



CATTLE COUNCIL OF AUSTRALIA

**Modernising the Research and Development
Corporation System**

20 December 2019



Modernising the Research and Development Corporation System: Discussion paper response

BACKGROUND

A. About Cattle Council of Australia

Cattle Council of Australia is the peak industry organisation representing Australia's grass-fed cattle producers. It was established in July 1979, uniting beef producers from around Australia through their membership of State Farming Organisations (SFOs). Cattle Council's direct reach to producers, either by SFO membership, Associate membership or direct individual membership, equates to more than 15,000 levy paying cattle producers and accounts for the majority of Australia's beef cattle herd.

In addition to its traditional advocacy role, Cattle Council has a prescribed red meat industry function set out under the *Australian Meat and Live-stock Industry Act 1997* (AMLI Act). Under the AMLI Act, Cattle Council has an oversight role of levy expenditure undertaken on behalf of Australian grass-fed cattle producers.

Through these arrangements, Cattle Council is intrinsically linked to the levy collection and distribution process. Under the current Memorandum of Understanding (MoU), the primary role of Cattle Council and other peak councils is to provide leadership, formulate policies, set strategic imperatives and determine overall levels of levy payer expenditure, as well as providing policy advice to the relevant minister with respect to the sector it represents.

As a member of Red Meat Advisory Council Ltd (RMAC), Cattle Council has been closely involved in the development of our industry's strategic plan *Red Meat 2030*, which provides clear vision and direction to deliver on recognised industry priorities across the supply chain.

The goal shared by the National Farmers' Federation (NFF) and the Federal Government of growing Australia's farm-gate output to \$100 billion by 2030 will be guided in part by the success of *Red Meat 2030*. For the Australian beef industry, this will rely on a framework that is appropriately resourced and structured to deliver on key marketing, research and adoption imperatives.

The role of the MoU and the Australian red meat industry structure is currently under review via the 'A better red meat future – a white paper for the Red Meat Advisory Council'. Cattle Council maintains that 'producer ownership of these *Red Meat 2030* initiatives will be paramount to achieving the 2030 goal. Only by having sound mechanisms which enable producers to have appropriate input into the direction of policy development and the implementation of the priorities outlined in *Red Meat 2030* will industry progress towards the 2030 milestone. It is therefore critical that whatever structure is agreed under the MoU, producers have line of sight on where and how their levies are spent and provide input into the development of programs and projects used to achieve industry objectives' (Cattle Council White Paper submission, 2019).

Cattle Council has also contributed to and supports the response from NFF, which provides a collective perspective from Industry Representative Bodies (IRBs).

B. Grass-fed beef cattle transaction levy

Cattle Council is legislated to oversee the grass-fed cattle levy through the AMLI Act. Each



of Cattle Council's five consultative committees play an important role in ensuring levy money is spent correctly in evaluating the performance and planning of the strategic goals to be pursued by the levy funded bodies. The compulsory \$5/head cattle transaction levy (CTL) is split as follows:

- marketing (\$3.66) and R&D (\$0.92) distributed to Meat & Livestock Australia (MLA);
- animal health (\$0.13) distributed to Animal Health Australia (AHA); and
- residue testing (\$0.29) distributed to the National Residue Survey (NRS).

A fourth component, the Cattle Disease Contingency Fund, is currently set at zero.

Expenditure on research and development activities is also matched with funding provided by the Australian Government, up to a limit of 0.5 per cent of the gross value of production.

Cattle Council will provide input to the Department of Agriculture's review, 'Streamlining and Modernising Agricultural Levies Legislation', with the current legislation sunsetting in 2023. We have been advised by the department that this process is intended to be a 'housekeeping' review (e.g. an opportunity for legislative rationalisation), rather than a 'structural' review of industry levies, which Cattle Council contends is needed.

The CTL requires much-needed flexibility in the way levy revenue is allocated across industry programs. Cattle Council also strongly advocates for peak councils' direct access to levy funds to be legitimised and made more transparent into the future, with peak councils held to account to the same extent as the current recipients of the CTL. The Australian Farm Institute recommended that policy analysis is an activity which should be funded using compulsory industry levy funds¹. Without appropriate resourcing, peak councils are unable to effectively represent the interests of levy payers.

C. Funding

The Australian Government provides funding support, contributing 30.1 per cent of the total annual research and development corporation (RDC) expenditure.² In 2018/19 MLA received \$80.9 million government contribution in a total expenditure of \$274.4 million – or 29.4 per cent.³ Cattle producer levies accounted for \$112.9 million of MLA's expenditure in 2018/19 – or 41 per cent. The remaining \$80.6 million is from private/commercial investment and levies that are co-invested through Australian Meat Processor Corporation (AMPC) and LiveCorp.

In real terms, public-sector research, development and extension (RDE) funding in Australia has remained largely unchanged over the past 20 years and the only period of significant increase (2002-04) was almost entirely due to additional CSIRO funding.⁴

MLA generates considerable income via voluntary contributions which are matched by the Australian Government. This funding is invested in R&D projects that benefit the Australian red meat industry through the MLA Donor Company (MDC). Expenditure through MDC totalled \$94.2 million in 2018/19, representing 34 per cent of MLA's total expenditure.

¹ Improving the Sustainability of Red Meat and Livestock Industry Councils; Australian Farm Institute: November 2016

² Rural R&D Corporations Factsheet 2019

³ MLA Annual Report 2018-19

⁴ https://www.crdc.com.au/sites/default/files/pdf/RDE_Report_web_0.pdf



Over the last four years, MLA's investment has increased through improved utilisation of the MDC opportunity to where it is now fully subscribed. Attracting private/commercial investment has created the opportunity to fully leverage the levy and government funding for the benefit of the red meat industry.

Since the early 1990s the RDCs have gradually assumed primary funding roles as partnership research funding has stagnated or reduced. The RDCs are estimated to account for about one-third of the direct funding available across the rural innovation system. Further leveraging arrangements means more than half of the remaining two-thirds of investment is also directed to the priorities identified and being addressed by the RDCs.

D. Research and Development

MLA is the declared industry marketing body and the industry research body under sections 60(1) and 60(2) of the AMLI Act for the Australian grass-fed beef industry.

The service-delivery role of MLA goes beyond the functions of research, development, extension and marketing to include other services for industry, government and the community such as the food safety and integrity programs, Livestock Production Assurance (LPA) and the National Livestock Identification System (NLIS).

Cattle Council supports the inclusion of the marketing function and consumer insights in industry services bodies' roles. The link to consumers is used to drive market focused research priorities and develop new products and processes focused on consumer needs. This is particularly important for export exposed industries⁵ such as beef where the overseas network of MLA offices can help focus industry programs and RDE to maximise returns for industry and capture the benefits of growing export markets.

Cattle Council believes there is a need for ongoing government investment in agricultural research and development based on the following points:

- agricultural RDE benefits the Australian economy, environment and society;
- greater RDE intensity is needed for Australia's agricultural industries to remain internationally competitive and continue to deliver public benefits; and
- the public-good and market-failure aspects of RDE and the structure of agricultural businesses mean that Government investment is required to deliver sufficient levels of RDE.

Cattle Council believes that RDCs (or industry services bodies) fill an important niche in Australia's rural RDE system by:

- providing national focus and consistency to RDE;
- using supply chain information to drive consumer focused RDE;
- providing strong returns on investment to Government on research aligned with national RDE priorities;
- allowing input from producers to keep research relevant and assist uptake; and
- managing industry programs and supporting traditional roles of Government.

⁵ Australia exports 71 per cent of total production (ABS, DAWR)



E. People

The discussion paper did not adequately address a critical factor that impacts on the success of an industry, which is the ‘people’.

RDCs should have a role in investing in people capacity and capability (e.g. training, upskilling, focussing not only on skill base but supporting mental and physical health) across the spectrum covering producers through to industry leaders as well as researchers and extension providers.

RESPONSES TO THE REVIEW QUESTIONS

1) Is the current RDC system delivering value for levy payers and taxpayers? In what ways?

The rural RDCs are required through their Statutory Funding Agreements (SFA) with the Australian Government, to invest in activities guided by levy payers’ and government priorities and demonstrate the benefit of their activities to those stakeholders.

MLA seeks input from levy payers such as SFOs, Peak Industry Councils (PICs) and the Research Advisory Councils to ensure RDE investments reflect industry priorities.

MLA reports on the value delivered to levy payers in a number of ways. These include, but are not limited to:

- i. MLA [Annual Reports](#)
- ii. Corporate publications such as the quarterly magazine – [Feedback](#)
- iii. Outcomes of the statutory [Performance Reviews](#) required by the Australian Government.

RDCs are required to ensure their investment is guided by government priorities including the rural R&D priorities, the levy principle guidelines and other directives provided at various times by the Federal Minister of Agriculture. RDC investment is also guided and informed by global trends and market insights.

The current RDC system delivers value and, in Australia’s red meat industry, a number of national inquiries have recognised the ongoing tangible benefits flowing from MLA to producers, processors, live exporters and the wider Australian community.

Pre-farm gate innovation fostered by MLA offers the possibility of greater returns through:

- improved feed and fodder;
- livestock genetics;
- business management;
- beef and sheep productivity; and
- animal health and welfare.

Recent examples of these gains include the premiums acquired through MLA-administered Meat Standards Australia (MSA) - averaging \$84/head for non-grain-fed and \$48/head for grain-fed cattle, totalling \$198M in additional farm gate returns during 2018/19 alone. The Return on Investment (ROI) of MSA between 2010 and 2015 was calculated at 12.5:1, delivering a net industry benefit of \$679M.



Post-farm gate, beef boning automation is predicted to return \$30/head, with \$12 of the return going to producers.

The value-chain sees other benefits from MLA-supported activity; notably through domestic and international marketing. For example, MLA's winter beef campaign saw a nine per cent lift in consumers' mean number of weekly serves.

Internationally, 'True Aussie' is MLA's key messaging platform to build awareness of core attributes of the Australian red meat industry, and drive preference for Australian red meat over competitors. True Aussie branded business development and brand building activities have been very successful in achieving these objectives. For example, MLA's summer 'Let's Barbie' campaign in Japan helped Australian beef maintain its top ranking in key health image attributes, reflecting the 'genki' (or energy/good health) (Australia 35% vs US 23%) and low in fat (Australia 41% vs. US 17%) positioning.

Through its SFA, MLA must demonstrate benefits to the Australian public. The wider Australian population enjoys indirect benefits of RDC investment through the targeted work of MLA. For example, two-thirds of surveyed GPs are using information from MLA's 'So What's for Dinner' campaign to explain red meat nutrition to promote a balanced diet as part of a healthy lifestyle⁶.

Cattle Council believes that agricultural industries, and in particular the Australian beef cattle industry, provide important returns to the Australian taxpayer through the provision of the following public benefits:

- Provision of low cost, nutritious and safe food – Australia's reputation as a supplier of reliable, safe beef is internationally recognised.
- Managing Australia's natural resources – Farms running beef cattle manage more than 75% of the total area of agricultural land in Australia. Land management influences air and water quality and ecosystems.
- The Australian red meat industry has set a target to be carbon neutral by 2030 (CN30). This commitment to our global consumers confirms that the Australian red meat industry is serious about addressing Green House Gas (GHG) emissions.
- Maintaining export diversity – In 2017-18 Australia exported 1.1million tonnes of beef to over 78 countries to a value of A\$8 billion and 957,537 live cattle worth approximately \$1.27 billion.
- Supporting regional economies and communities – The beef cattle, live export and meat processing industries directly employ over 191,800 people, many in rural and regional areas. Without viable agriculture to support rural and regional communities, more of Australia's population would migrate to already congested cities.
- The Australian the beef industry contributes significantly to the flow of export dollars into Australia. This is important given that export dollars increase our standard of living.

2) What are some of the benefits of keeping the same number of RDCs?

MLA is currently the industry service body to multiple commodities including beef (grass-fed and grain-fed), sheep meat and goats, investing in supply chain programs in processing and

⁶ IQVIA Quantitative Research Insights, Evaluation of MLA's 'So What's for Dinner' Samples Plus Campaign, May 2019.



live export. Internal budgeting within MLA allows the levy streams of different industries to be used for distinct purposes within the MLA budget. Thus, a single RDC is able to provide input to multiple related industries and collaborate on projects that can benefit multiple commodities, creating efficiencies in the utilisation of levies.

3) What are some of the benefits of changing the number of RDCs?

‘A better red meat future – a white paper for the Red Meat Advisory Council’ (white paper), recommends combining the core research functions from the Australian Meat Processor Corporation (AMPC), LiveCorp and MLA (titled NewCo2).

Cattle Council and its SFO members have an open mind regarding NewCo2, given the scope for efficiencies which could be achieved under a single red meat research body. However, any such consolidation must embrace strong producer representation, accountable levy investment and greater efficiencies of matching funding arrangements.

Cattle Council agrees that there is scope for better governance and accountability of service providers; however, no case is presented in the white paper that there is currently ineffective governance and accountability mechanisms to warrant a merger, or how a merger would potentially alleviate these concerns or achieve better outcomes for producers.

There are inherent risks in creating an all-in-one RDC that could see a return to pre-1998 arrangements, which were replaced by the superior sector-specific model that has operated successfully for 21 years. The proposed governance structure to provide greater accountability measures under *Red Meat 2030* may overcome some of the issues that undermined previous arrangements.

Regardless of the number or structure of the RDCs, Cattle Council must continue to have oversight of any expenditure of the grass-fed cattle levy and to have a secure funding stream (by receiving a portion of the CTL) to more effectively perform this oversight role and better engage and consult with grass-fed levy payers.

4) What are some of the cross-sectoral issues being faced by the wider agricultural sector?

Agricultural cross-sectoral issues include but are not limited to:

- Digital technology adoption
- Information and data management and feedback mechanisms
- Drought and climate risks
- Forecasting and prediction modelling
- Decision support tools
- Emission reduction
- Biosecurity
- Soil health
- Increasing pasture productivity and persistence
- Water efficiency
- Farmer business skills
- Supply-chain traceability
- Food wastage
- Weeds & pests



- Animal health and welfare
- Animal activism
- Reducing GHG emissions of ruminant animals
- Land clearing
- Promoting the nutritional profile of agricultural products.

Some cross-sectoral issues are vertical – they apply up the supply chain (e.g. whole lifecycle accounting). For example, the Australian Beef Sustainability Framework (ABSF) has defined a sustainable beef industry and identified indicators across a number of areas including cross sectoral challenges such as the environment. The ABSF aims to guide investment, activity and critically measure and report progress. An example of this is emissions, where the framework reported further reductions in beef’s contribution to the national carbon account. The ABSF is industry owned and led with MLA coordinating all activities in support of the framework.

5) How can RDCs increase collaboration to ensure better investment in, and returns from, cross-sectoral, transformative and public good research?

Effective coordination and collaboration within a sector are fundamental. Examples of past collaborative efforts include the 2005 Primary Industries Ministerial Council (PIMC) concept of a more collaborative national RDE model where they endorsed the development of a National Primary Industries Research, Development and Extension Framework. The Framework was developed by the Commonwealth, States and Northern Territory, Rural R&D Corporations, CSIRO and universities.

National Research Development and Extension Strategies were developed for a number of industries including beef production as well as cross industry strategies covering animal biosecurity, animal welfare, biofuels and bioenergy, climate change and variability, food and nutrition, plant biosecurity and water use in agriculture.

The aims of the National Beef Production RD&E Strategy (2010) were to:

- Improve the focus, efficiency and effectiveness of beef production RD&E across Australia; and
- Reduce fragmentation and duplication of effort to create a system of beef production RD&E that better integrates the priorities of industry and industry organisations, investors, federal, State and Territory Governments, CSIRO, the Beef CRC, universities, and private providers for industry, stakeholder and community benefit.

More recent collaborative approaches include:

- The MLA-driven Animal Welfare Strategic Partnership
- The Animal Welfare Collaborative (TAWC) – being driven by the University of Queensland
- The Animal Welfare Science Centre (University of Melbourne)
- MLA’s National Livestock Genetics Consortium
- The Livestock Productivity Partnership (LPP)
- The Rural Research and Development for Profit (RRD4P) program which boosts funding to the rural RDCs for nationally coordinated, strategic research that delivers real outcomes for Australian producers.



6) What are the cultural changes necessary in RDCs to achieve a modern fit-for-purpose RDC system?

Culture is influenced by goals, roles, processes, communication practices, values, attitudes and assumptions. Therefore, having these clearly defined can assist in achieving cultural change.

For the RDC system, reinforcing a culture of accountability to levy payers, PICs and the Australian Government is paramount. While RDCs must have a degree of ‘freedom’ to operate effectively, there have been several recent instances where MLA has committed large amounts of levy funds to initiatives without consulting the industry representative body – this undermines trust and is not consistent with a culture of accountability to levy payers.

‘People’ are also an important component. The influence of MLA’s predecessor, Australian Meat and Livestock Corporation, eroded and eventually collapsed in 1998 because of cultural differences that developed between its staff and PICs under whose guidance it should have been operating. As years pass, staff members lose sight of the appropriate hierarchy, which should always have levy payers, and their representative bodies, as overseers.

7) What other ways are there for increasing investment in cross-sectoral, transformative and public good research?

The NFF submission highlights that the two existing RDC cross sectoral mechanisms are the Emerging National Rural Issues (ENRI) process and the Council of Rural RDCs.

The ENRI process needs to mature beyond its existing ad-hoc form. This can be achieved by RDCs properly funding the secretariat and ensuring senior representatives with appropriate delegations attend. RDCs should consult with their IRBs on investment priorities for this program.

The NFF and IRBs involved in the NFF submission also support the establishment of a special purpose vehicle to pursue strategic, transformative cross sectoral R&D. The new entity would be funded by RDCs on a voluntary basis, others can join later, and is based on the following principles:

- ability to operate across or even outside of the individual industry focus of RDCs
- authority to act underpinning an agile investment framework
- capacity to manage uncertainty through adaptation
- ability to deliver arrangements which are enduring (10-20 years)
- capacity to attract non-traditional investors as partners
- ability to generate improved return on investment
- consideration of farmer adoption and communication of R&D.

8) What is the best way for RDCs to engage with levy payers to inform investment decisions?

Engagement with levy payers in the grass-fed beef industry is currently conducted on two levels via:

- i) Cattle Council as the peak industry body representing grass-fed levy producers



ii) The MLA Regional Consultation Framework

Cattle Council Engagement

MLA engages with Cattle Council on at least a quarterly basis via Cattle Council's Research, Development and Adoption (RD&A) Consultative Committee, which is made up of representatives from each state and territory (via SFO representation), board elected independents, and the three chairs of the independent producer-driven committees: North Australia Beef Research Council (NABRC); Southern Australia Livestock Research Council (SALRC); and Western Australia Livestock Council (WALRC).

Key roles of the RD&A Committee are to provide recommendations on research and development issues within the grass-fed beef industry and to provide strategic direction and oversight of MLA R&D programs that involve grass-fed levy expenditure. The members of the RD&A Committee have a responsibility to consult with their respective organisations, including the SFOs and member networks.

If Cattle Council, as the peak industry body was better resourced through the provision of direct access to levy funds for its policy making work, it would be able to enhance consultation with grass-fed levy payers to help inform grass-fed beef levy investment decisions.

MLA Regional Consultation Framework

In 2015 MLA implemented the 'Regional Consultation Framework' with the aim to provide a transparent, representative, cost-effective and systematic framework that underpins effective and relevant RD&A investment. The process was established to ensure that national and regionally relevant research, development and adoption priorities are identified to deliver optimum value back to grass-fed beef businesses.

The process primarily focuses on identifying priority areas for research, development and adoption and then selecting relevant projects for funding.

The process involves grassroots producers, who are encouraged to communicate with one of the 18 regional committees throughout Australia. These independent, producer-driven committees include NABRC, SALRC and WALRC.

9) How can we encourage increased investment in the RDC system from the private sector and international partners?

The red meat industry has been able to harness significant investment from the private sector via MDC, which was established in 1998 as a fully owned subsidiary of MLA. The principal activity of MDC is to act as an approved donor under s61(1) of the AMLI Act for research and development matching funding purposes.

MDC accelerates innovation across the value chain by attracting commercial investment from individual enterprises and others that share a mutual interest to co-invest in innovation that will benefit the industry.

The Australian Government matches voluntary partner contributions (up to 50 per cent) through MDC, where eligible projects deliver outcomes that address broader industry and/or government priorities and benefit the entire industry.

MDC attracts investment from every part of the red meat and livestock value chain, including processors, value-adders, breed societies, large pastoral companies, international



collaborators, universities, research providers and technology providers. MDC works in partnership with these value chain partners to deliver products and services to the Australian red meat industry.

MDC also works with the Australian Meat Processor Corporation (AMPC) via the Plant Initiated Project initiative, to develop projects that address key processing issues and support the development of innovation capabilities within this sector.

Except for a perceived lack of transparency with respect to the MDC's projects (recognising the need for some information to remain confidential), the model seems to have worked well and it is essential that it be continued.

10) How can we form stronger linkages between the RDC system and the food value chain?

As previously outlined, Cattle Council is supportive of the inclusion of the marketing function in MLA. The link to consumers is used to drive market focused research priorities and develop new products and processes focused on consumer needs.

An example of a joint investment by MDC, AMPC, industry and technology partners includes the 'Developing new red meat products' MDC project, which aims to *grow red meat demand with innovative products, process and business model and capability development to create and capture value along the red meat value chain* (MDC, 2019).

11) What changes might encourage improved RDC collaboration with the private sector, including those outside the agricultural sector?

Ongoing Australian Government matching funding through the MDC is vital for the Australian red meat industry to continue to attract private sector innovation and funding.

One problem currently facing the sector is the restrictive ceiling of 0.5% of GVP placed on RDE expenditure that is matched by government. Last financial year, this ceiling was in jeopardy of being breached, necessitating a winding back of valuable RDE commitments. With the price of RDE increasing over time, and with the added demand for RDE project funding, this ceiling should be lifted.

12) Where should the balance of investment between R&D and extension lie?

The balance of investment between R&D and extension should depend on the R&D project, not a prescribed amount. A greater emphasis on adoption which is woven into project plans should be encouraged, as the investment in research and development is only returned when management strategies and/or technology is adopted.

Having said this, 'extension' is sadly under-resourced relative to 'research and development', leading to lower-than-expected rates of adoption.

13) How could RDCs play a stronger role in extension service delivery, in light of existing private and state government extension efforts?



RDCs could play a much stronger role in extension service delivery by first determining barriers to adoption and then facilitating the development and delivery of an extension framework for industry. Such a framework would determine industry's adoption priorities and should enhance consistency and direction across the extension service providers.

Across the red meat industry there is a wide variety of extension service providers from government (national, state agriculture and environment departments; local government and 'catchment'/regional organisations); RDCs; product re-sellers/farm input suppliers; independent (fee-for-service) advisors/consultants; farmer advice/support organisations; and processing companies.

RDCs should have a role in providing training/education to both the extension service providers and to producers, as well as developing and/or packaging extension material including the tools and resources. Another key element for the RDCs should include facilitating a process of transforming science and research outcomes into communication relevant for producers.

As previously outlined, effective cross-industry collaboration is important for R&D but also for extension programs where issues are cross-commodity relevant. For example, where relevant pasture extension work should include beef, sheepmeat, wool and dairy industries.

14) How could RDCs help researchers, entrepreneurs and others better engage with producers to accelerate uptake?

MLA's Regional Consultation Framework aims to encourage researchers to engage with producers from the project concept stage through to the delivery of the research and adoption pathways.

Engagement of producers at the earliest stages of research projects of relevance to them inevitably leads to greater adoption.

An example of better engaging with producers to accelerate uptake includes MLA's Producer Demonstration Sites (PDS) program which aims to increase the rate of adoption of key management practices and technologies that improve business profitability, productivity and sustainability. This is achieved through supporting livestock producers working in peer to peer groups to pursue new skills, knowledge and management practices applicable to their own commercial livestock production systems.

15) How could industry and levy payers drive increased uptake of R&D?

As outlined above, understanding the barriers to adoption and designing extension processes that address such barriers is an important first step. Initiating programs that involve producers and give ownership as part of the R&D is an effective way to drive uptake. Examples in the beef industry include:

- The PDS program
- The Producer Fast Track Innovation Program
- Co-innovation programs
- The new Farmers 2 Founders.



16) How might RDCs be able to increase their role in policy R&D and participate in policy debate alongside industry representative bodies?

Having clearly defined expectations and roles for the RDCs and the industry representative bodies across the agricultural RDC system is essential.

The 2016 Australian Farm Institute report on *Improving the sustainability of red meat and livestock industry peak councils* identified that the industry representative and advocacy functions performed by these PICs including Cattle Council could be categorised as follows:

- **Policy Analysis.** *Research and objective analysis to inform the development of well researched policy positions after consultation with industry and other stakeholders.*
- **Policy determination.** *Utilising representative structures to determine policy positions for individual sectors and the industry as-a-whole.*
- **Industry Advocacy.** *Representing and promoting the interests of stakeholders. Making representations to governments on behalf of industry. Community engagement.*
- **Strategic planning.** *Developing and monitoring the implementation of a strategic plan to direct levy expenditure and other funding sources for the betterment of the red meat industry.*
- **Monitoring and Reporting.** *Monitoring the operations of levy-funded industry service companies and making recommendations on levies through levy motions and advice to the minister.*
- **Agripolitical activity.** *Engaging in external political campaigns to affect legislation.*

A conclusion from this analysis was that:

- the statutory and industry functions (including strategic planning and monitoring and reporting) performed by the PICs need to be adequately resourced;
- these functions are carried out for the benefit of the entire industry therefore the use of compulsory levies or industry funds is appropriate; and
- the funding needs to be made available in a way that does not compromise the independence of these organisations.

The AFI report also reported that policy analysis (or policy R&D) ‘involves conducting detailed and objective research into policy issues with the objective of informing discussion about preferred policy settings for the industry or the economy more generally. There is merit in such analysis being funded using compulsory levy funds and managed by industry service organisations as part of their research and development portfolio. The report also concluded that such policy analysis should be carried out within a more formalised process, whereby the representative organisations identify priorities, and the levy-funded service organisations commission policy analysis and make the results of that available to industry.

17) If RDCs were to play a greater role in this area, how could this activity be clearly distinguished from partisan and political activity, which must remain a role for industry representative bodies?

As outlined in 16, clearly defined roles, responsibilities and expectations must be developed. Cattle Council strongly believes that political, advocacy and policy-making activity must remain the role of the industry representative body and not the RDC. The RDCs should have



a role in providing policy analysis/research support under the direction from the industry representative bodies.



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