



CATTLE COUNCIL OF AUSTRALIA

Consultation Draft Export Control Rules 2020 – Meat and Meat Products

The Cattle Council of Australia (Cattle Council) welcomes the opportunity to provide feedback to the Consultation Draft Export Control Rules 2020 – Meat and Meat Products (*the Rules*). Cattle Council are supportive of the government’s commitment to a meaningful consultation and to allocating an appropriate planning time to conduct this important review.

Cattle Council is the peak producer organisation representing Australia's beef cattle producers. Cattle Council was established in 1979, bringing together for the first time all farmer organisations whose members had beef enterprises. With over 70% of all Australian cattle production exported (to over 78 countries), at a value of A\$8 billion in 2017/18, it is vital that Australia has a regulatory framework that is able to foster further development of the beef industry.

Cattle Council supports the Red Meat Advisory Council (RMAC) and the Australian Meat Industry Council (AMIC) joint submission to this process. In addition to the specific feedback regarding the draft provisions for the Rules provided by the RMAC and AMIC joint submission, the Cattle Council would like to make the following general comments.

Cattle Council are heartened by the government’s willingness to ensure industry is provided the opportunity to assist in ‘fine tuning’ the Rules and we are supportive of the principles underlying the reformed regulation. However there remains some concerns as noted below that the Cattle Council are looking to work with the government to resolve.

It is critical that the regulatory framework governing the export of meat and meat products be based on firm scientific principles. A robust, efficient, scientifically based framework has the potential to provide opportunities for producers, particularly in its ability to underpin the integrity of the goods in both domestic and international supply chains. Cattle Council is supportive of the government’s intention to NOT make significant changes to export policy or to the current baseline of regulations as a result of changes to the legislative framework.

Cattle Council have significant concerns in relation to Section 289 of the Bill:

(1) The Minister may, by legislative instrument, give directions to the Secretary in relation to the performance of his or her functions or the exercise of his or her powers in making rules under section 432.

Note: Section 42 (disallowance) and Part 4 of Chapter 3 (sunsetting) of the 12 Legislation Act 2003 do not apply to directions given under this subsection (see regulations made for the purposes of paragraphs 44(2)(b) and 54(2)(b) that Act).

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(2) The Minister must not give directions to the Secretary in relation to a decision on a particular application made under this Act.”

The Section 289 provision, for the Minister to direct the Departmental Secretary, in relation to the performance of his or her functions or the exercise of his or her powers in making rules under section 432, is alarming. Cattle Council understand that there are some checks and balances around this provision under the objectives of the Bill, although Cattle Council asserts that these are not adequate to manage potential distortions in trade and that there is substantial risk in the regulatory process being politicised. Cattle Council strongly recommends that this provision be amended within the legislation.

The Australian beef industry’s competitiveness in the coming decades will be significantly impacted by its performance in overseas markets, and our ability to meet the demands of an increasingly informed consumer. It is imperative that the regulatory framework governing the export of meat and meat products is devoid of political influence where possible.

Cattle Council are supportive of proposed flexibility within the legislative framework that allows the Federal Government to be more responsive and better manage changes and issues as they arise. A regulatory framework that is able to adapt to innovation and can accommodate various third-party certification systems (which are becoming increasingly important to international high value customers) is needed to optimise the growth potential of emerging and current international markets.

There are considerable opportunities in a number of regions with growth of demand for Australian beef, although international competitors, who often have much lower costs of conducting business are also assessing these opportunities. Australian meat processors currently operate in the most expensive regulatory system in the world (evidenced by AMPC’s 2018 Cost to Operate report¹). There is a real risk that without the right regulatory framework, that is inclusive of all aspects of the supply chain, Australia will not be able to capitalise on growth of demand.

Cattle Council support reducing duplication. Numerous government and industry reports have outlined that there are significant costs to producers as the result of excessive regulation. Cattle Council recommends the government consolidate (where possible) the administrative arrangements of the various commodity Rules to allow for coordination and reduced government expenditure. Currently most commodity orders and the Export Control Order share common requirements. Activities such as the administration of registrations, verifications and certification elements, could all be amalgamated to eliminate unnecessary bureaucracy.

It is essential that any changes to the Rules (or to the administration of the Rules) does not impose an additional cost burden on producers and streamlines the administrative process to reduce costs. Already some of Australia’s highly valued trading partners (EU) have adopted consolidated administrative practices, it would be prudent to seize this opportunity to reduce some of the regulatory burden on the current system.

Given the requirement that the Rules be read in conjunction with the Act, where possible, language should be consistent between the Rules and the Act. Simple clear language that is easy to understand and comply with export requirements is needed. Cattle Council asserts that the terminology in the Rules should be clearly defined and suggest that side notes could be added to highlight specified meanings where they are not aligned with definitions within the Act.

The meat and meat product export industry continue to be an integral sales option for Australian livestock producers and an important contributor to the diversity and success of regional economies. Government and industry must work in unison to eliminated duplicate and excessive bureaucratic red tape to maximise the efficiency of the Australian beef industry.

¹ https://www.ampc.com.au/uploads/cgblog/id410/FINAL_Cost_to_Operate_Report_Oct_2018.pdf