



AUSTRALIAN LIVESTOCK EXPORTERS COUNCIL



AUSTRALIAN LOT FEEDERS' ASSOCIATION



Australian Meat Industry Council



CATTLE AUSTRALIA



Goat Industry Council of Australia



# RED MEAT ADVISORY COUNCIL

2024 – 2025 PRE-BUDGET SUBMISSION

JANUARY 2024

# TABLE OF CONTENTS

<b>Introduction</b> .....	3
<b>Summary</b> .....	3
<b>1. Our people</b> .....	5
<b>2. Our customers, consumers and communities</b> .....	6
<b>3. Our livestock</b> .....	7
<b>4. Our markets</b> .....	8
<b>5. Our environment</b> .....	9
<b>6. Our systems</b> .....	10
<b>Conclusion</b> .....	12

## Introduction

The Red Meat Advisory Council (RMAC) welcomes the opportunity to submit the red meat and livestock industry's priorities for the 2024-25 Federal Budget.

RMAC is Australia's only policy leadership and advisory forum made up of producers, lot feeders, processors, smallgoods manufacturers, retailers and livestock exporters, representing the entire red meat supply chain from paddock to plate. RMAC members are the following prescribed industry representative bodies under the *Australian Meat and Live-stock Industry Act 1997* (AMLI Act):

- Australian Livestock Exporters' Council (ALEC),
- Australian Lot Feeders' Association (ALFA),
- Australian Meat Industry Council (AMIC),
- Cattle Australia (CA),
- Goat Industry Council of Australia (GICA), and
- Sheep Producers Australia (SPA).

Australia's red meat and livestock industry is comprised of more than 74,000 businesses and collectively services 25 million Australians and over 100 export destinations every day with safe, high quality and nutritious red meat. Australia's red meat and livestock industry makes a significant contribution to the Australian economy and plays a foundational role in feeding our nation and supporting rural and regional communities. In 2021–22, Australia's red meat and livestock industry employed approximately 433,000 people<sup>1</sup> with a turnover of \$75.4 billion.

### Summary

RMAC's recommendations contained within this submission are aligned with the six priority areas that provide direction to deliver on the red meat industry's strategic plan to double the value of Australian red meat sales by 2030 as the trusted source of the highest quality protein.

#### 1. Our people

- 1.1 The Federal Government invests \$2 million to streamline industrial relations processes, removes red tape and reduces the complexity involved in managing workforces.
- 1.2 The Federal Government invests \$3 million over two years to improve local workforce availability through increased accessibility, training and advice.
- 1.3 The Federal Government invests \$175 million over four years to facilitate greater delivery of housing stock and access to affordable housing for regional workers.

#### 2. Our customers, consumers and communities

- 2.1 The Federal Government invests \$4 million over four years to elevate the importance of agriculture education in Australian schools by investing in Primary Industries Education Foundation Australia.
- 2.2 The Federal Government invests \$1 million to assist the delivery of its election commitment to provide accurate and clear food labelling standards for manufactured plant protein products.

<sup>1</sup> [State of the Industry 2023 \(MLA\)](#)

### **3. Our livestock**

**3.1** The Federal Government invests \$110 million annually via a container levy/charge on inbound freight and reverses its decision to implement the fundamentally flawed Biosecurity Protection Levy.

### **4. Our markets**

**4.1** The Federal Government invests \$40 million over four years to boost DAFF's technical market access negotiation capacity for Australian food exports, ensuring ongoing technical capacity within the Australian Government to maintain existing export markets and unlock new trade opportunities.

**4.2** The Federal Government invests \$1 million to ensure all Productivity Commission's findings on Terminal Access Charges are implemented in full.

### **5. Our environment**

**5.1** The Federal Government invests \$50 million over four years to work in collaboration with the broader red meat industry to co-design agriculture specific climate and carbon investment strategies, which should be incorporated into the Agricultural and Land Sector Plan, and overarching Net Zero 2025 initiative.

### **6. Our systems**

**6.1** The Federal Government invests \$1 billion over four years to facilitate generational-scale upgrades of Australia's trade regulatory and information systems. This should be focused on ensuring cross-agency systems are developed and agencies are better integrated, with single-point systems for export documentation, clearance and fees.

**6.2** The Federal Government work in collaboration with industry and jurisdictional governments to develop and implement additional eID transitional support packages for Australian sheep and goat producers.

**6.3** The Federal Government invests \$1 million to assist in the review, development and agreement on national livestock traceability co-funding mechanisms to ensure they are sustainable, comprehensive, and equitable across the supply chain.

## 1. Our people

### Workforce labour and skill needs

Labour shortages within the red meat sector have been front and centre for several years now, and don't appear to be easing. It was once thought that after COVID related issues had subsided, labour shortages would also subside, however, this has unfortunately not been the case. Labour shortages continue to have a significant impact across the of industry from supply to consumption.

To compound matters, many industrial relations changes that have been brought into effect with a degree of swiftness have impacted the various existing streams of employment engagement; including casuals; fixed term; permanent workers; labour hire; and immigration arranged workers. With the increase in immigration arrivals, housing and support for employers is also causing a considerable industrial relations landscape concern for the sector.

The red meat industry requires support, tailored guidance and training initiatives, less red tape and bureaucracy to allow businesses to go about operations and have the ability to attract, engage and retain a sustainable workforce. The key features of a suitable visa program to support the vitality and sustainability of Australia's largest agricultural sector has not changed, and is outlined as:

- Streamlined visa application and administrative processes
- Access for employers throughout the supply chain
- Access to broad range of skill categories, including low-skilled, semi-skilled, skilled, and trade qualified roles
- Suitable (long-term) duration of visas, incorporating pathways to permanent residency
- English language skills suitable to workplace and community needs

#### **Recommendation 1.1:**

The Federal Government invests \$2 million to streamline industrial relations processes, removes red tape and reduces the complexity involved in managing workforces.

### Increased training and incentives for domestic unskilled workers

We know that domestic labour is the most cost-effective and easiest form of recruitment (other than there being a shortage of labour available). For years the red meat sector has supplemented our labour force with foreign labour, which is becoming increasingly expensive and difficult to obtain, resulting in its declining appeal. More must be done in providing training, training providers, funding and subsidies to assist with improving domestic labour capacity. It is now at a crucial point needing immediate action.

#### **Recommendation 1.2:**

The Federal Government invests \$3 million over two years to improve local workforce availability through increased accessibility, training and advice.

## Housing and accommodation crisis

In regard to securing and maintaining staff, the red meat industry is also facing key issues in relation to the national housing crisis. The increasing lack of affordable housing, particularly in regional centres, is impacting the sectors' ability to find and retain staff that are able to live within proximity of red meat industry businesses. Additional funding for building programs and facilities (or an agreement to leverage existing facilities) that are accessible and affordable for the domestic labour requirements could be one solution. This could assist reducing the reliance on overseas labour and work as a supplementary labour scheme.

### **Recommendation 1.3:**

The Federal Government invests \$175 million over four years to facilitate greater delivery of housing stock and access to affordable housing for regional workers.

## 2. Our customers, consumers and communities

### Making agriculture education in Australian schools a national priority

At a time where there's a growing disconnect between agriculture and metropolitan communities, it's now more important than ever that we're connecting educators and students in interactive, engaging ways to improve their understanding of food and fibre production and careers.

The Primary Industries Education Foundation Australia (PIEFA) - a registered charitable institution that was formed through the collaboration of the Australian Government, primary industries organisations and the education sector – provides an ideal vehicle to provide national leadership and coordination of initiatives to encourage primary industries education in schools.

While the majority of PIEFA's operational funding comes from the Rural Research and Development Corporations, co-investment by government is necessary to elevate the importance of teaching young people about agriculture and food provenance.

This builds on the National Agricultural Education Forum held in April 2023, which brought together industry and education leaders who are committed to expanding agriculture's role in the Australian school curriculum. The forum, which was attended by Federal Minister for Agriculture Senator Murray Watt and Assistant Minister for Education Senator Anthony Chisholm, agreed to support PIEFA as the national peak body to drive a national food and fibre education plan.

### **Recommendation 2.1:**

The Federal Government invests \$4 million over four years to elevate the importance of agriculture education in Australian schools by investing in the Primary Industries Education Foundation Australia.

## Truth in labelling for meat category brands

Sufficient appropriations should be made to enable the Federal Government to deliver on its election commitment to restore truth in labelling for Australian consumers, while ensuring animal and

manufactured plant-based protein industries can compete on a level playing field.

This commitment aligns with the findings of the Senate Rural and Regional Affairs and Transport legislation Committee Inquiry into meat definitions and other animal products which found the current regulatory framework for the labelling of plant-based protein products is inadequate and decisive action is needed.

The Australian red meat and livestock industry is therefore seeking a minimum regulated standard to prohibit:

- the use of plant protein descriptors that contain any reference to animal flesh or products made predominately from animal flesh, including but not limited to “meat”, “beef”, “goat” and “lamb”, and
- the use of livestock images on plant protein packaging or marketing materials

**Recommendation 2.2:**

The Federal Government invests \$1 million to assist the delivery on its election commitment to provide accurate and clear food labelling standards for manufactured plant protein products

### 3. Our livestock

#### Equity and transparency with any new biosecurity levy

RMAC reaffirms its support for an adequately resourced and sustainable biosecurity funding model and acknowledges the additional Commonwealth funding for biosecurity outlined in the 2023-24 Federal Budget. However, RMAC remains deeply concerned with the proposed Biosecurity Protection Levy and recommends the existing and projected biosecurity funding shortfall be primarily covered via a long-term bipartisan commitment for increased budget appropriation and/or be covered by the risk creators.

A recent letter sent to Prime Minister Anthony Albanese, signed by nearly 50 agricultural producer representative groups including RMAC, called for an immediate pause on the implementation of the fundamentally flawed tax on producers until serious flaws are addressed. The principles of the policy proposal do not accord with the recent Productivity Commission report into levies, which supports industry’s view that this tax carries multiple risks and consequences for producers.

**Recommendation 3.1:**

The Federal Government invests \$110 million annually via a container levy/charge on inbound freight and reverses its decision to implement the fundamentally flawed Biosecurity Protection.

## 4. Our markets

### Market access and maintenance

Trade and market access are vitally important to the Australian red meat and livestock sector, with over 70 percent of beef, veal, sheepmeat and goatmeat produced in this country exported. Access to a stable and diversified mix of red meat and livestock markets underpins the profitability of Australian livestock farmers, red meat processors and exporters. This, in turn, allows the red meat and livestock industry to employ more people across all skill levels and increases the tax revenue for the country.

RMAC commends the Federal Government for holding out in the face of an unacceptable Free Trade Agreement deal with the European Union (EU). RMAC supports the ongoing negotiations with the EU to secure a deal which is fair and provides expanded access for red meat without additional barriers to trade. RMAC also supports the ongoing negotiations with India as part of the Comprehensive Economic Cooperation Agreement, as well as the recently commenced Comprehensive Economic Partnership Agreement with the United Arab Emirates.

However, the importance of technical market access, including work required to improve conditions of trade to existing markets should not be forgotten and requires significant additional funding. Impacts of DAFF's financial situation have begun to bleed into the capacity for the department to deliver the broad range of technical market access negotiations and technical submissions that only it is able to provide at a bilateral government-to-government level.

The technical market access work undertaken by DAFF is the foundation of Australia's export system and our ability to be a reliable international supplier. RMAC, therefore, recommends that the Federal Government boosts funding for ongoing technical market access negotiation capacity for Australia's food and agricultural exports within DAFF. This will ensure existing export markets are maintained and extensive non-tariff barriers that increase costs and restrict trade are removed, allowing industry to best match products with where they are in highest demand.

#### **Recommendation 4.1:**

The Federal Government invests \$40 million over four years to boost DAFF's technical market access negotiation capacity for Australian food exports, ensuring ongoing technical capacity within the Australian Government to maintain existing export markets and unlock new trade opportunities.

### Boosting export infrastructure

The red meat and livestock industry recognises and applauds recent government investment in regional logistics hubs. However, RMAC recommends the need for further investment in physical rail export infrastructure to ensure meat exporting businesses, doing business from regional centres, can get time-sensitive products to the ports as efficiently as possible.

Additionally, in support of AMIC's submission to the Productivity Commission's (PC) Inquiry into Australia's Maritime Logistics System draft report, RMAC recommends further investment into port management of empty container parks and disagrees with the final report's finding that port congestion is transitory and will be naturally reduced with slowing pandemic-related pressures.



Terminal Access Charges (TACs), as supported by the PC's findings, should be negotiated on a commercial in-confidence basis between the stevedore and their contracted client (shipping lines), negating the need to impose charges on third parties who have no ability to influence service or price.

As goods must be collected from the entity (stevedore or empty container park) that is contracted by the relevant shipping line, transport operators do not have the ability to negotiate and cannot elect to use a different stevedore or empty container park. The outcome of this is that transport operators are forced to pay an 'Infrastructure Surcharge' (TACs) to collect and deliver containers for their clients. The reality of the situation is that stevedores and empty container parks effectively force transport operators into using their services. Stevedores and empty container parks have also regularly increased terminal access charges overtime without negotiation and usually, with very little justification.

As with all other businesses that incur unavoidable costs as part of their operation, stevedores and empty container parks should have to absorb operating costs or choose to impose them on their commercial clients (shipping lines). Their commercial clients then have the option of absorbing those costs or passing them onto exporters, importers and freight forwarders through negotiated freight rates and associated charges.

Should the Federal Government implement the PC recommendation, it is essential that it do so in its entirety as any watering down of this recommendation will have devastating impacts, leaving our essential trade sector exposed to ongoing and uncontrolled spiralling costs.

#### **Recommendation 4.2:**

The Federal Government invests \$1 million to ensure all Productivity Commission's findings on Terminal Access Charges are implemented in full.

## **5. Our environment**

### **Enhancing sustainable production of red meat**

In July 2023 ABARES released an international comparisons report on sustainability and agri-environmental indicators. A key finding was that even with the CO<sub>2</sub>e accounting methodology, Australia's emissions intensities are below average for cattle compared to other major developed producers and exporters countries, and Australia has reduced agricultural emissions more than most other developed countries in the last 30 years<sup>2</sup>.

The sector has taken the lead and made significant investment in research, development, and adoption to minimise the negative impacts on the climate and has been more successful than any other sector. Red meat producers, through levies, have invested over \$140 million since 2017 to progress the CN30 target and has plans to invest a further \$150 million. There is still so much potential, acknowledging the cyclical short-lived nature of biogenic methane and the ability and capacity of carbon sequestration within the landscape combined with the right government support, the red meat industry is on its way to be reaching a state of climate neutral, having no additional impact on global temperature rise (global warming).

<sup>2</sup> <https://www.agriculture.gov.au/abares/products/insights/environmental-sustainability-and-agri-environmental-indicators>

There is a real opportunity here for government, with industry, to further drive the positive impact of red meat production in Australia on the environment while considering the importance of food security, nutritional security, and the societal role of meat. Industry needs government support to enable access to advice, technology, innovation and incentives to:

- Improve emissions and sequestration measuring and accounting technologies, enhance data capacity, further support of extension and adoption activities with focus on improving production efficiencies and sustainable land management practices
- Create and activate methodologies for inseting (included avoided emissions) and benchmarking that reward land managers and review suitable metrics to better reflect the true impact of (methane) emissions on the climate and national greenhouse gas accounts.

In Australia, around \$20 billion in additional capital must flow into the nation's food and land use system to meet Australia's net-zero target. A failure to effectively allocate sufficient capital to the agriculture sector in the near term will increase the cost of Australia's transition to a low-emissions future economy in the long run<sup>3</sup>.

#### **Recommendation 5.1:**

The Federal Government invests \$50 million over four years to work in collaboration with the broader red meat industry to co-design agriculture specific climate investment strategies, which should be incorporated into the Agricultural and Land Sector Plan.

## **6. Our systems**

### **Upgrading Australia's trade regulatory and information systems**

RMAC notes and supports the aims and ambitions of the Simplified Trade System Taskforce (STS), particularly noting the potential for significant, cross-cutting system reform and improvement to deliver significant efficiencies and savings to the red meat sector which is heavily involved in cross-border trade. In order for the opportunities of the STS to be fully realised, RMAC recommends significant investment in wholesale upgrades to systems and their interconnectivity across agencies and jurisdictions. Investments in the systems that underpin trade remain siloed and not fully integrated across agencies, resulting in only minor improvements, and retention of duplicated requirements and costs for traders. For the STS to be effective, this needs to be expanded to a broader, deep reform of Australia's trade processes and systems.

#### **Recommendation 6.1:**

The Federal Government invests \$30 million over four years to facilitate generational-scale upgrades of Australia's trade regulatory and information systems. This should be focused on ensuring cross-agency systems are developed and agencies are better integrated, with single-point systems for import/export documentation, clearance and fees.

<sup>3</sup> All systems go: Transforming Australia's economy to grow (Deloitte Access Economics) <https://news.nab.com.au/wp-content/uploads/2022/07/AllSystemsGo.pdf>

## Enhanced transitional support for new sheep and goat eID regulation

Enhanced national traceability across the Australian sheep supply chain has been a priority focus for the red meat industry over recent years. Specifically, the implementation of individual electronic identification (eID) for sheep in conjunction with broader whole-of-system reform to strengthen national traceability for biosecurity, food safety, emergency response, and to support market access claims.

The main cost to producers of an eID system for sheep and goats is associated with the purchase of electronic tags. As outlined in recent correspondence from SPA members to the Federal Minister for Agriculture:

*“Federal government modelling estimated the total cost to transition to eID for sheep and goats will cost \$810 million to \$831 million (depending on the scenario). Tag costs are the greatest proportion of these costs accounting for 82 percent, or \$683 million...”*

In 2023, SPA undertook a national consultation process to gain greater understanding of the requirements for a national sheep industry tag tender process and online procurement system to determine if this was viable option for alleviating tag costs incurred by producers. The report found that implementation of a national tag tender and procurement system by SPA would present a high risk to the organisation and, as such, was not pursued. Importantly, the report also found that the majority of participants from all sectors (industry, government and commercial) agreed provision of government financial support to producers and across the supply chain during the transitional phase of implementing eID regulation was critical to support efficient adoption of new regulation.

RMAC acknowledges that the Commonwealth and three jurisdictional governments have provided initial transitional support packages across the sheep industry supply chain. However, not only have these packages represented only a small fraction of the transitional costs identified by modelling outlined above, they have all been inconsistently applied creating inequality for producers competing in a national supply chain.

### **Recommendation 6.2:**

The Federal Government work in collaboration with industry and jurisdictional governments to develop and implement additional eID transitional support packages for Australian sheep and goat producers.

## Sustainable national traceability system funding

Substantial improvements to our country's biosecurity and traceability systems have consistently been recommended by various government and industry investigations and reports spanning the last two decades. The most recent of these was the Rural and Regional Affairs and Transport References Committee (RRAT) *Adequacy of Australia's biosecurity measures and response preparedness, in particular with respect to foot-and-mouth disease and varroa mite* inquiry, which found:

*Committee view 5.86 Given the rise in biosecurity threats, and the wide range of benefits offered by a national traceability system, the committee supports the extension of the NLIS to include individual sheep and goats. It notes that there will be challenges in implementation and additional costs, including for producers, and welcomes the government's announcement of*

*additional funding, while also recognising the need for a review of current funding arrangements.*<sup>4</sup>

RMAC acknowledges the work undertaken by Government to implement the *National Agricultural Traceability Strategy 2023 to 2033*<sup>5</sup>, along with the grant funding made available, however calls on Government to implement the following recommendation made by the RRAT inquiry:

*Recommendation 13 5.89 The committee recommends that the Australian Government conduct a review of national livestock traceability funding and co-funding mechanisms, to ensure they are sustainable, comprehensive, and equitable.*<sup>6</sup>

Adopting this recommendation would facilitate a comprehensive funding approach for the system, eliminating the necessity for fragmented grant arrangements and addressing concerns related to new regulations, such as eID for sheep and goats. This approach not only strengthens the traceability system but also enhances financial efficiency for funders while promoting greater equity for those experiencing regulatory burdens.

**Recommendation 6.3:**

The Federal Government invests \$1 million to assist in the review, development and agreement on national livestock traceability co-funding mechanisms to ensure they are sustainable, comprehensive, and equitable across the supply chain

**Conclusion**

RMAC thanks the Federal Government for consideration of our key economic policy and investment initiatives and looks forward to Budget 2024-25. If there are any queries about this submission, please do not hesitate to contact me on 0428 776626 or [ceo@rmac.com.au](mailto:ceo@rmac.com.au).

Yours sincerely



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**Red Meat Advisory Council**

On behalf of:



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<sup>4</sup> [Adequacy of Australia's biosecurity measures and response preparedness, in particular with respect to foot-and-mouth disease and varroa mite – Parliament of Australia \(aph.gov.au\)](#)

<sup>5</sup> [National traceability - DAFF \(agriculture.gov.au\)](#)

<sup>6</sup> [Adequacy of Australia's biosecurity measures and response preparedness, in particular with respect to foot-and-mouth disease and varroa mite – Parliament of Australia \(aph.gov.au\)](#)