC Ltd was established in 1998 as the peak body for the red-meat and livestock industry. RMAC Ltd comprises a membership of the five Peak Industry Councils: Cattle Council of Australia, Sheepmeat Council of Australia, Australian Lot Feeders' Association, the Australian Meat Industry Council and the Australian Livestock Exporters' Council; the Goat Industry Council of Australia is an affiliate.

RMAC Ltd has four principal functions:

1. to provide a forum for intersectoral discussion and resolution of matters of common interest to its members;
2. to provide advice to the Federal Government on intersectoral or whole-of-industry matters;
3. to act as custodian of the Meat Industry Strategic Plan that is used as a guide for industry programs; and
4. to ensure responsible management of a parcel of industry investments, known collectively as 'The Fund', in a manner consistent with an established industry/Government agreement.

The red-meat and livestock industry provides over \$17 billion to the Australian economy each year, making it the largest single agricultural contributor to this country's financial wellbeing.

Red Meat Industry Submission

The Red Meat Industry (Joint) submission (sub. 12) to the Productivity Commission was prepared by the red-meat industry's levy funded organisation, Meat and Livestock Australia, in consultation with RMAC Ltd's five member bodies (with LiveCorp contributing on behalf of Australian Livestock Exporters' Council). It is therefore accurate to say RMAC Ltd accepts the content of the joint submission.

Livestock Transport

As repeatedly evidenced in your draft report, interjurisdictional inconsistencies plague those who operate businesses dependent on cross-jurisdiction trade. This is particularly the case for the transport sector on which the red-meat and livestock industry, being the most geographically diverse agricultural industry in the country, is heavily reliant for the successful operation of its collective business.

The National Transport Commission and the Australian Transport Council have progressed the standardisation of rules across State/Territory borders; however, the pace of reform is much too slow.

As an example, the livestock transport sector specifically, and the livestock industry that depends so heavily on it, has for decades been calling for the universal introduction of volumetric loading. While most jurisdictions have slowly responded with relevant rule changes, the industry currently faces an intransigent government in NSW that continues to delay the implementation of such a useful reform. The facts in favour of volumetric loading are well enunciated in the Meat Industry Submission Part B (p. 6ff).

RMAC Ltd urges the Productivity Commission to strengthen its recommendation on this matter and other transport-related matters (see draft response 3.14). With repeated increases in fuel prices and the ongoing drought biting into agricultural productivity and profitability, further delays in efficiency implementation by governments are unacceptable. The current wording of the Productivity Commission's draft response is considered too general and lacking any clear framework against which action must be taken.

National Livestock Identification System

RMAC Ltd is a strong supporter of the NLIS. It was therefore pleasing to see in the draft report positive coverage of its benefits.

In spite of the Australian Beef Association's assertion that a reversion "to the older tail-tagging method would allow the scheme's objectives to be more cheaply and effectively achieved" (PC Draft Report, p. 80), an overwhelming majority of industry operators and governments in Australia recognise the NLIS as the next generation of minimum requirement for seamless future access to many of our industry's markets.

For 30 years the tail-tagging system served its purpose well: as a facilitation tool for the eradication of bovine tuberculosis and brucellosis from the Australian cattle and buffalo herds. Since then it has become increasingly burdened with 'tasks' beyond its capacity, including individual animal traceability for chemical residue contaminations, almost-real-time tracking of animal movements, immediate trace-back and trace-forward of animals exposed to infectious diseases, and buyer interrogation of individual animal treatment records.

For those industry operators embracing NLIS there comes a new set of management tools that will enable them to remain at the forefront of livestock production, transport and processing. Far from leading to a decrease in efficiencies, the introduction of NLIS, particularly as it beds down further, is

a far more advanced and efficient means of animal identification and tracking than the tail-tagging system ever was or could ever be. It costs more money than the anachronistic tail-tagging system but these costs will pale against the benefits of the NLIS should there be future threats to our market access.

Regarding the Productivity Commission's recommendation on this matter (draft response 3.21), RMAC Ltd is generally satisfied with the wording.

In conclusion I should point out that my focus on only two issues reflects RMAC Ltd's role as a multi-sector body; other issues of equal importance to individual sectors will undoubtedly be addressed directly by them.

I look forward to receiving the Commission's final report.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Justin Toohey', with a stylized flourish at the end.

Justin Toohey
Secretary