



# Red Meat Advisory Council Submission to the Foreign Policy White Paper February 2017

 [www.rmac.com.au](http://www.rmac.com.au)  
 [@redmeatcouncil](https://twitter.com/redmeatcouncil)

 [admin@rmac.com.au](mailto:admin@rmac.com.au)  
 (02) 6269 5606

 **RMAC**  
RED MEAT ADVISORY COUNCIL LTD

Public Consultations Team  
White Paper Task Force  
Department of Foreign Affairs and Trade  
RG Casey Building  
Barton ACT 0221  
Via email: [whitepaper@dfat.gov.au](mailto:whitepaper@dfat.gov.au)

28 February 2017

Dear Consultation Team,

On behalf of the Australian red meat and livestock industry, the Red Meat Advisory Council (RMAC) thanks the Australian Government for the opportunity to contribute to the 2017 Foreign Policy White Paper (the White Paper).

As a heavily trade exposed export sector, effective international engagement is crucial to Australia's 16-billion-dollar red meat and livestock sector. Successive Australian governments have continued to pursue a trade reform agenda, with significant benefits returned to our industry – particularly in servicing over 100 export destinations.

The White Paper process is a timely one, in re-evaluating policy settings and resources to support Australia's international efforts over the next decade and we commend the Government on conducting this process.

RMAC believes that a prosperous Australian red meat and livestock sector can be advanced through the development of actions based on the following three key recommendations:

- Focus government trade and trade cooperation activities on markets of influence.
- Whole-of-government coordination and resourcing for foreign affairs as it relates to trade and trade cooperation.
- Non-tariff barriers are prioritised under the next foreign policy framework as a new economic growth opportunity.

In addition to this submission, RMAC would welcome supplying further information to the Task Force upon request. Moreover, the Australian red meat and livestock thanks the Task Force for industry's participation in the Foreign Policy White Paper Round Table series through Meat and Livestock Australia (February 2017).

### **About RMAC**

RMAC is an inclusive industry organisation that represents the beef, sheepmeat and goatmeat supply chain from 'paddock to plate.' We aim to create whole-of-industry value for our industry through:

- Industry leadership
- Ministerial Advisory Council to the Federal Minister for Agriculture
- Advocate key solutions to improve Australian red meat and livestock businesses to the community, industry and government
- Coordinate the Meat Industry Strategic Plan
- Manage the Red Meat Industry Fund

### **Our Members & Stakeholders**

We are proud to work in partnership, through the Red Meat Memorandum of Understanding, with our members and service providers to advance the interests of Australian red meat and livestock businesses across the value chain. These are:

### Member Councils

- The Australian Livestock Exporters Association (ALEC)
- The Australian Lot Feeders' Association (ALFA)
- The Australian Meat Industry Council (AMIC)
- Cattle Council of Australia (CCA)
- Goat Industry Council of Australia (GICA)
- The Sheepmeat Council of Australia (SCA)

### Service Providers

- The Australian Livestock Export Cooperation (LiveCorp)
- Meat & Livestock Australia (MLA)
- Australian Meat Processors Corporation (AMPC)

### The Meat Industry Strategic Plan 2020

The *Meat Industry Strategic Plan* (MISP) 2020 identifies a growth opportunity worth up to 7 billion dollars' worth of value to be returned the Australian industry and economy by 2020.

Of relevance to the White Paper, a central pillar of the *MISP2020* is *market growth and diversification for Australian red meat and livestock* which focusses on reducing economic barriers to trade, reducing technical barriers to trade and providing world class marketing to new and loyal customers in both Australia and world-wide.

A continued agenda of trade reform could deliver an additional one billion dollars to the Australian industry by 2020; and up to 3.19 billion by 2030 (*MISP2020*). This is our industry's single largest point of influence when it comes to improving value; and is fundamentally tied to our foreign policy settings and the way we relate to the world.

In addition to the *MISP2020*, RMAC has released *Feeding Our People* 2017; which outlines the whole-of-supply chain trade cooperation and market access priorities.

### About the Australian red meat and livestock industry

The following key industry facts demonstrate why the importance of Australia's engagement with the world is key to the red meat and livestock trade; and the Australian families and communities it supports:

- The red meat and livestock industry contributes approximately seven billion to Australia's gross domestic product.
- The industry is Australia's largest food manufacturer and a significant employer in rural and regional areas, directly employing some 200,000 Australians on-farm, in meat processing and at wholesale/retail plus thousands more indirectly.
- The Australian red meat production sector has custody over roughly half of Australia's land mass.
- The Australian red meat processing sector has an annual turnover in excess of \$20 billion; ranking it as the largest trade-exposed manufacturing industry in Australia.
- We produce around 3pc of the world's beef, 5pc of the world's sheepmeat and 0.5pc of global goatmeat production.
- By value, we are the world's largest exporter of beef, sheepmeat and goatmeat
- By number, we are the world's largest exporter of livestock.
- In 2016, approximately 70pc of Australian beef production, 53pc of lamb and 98pc of mutton production were exported worldwide, as well as 1.9 million live sheep and 1.1 million live cattle exported.

## General Comments

As a whole the Australian red meat and livestock industry has always received critical support from successive governments where it relates to foreign policy, and particularly in relation to trade and trade cooperation.

We acknowledge the recent efforts in securing the trifecta of trade agreements with Korea, Japan and China which have the potential to deliver up to \$20 billion in additional export returns to our industry by 2020 (Global Meat Industry Model, Centre for International Economics).

## Comments in relation to the White Paper Focus Areas

RMAC understands there are six key areas of focus for the White Paper:

1. Australia's foreign policy needs to be grounded in a clear-eyed assessment of our national interests.
2. Australia has diverse interests that span the globe.
3. Australia is an influential player in regional and international organisations.
4. Australia needs to be ambitious in grasping economic opportunities.
5. Australia confronts a range of strategic, security and transnational challenges.
6. Australia uses a range of assets and capabilities to pursue our international interests.

As economic and trade opportunities largely define the Australian red meat and livestock industry's foreign policy interests, the following comments are provided in this context in relation to the applicable focus areas.

### Focus Three: Australia is an influential player in regional and international organisations

Fostering further reform through international fora that promote open trade should remain an Australian Government priority. In so doing, pursuit of the three key pillars of reform - the multilateral (World Trade Organization), plurilateral (regional) and bilateral, must continue to be pursued. The multilateral process has preserved and enhanced Australia's economic interests.

Despite the slow progression of the current WTO Doha negotiations, the elimination of export subsidies and the recent Trade Facilitation Agreement – are of significant benefit and will assist international trade flows. The WTO's rules based trading system must therefore continue to be supported – with the dispute settlement process in particular being extremely valuable (the Australian red meat sector being a recipient of direct benefits in several key customer markets as the result of international trade rules being enforced).

The multilateral process needs to be supplemented by closer ties with strategically important trading partners. With preferential or free trade agreements, having escalated over the past decade, Australia has both offensive and defensive interests in this area. Such negotiations have the ability to generate new or enhanced trade flows benefiting the red meat industry. These can be realised not only by addressing economic market access issues (tariffs or quotas), but also by tackling behind the border non-tariff barriers (certification, labelling, systems recognition) as well as establishing a formal consultative process between the parties to facilitate future uninterrupted trade.

In addition, alliance building with other Government and commercial partners through improving Australia's economic bargaining position through building of strong coalitions such as the Cairns Group (CG) and WTO negotiation sub-groups as well as leveraging and partnering through industry alliances.

In terms of global policy leadership, continued engagement of recognised key global food and livestock organisations including but not limited to the Food and Agriculture Organisation (FAO) and the World Organisation for Animal Health (OIE) should be strategically supported.

#### **Four: Australia needs to be ambitious in grasping economic opportunities**

##### *International Agenda*

Key policy priorities in terms of international engagement is principally for Australian government to continue as a global advocate for trade reform for economic (tariffs & quotas) and increasingly non-tariff measures.

For example, the current cost of technical barriers to trade for red meat alone (not inclusive of livestock) is up to 3.4 billion (Comparative evaluation of non-tariff barriers for Australian red meat trade: a revision (DN Harris & Associates, February 2017)). There would be substantial commercial benefits for the export orientated Australian red meat sector from speedier and more ambitious attacks on trade barriers through additional industry-government resourcing and coordination.

Industry stands should to shoulder with government in achieving this tariff and non-tariff reform and in particular is seeking priority engagement on tariff matters in Indonesia, the European Union, the United Kingdom and the Gulf Cooperation Council members and non-tariff matters in China (chilled plant access) and the Middle East (shelf life) (*Feeding Our People*, 2017).

It is important to note that it is important access to overseas markets is maintained critical not only for the export of produce, but also for the sourcing of inputs, technology and capital equipment.

These reciprocal trade transfers are paramount for business efficiency; and are an important reason for Australian agribusiness goods and services to remain at the forefront of Australia's trade and investment priorities.

##### *Domestic Agenda*

Trade reform needs to be married with a domestic agenda that focusses on Australian businesses ability to remain internationally competitive. This includes but is not limited to:

- The need to commit to and deliver a strategic reform agenda removing domestic red tape, regulatory and input costs out of Australian red meat supply chain to assist competitiveness. Fees and charges alone for the export of Australian red meat cost up to 80 million dollars per annum.
- A program of strategic investment in the Australian agrifood supply chain in line with future demands.
- Foster an environment of both innovation and basic digital access so our industry can respond to and connect with changing consumers expectations in Australia and the world.
- Appropriate biosecurity, food safety and product integrity controls and financial resourcing are maintained by government to protect Australian and global customers.
- The reliability and availability of workers at home and abroad for the Australian red meat and livestock industry is prioritised by Government.

#### **Six: Australia uses a range of assets and capabilities to pursue our international interests.**

Trade and domestic reform needs to be tied to a whole of government approach to international engagement and financial and human resources should be coordinated accordingly.

Key assets and capabilities that could be utilised include but are not limited to:

- Continue to support strategic major trade cooperation programs suitable to partners in key priority trade areas that builds genuine industry to industry engagement – for example – the Indonesia Australia Red Meat & Cattle Partnership. Trade cooperation programs – and broader in country aid governance programs – should to actively target government and industry influencers in trade and agricultural policy in key international markets that enhances relationship building and knowledge transfer.
- In prosecuting trade liberalisation the Department of Foreign Affairs and Trade (DFAT) and the Department of Agriculture and Water Resources (DAWR) must be work together on a whole-of-government basis and adequately resourced with trade negotiation experts based in Australia and key markets of interest. RMAC in particular welcomes the expanded DAWR Agricultural Counsellor program and strongly encourages the continuance of this program in key established and emerging markets. This should be paired with a clear engagement framework with State and investment agencies such as state level trade departments and Austrade.

RMAC thanks the Task Force for the opportunity to contribute to the White Paper. Unfettered trade and market access is critical to an Australian red meat and livestock industry positioned for longevity and prosperity; and that of the families and communities we serve.

Should you require any further information please do not hesitate to contact RMAC Chief Executive Officer Anna Campbell on 0448 692 245 or [anna@rmac.com.au](mailto:anna@rmac.com.au).

Yours Faithfully,



Don Mackay  
**Independent Chair**  
**Red Meat Advisory Council**