



11 September 2017

Regional Development and Decentralisation Committee
PO Box 6021,
Parliament House,
Canberra ACT 2600

Submitted to: www.aph.gov.au/Committee/Submissions

To the Select Committee on Regional Development and Decentralisation

Re: Inquiry into Regional Development and Decentralisation

We refer to the invitation to make a submission to the above inquiry dated 27 July 2017.

This submission is provided by Meat & Livestock Australia (MLA) in relation to the above inquiry. MLA has not provided comments on terms of reference that are outside MLA's remit, involve other entities or relate to government policy. MLA provides this submission to inform the inquiry on its operating arrangements. The premise of MLA's submission reflects the rationale for these arrangements, summarised as follows:

1. MLA's stakeholder and member base encompasses every state and territory and is so geographically diverse that there is no regional/rural base that naturally puts the company closer to one stakeholder group without making it less accessible to another.
2. MLA's role as a provider of research and development and marketing services to Australia's red meat and livestock industry, as well as the industry's export orientation, mean MLA must maintain a domestic and international focus.
3. Consequently, MLA maintains a "hub and spoke" network of offices and other locations across Australia and in our red meat industry's major international markets. MLA's workforce is strategically located within this network according to role and to leverage the best possible access to all stakeholders and markets. MLA's metropolitan offices in Brisbane and Sydney facilitate wider consultation on a more regular and more cost effective basis.
4. MLA's regional activities are core business and include regular individual and group visits, conferences, seminars and other events, training and the engagement of third party contractors.

5. MLA's consultation model is designed specifically to engage with industry regionally and our participation in councils, task forces and sundry workshops provide further breadth to MLA's footprint across the entire country.

Background

MLA is a producer-owned, not-for-profit organisation that delivers research, development and marketing services to Australia's red meat and livestock industry. Working in collaboration with the Australian Government and wider red meat industry, MLA's mission is to deliver value to levy payers by investing in initiatives that contribute to producer profitability, sustainability and global competitiveness.

MLA was established in 1998 as a public company limited by guarantee, following the merging of two industry statutory organisations – the Australian Meat & Livestock Corporation and the Meat Research Corporation. MLA is the declared industry marketing body and the industry research body under sections 60(1) and 60(2) of the *Australian Meat and Live-stock Industry Act 1997* (AMLI Act).

Membership of MLA is voluntary and free to all levy-paying grassfed cattle, grainfed cattle, sheep, lamb and goat producers. MLA had 49,726 members at 30 June 2017.

Our funding

MLA is primarily funded by transaction levies paid on livestock sales by producers.

The Australian Government also contributes a dollar for each levy dollar MLA invests in research and development. Other funding streams come from specific unmatched grants from the Australian Government and cooperative funding contributions from other Research and Development Corporations, individual processors, wholesalers, foodservice operators and retailers. Processors and live animal exporters also co-invest levies into MLA programs through their service companies, the Australian Meat Processor Corporation (AMPC) and Australian Livestock Export Corporation (LiveCorp). Individual exporters and importers can also co-invest with MLA on marketing activities.

MLA generates additional income via commercial funding contributions which are matched by the Australian Government. This funding is invested in research and development partnerships that benefit the Australian red meat industry through MLA Donor Company, a subsidiary of MLA.

Every five years MLA is required to fund an independent performance review on its operations, governance and service delivery to industry. The review completed for the 2010 - 2015 period concluded that MLA is delivering a return of \$6.20 on every dollar invested by its levy payers, research partners and the Australian Government.

Multiple stakeholders

MLA works in partnership with industry and government to deliver products and services to the cattle, sheep and goat industries. The production sectors of these industries are predominantly located throughout regional Australia. The processing, wholesaling and value adding sectors are located in a range of major regional centres such as Rockhampton, Bordertown, Harvey and Wagga Wagga and the capital cities, particularly Brisbane and Sydney.

MLA's priorities are aligned with the Australian Government's Science and Research Priorities and its Rural Research, Development and Extension Priorities, which set out high-level priority research and development objectives covering community, industry and environmental concerns.

Peak industry councils provide policy direction, scrutinise budgets and monitor MLA's performance on behalf of the red meat and livestock industry. These are the Australian Lot Feeders' Association, Cattle Council of Australia, Goat Industry Council of Australia and Sheepmeat Council of Australia. Two of these peak industry councils are located in Canberra and another in Sydney.

MLA also works closely with the AMPC, Australian Meat Industry Council (AMIC), LiveCorp and Australian Livestock Exporters' Council (ALEC) to develop programs that address key industry issues and opportunities through the supply chain, manage projects and communicate outcomes. AMPC and AMIC are located in Sydney, as is LiveCorp which is co-located within MLA's North Sydney office, while ALEC is located in Canberra.

Collaborative decision making

MLA does not invest levies and make decisions in isolation. This is done in concert with producers, the government, peak industry councils and other industry organisations.

MLA's Strategic Plan provides the roadmap for MLA's strategic direction and investment priorities over 2016-2020. The strength of the Plan comes from the collaboration between MLA and its stakeholders. MLA's Strategic Plan directs where the collective investment by these stakeholders will be channelled over the years to 2020.

MLA prepares an Annual Investment Plan each financial year to guide the practical delivery of the long-term investment priorities and outcomes set out in MLA's Strategic Plan. In setting its budget and investment priorities each year, MLA further consults each of the peak industry councils.

MLA's regional consultation model, which commenced in the second half of 2015, also gives red meat and livestock producers direct input into MLA's research and development priorities.

A regional, metropolitan and global workforce

As at 30 June 2017 MLA employed 243 staff in either a full time, fixed term, casual or part time capacity. The company's workforce is located across a "hub and spoke" network of offices and other locations within Australia and in our red meat industry's major markets around the world. More than 47% of MLA staff are from a rural or regional background.

MLA has a diversity policy that includes gender equality and sets measurable performance objectives. As at 30 June 2017, 54% of the MLA workforce and 50% of the executive team consisted of female employees. MLA offers employees flexible work arrangements that support work/life balance and family or caring responsibilities.

Beyond the company's own workforce, MLA engages regional universities, research providers, consultants and service providers to conduct research, provide extension and training services and other support for the execution of MLA's responsibilities.

Strategic locations

MLA staff are based strategically to leverage the best possible access to all stakeholders and markets.

Within Australia, MLA maintains three offices in North Sydney, Brisbane and Armidale. The Sydney office provides ready access to the industry's peak industry councils which are based in Sydney and Canberra, science, marketing and industry services, government and other domestic and international destinations. Brisbane, in Australia's largest beef producing state, provides a head office base for many of the industry's pastoral and processing companies and family owned businesses. The Armidale office is located near the University of New England and a number of other research, genetic and other service providers with which MLA collaborates in the performance of its role. Research, development and marketing staff based in each of these locations routinely travel throughout regional Australia in the performance of their roles. More than 25 MLA staff currently live in and work from other regional locations, including Bathurst, Ballarat, Boyanup, Cowra, Drouin, Dubbo, Dulacca, Horsham, Muchea, Orange, Trangie, Toowoomba and Young.

Australia is the world's largest exporter of sheepmeat and exports 74% of its total beef and veal production. Accordingly, MLA maintains global offices within our major market centres Beijing, Brussels, Jakarta, Tokyo, Seoul, Washington DC, Singapore, Dubai and Ho Chi Minh. From these locations, MLA provides in-market services to the Australian red meat and livestock industry that include market information and insights, market access and marketing (business development and brand building). In the provision of these services, MLA's International Business Managers also work closely with the Australian Embassies and Australian Government trade officials.

The spread of MLA staff across these locations is represented in the following table.

Location	Full time	Part time	Fixed term Full time	Fixed term Part time	Casual	Total
NSW - head office	115	9	11			135
Armidale	13		1			14
Other Regional NSW	4	9		1		14
Brisbane	24	3	3	1	2	33
Regional QLD	1	1				2
Regional Victoria	1	4		1		6
Regional WA	1					1
Singapore	2		1			3
China	2		2			4
Indonesia	6		2			8
Japan	6		1			7
Korea	4	2				6
Europe	1					1
North America	2		1			3
UAE	3	1	1			5
Vietnam			1			1
Total	185	29	24	3	2	243

A commitment to our industry and the regions

MLA's purpose is to foster the long-term prosperity of the Australian red meat and livestock industry. MLA's success in delivering on its purpose, in turn, contributes to the long-term prosperity of the regional economies that the industry supports.

The structure and location of the Australian red meat and livestock industry that MLA serves – as well as the research, development and marketing services that the company delivers to industry – demands that MLA maintains a strong and active presence in regional Australia, the key locations of Armidale, Sydney and Brisbane, as well as Australia's major international markets.

The MLA board, Managing Director, management team and staff from across the business routinely travel regional Australia to meet directly and work with red meat and livestock producers. Since June 2014 when Mr Norton commenced with MLA as Managing Director, he and senior staff have met with and presented to some 20,000 producers. The Managing Director's event attendance is also reported in the MLA Annual Report. Each year, the MLA Annual General Meeting is held in a different state and location – and usually in a regional centre – to fairly share the opportunity for producers to attend and to further expose the board and staff to the industry's various production areas.

MLA's regional consultation model is now giving red meat and livestock producers unprecedented input into MLA's research and development priorities, while beyond the company's own workforce, MLA engages many regional universities, research providers, consultants and service providers in the delivery of MLA services.

Developed in close collaboration with its stakeholders, MLA's Strategic Plan is providing the direction for where their collective investment is being channelled over the years to 2020. The practical delivery of that investment and the outcomes that MLA delivers is providing further benefit to industry, the national and individual regional economies.

MLA submits that the company has the collaborative processes, staffing policies and strategic office locations in place to most effectively and efficiently serve the Australian red meat and livestock industry.

Yours sincerely

Richard Norton
Managing Director