

- **RE: The Federal Senate Inquiry into Grass Fed Cattle Levy Funded Industry Structures and Systems**

"Grassmere"

Sunday 16th

February 2014

To the secretary,

I am grateful for the opportunity to offer up some constructive ideas for our future. These ideas are probably considered quite radical but the current situation that we find ourselves in requires "no frills" common sense actions. The Levies control and the scrambling for a share there of- is like fighting over the deck chairs on the "Titanic" and then arguing over the new colour for a repaint!

For the last 17 years (see diagram in attachment- curtesy Rob Wass "Walleroy")- we have had a totally dysfunctional Levy funded-Public Service bureaucracy badged as a "Producer Company". Processor voting blocks control the lions share of the small percentage of voting entitlements that get taken up. The only thing to vote on is for three pre selected candidates for three positions on the board. We all know the history and it (MLA) must be terminated forth with.

I move that we repeal the MLA act and the LEVIES Collection act by the end of June 2014. Fooling around and re badging a broken system, applying band aids is really just the " low hanging fruit" when one looks at the big picture. Now I will list my plan for the future and governance for the Red Meat / Livestock sector.

There are three sectors integral in this inquiry that must have reasonable agreement and common purpose before ANYTHING new and constructive can emerge.....actions required-

1 Govt to repeal Levies Act finishing all levies payable to Livestock and red meat.

Nb A levy was only meant to be enacted in the event of a market failure - not to make a trough with the float valve permanently stuck open!

2 Govt repeal the underpinning MLA act and disband it for relocation to other duties or private enterprise for the 248 staff.

3 Govt fully fund AQIS,AHA,and meat inspectors costs for the processing sector. This happens in our competitor countries.

4 Govt implements the simple trade practise Bill- PRIMARY PRODUCTION PRICING Bill (PPP) to create a

"Forward Offer Board" in the form of a computerised Single Desk Listing Site. This would be a trading platform run within the AUDA and would be "mandatory " for all offers of the farmgate to secondary variety.

5 Advocacy- Should be split up to the different competing groups within the whole industry ie-

Goat meat, ALFA,Processors group,Grass fed Producers, Live Export Producers and Sheep/ Lamb producers.

Govt will converse with each of these specialised VOLUNTARY groups ONLY- when the need arises.

In this day and age of computers and NBN- this is all very feasible and costless. I have had five years experience running a NING formatted blogsite with 3500 members which for \$60 per month gives an amazing number of features for up to 10000 members to comment - add discussions, post youtubes, photos- communicate on an inhouse private email system- set up internal groups and with login passwords- it is possible to have voting and "closed " discussions from the www (If so desired)

After 35 years in the cattle /sheep game and in more recent times feral goats have been a valuable income stream- I feel that I have a very good understanding of the red meat industry at all levels. The past 7 years I have been involved in advocacy to get these issues in this Inquiry addressed. It has been a long hard road and way overdue so let us not waste this chance.

It has become very clear to me that as we all get older and are asked to produce "More for Less" each year and work harder and harder with no staff- that Primary Production is at breaking point.

FARMGATE returns are at disgusting levels and my PPP bill will remedy this via True Competition for our products for the first time ever!

IE

PRICE will "discover" the products not our PRODUCTS "discovering" a dreadful uncompetitive PRICE.

Now I will list each of the three factions under revue- with the advantages for each - should the senate inquiry adopt my plans.

1 PROCESSORS are currently paying a transaction levy from their breeding properties and feedlots to their own abattoir's. For JBS alone this and the processor Meat levy of \$2 per head would amount to a saving of several Million dollars. Also the savings in collection and compliance would be considerable as well.

Agis and inspection costs are reported to be \$ 85 M

The PPP bill will simplify and streamline the staff needed for stock procurement and in effect would be a listing site like Ebay with out the charges to use it. Free advertising - no less!

2 PRODUCERS of livestock will immediately be \$5 in cattle and 2% or \$2 in sheep and lamb- BETTER off and this is significant in this depressed market

Collection and Compliance costs as of now will be a big saving to agents and companies when Levies are scrapped.

Competition via the PPP@ the farmgate to secondary Industry level ie

- Live Export
- Feedlot

--- Abattoir

will give a true market level- up to the minute- giving buyers and sellers- choice and competition. This will certainly see prices rise significantly and in turn drag the STORE and STUD markets up as well.

3 The FEDERAL GOVT also has many reasons to implement this plan as it is revenue neutral and has the potential to turn an impending national rural collapse/welfare situation into the opposite.- a profitable Primary Productive sector and all the resultant spin off benefits to the regions.

I feel that it will boost the need for agents to help secure the "Offers" on the AUDA and then help sort them up according to the specifications. Saleyards could actually become the price setters once more. The displaced staff from MLA and the Levies Collection Unit could move across to supervise the AUDA Listing Site. The meat companies would be free to employ some of the skilled sales and research people and will have a saved budget to do so with their levies gone too.

The Taxpayers contribution that currently goes to MLA to match our Levy input is about \$85 M so this is a perfect swap to fund the Aqis and inspection costs for the Processors.

Lastly, let me expand on my ideas re *ADVOCACY*

I believe that Levy funded bodies eventually get lazy and can't justify how they spend (waste) large amounts of money. To justify their existence they find themselves making a mountain out of a mole hill on many unimportant issues and the BIG threatening matters - they are speechless and powerless because they don't have the support from an active "bush telegraph"

Easy money corrupts!

Interest and integrity should always carry a debate - not voting rights or hat size. Self serving cliques that only look after number one are no good for any group and the human/ meeting place format is the great leveller. Very few producers participate in voting or governance matters for many and varied reasons- SO the few that do make the effort should all be able to gather on the one FORUM. No expensive travel costs-all at a time of our choosing from our keyboards.

These Ning sites that I have mentioned are perfect for an informal, voluntary- "BRAINS TRUST" for their respective groupings.

EG Grassfed Cattle Producer Group- could become a bit like a firestation.

The "Go TO" rep group for the govt or anyone else to correspond with in the first instance.

Ning has secure login, closed groups and means for voting where the latest issues can be thrashed out by the interested motivated people that have "skin in the game". All this for \$720 per year and take up to 10000 members (I wish)"

How about it senators- the clock is ticking for us all.....

Yours sincerely,

Rob Moore