



Cattle Producers Australia <admin@cattleproducers.com.au> Wed, Jun 29,
1:50 PM

to Paul

ILF Brief For Meeting Scheduled for 30th June 2022

Dear ILF Member

As CPA's representatives on the Restructure Steering Committee (RSC) we have protracted concerns with the RSC's management of the representative and resourcing reform of the National Peak Industry Council representing payers of the grass-fed cattle transaction levy and the apparent paralysis within the ranks of the RSC membership to deal with the failure in leadership at the core of these problems. In the interests of producers of grass-fed cattle and transparency of process we have determined to disclose to the ILF shortcomings in RSC procedures that we believe have resulted in outcomes at variance to those outlined in the "Plans on a Page" and the attached Terms of Reference (TOR) to the RSC. We believe that such variations are not in the interests of cattle producers.

It has been apparent to us for some months, as a result of personal and press communications, that our disillusionment with the direction being taken by the RSC reform process is widely shared within the grass-fed cattle industry and this dissatisfaction must be dealt with if satisfactory and sustainable reform of the grass-fed cattle producing sector's Peak Industry Council is to be achieved.

At a "Face-to-Face" RSC Meeting 7 convened in Brisbane on 13/2/22, agreement, compliant with the framework outlined in the "Plans on a Page" and the attached TOR, was reached on the name and structure fundamental to the success of Cattle Australia. The only outstanding issue (put aside due to lack of available time on that day) was the mechanics of the application of a "weighted" voting system for the election of a portion of the CA board.

Since RSC meeting 7, 13/2/22 there has been incremental RSC regression from that agreed position resulting, in our view, in the future efficacy of Cattle Australia being continually eroded by some members of the RSC. Reversal of this damaging drift away from the agreed 13/2/22 structure must occur if satisfactory outcomes for Cattle Australia and Australia's grass-fed cattle producer transaction levy-payers are ultimately to be achieved.

There has been considerable concern expressed within the RSC by the CPA representatives and others about some of the actions and decisions taken by the RSC Independent Chair since his appointment and RSC meetings have been convened in the absence of the Independent Chair and the Independent Secretariat in relation to those concerns.

Despite CPA receiving repeated assurances from the RSC voting membership to enact agreed action to address these concerns about certain actions and decisions of the RSC independent Chair this did not occur, and in our view RSC deliberations and decisions have become erratic, ambiguous, inconclusive and not in the interests of Australia's cattle producers or their proposed new representative body Cattle Australia. This has placed the RSC in breach of its clearly defined responsibilities to the cattle industry. Internal RSC paralysis along with chronic mismanagement by its leadership has hamstrung the RSC and impeded the RSC from delivering on its TOR.

We have recently seen the 27 June 2022 [Beef Central Article](#) suggesting that the RSC's yet to be completed draft of the Cattle Australia's constitution and management of the transition to Cattle Australia is to be handed to Cattle Council of Australia on 30 June 2022. No such agreement has been reached by the RSC. It should be noted the TOR states that *'the Steering Committee will convene on and from October 2021 and will cease to exist when the New Peak Body Board is installed.'* This is consistent with the decision that was reached at the 10 June 22 Face-to-Face RSC meeting held in Brisbane.

The opportunity that arose out of the agreement reached at the successful Federal Government facilitated Roundtable conferences at the end of 2020 and early 2021 to reform a national well establish and well-resourced representative peak industry council is unlikely to reoccur in the foreseeable future. CPA believes that it would be shameful indeed to see this opportunity squandered as a result of entrenched self-interest and inept industry leadership.

Core Problems & Concerns from CPA's Perspective:

1. The CA constitution terms have not yet been agreed upon and the most recent draft fails to encapsulate the requirements of the democratically elected Cattle Australia structure demanded by cattle producers. In our view the legal firm charged with compiling the constitution has not been appropriately briefed.
2. The current King and Wood Mallesons (KWM) draft of the CA constitution proposes that the board of the CA will appoint an independent chair to the Policy Advisory Council and that the CA board will not be required to implement policy developed by the Policy Advisory Council. This differs from the agreed CPA/CCA position reached at the Federal Government facilitated Roundtable conferences between CPA & CCA and at the ILF meetings which made it clear that fifteen policy advisory councillors would be elected on the basis of one vote per levy payer in each of 15 electoral regions and that if the CCA board failed or refused to implement those policies then the issue could be put to a plebiscite of CA members whose decision would bind the CA board.
3. The current KWM draft of the CA constitution proposes 19 Policy Advisory Council regional electorates rather than the 15 Policy Advisory Council electorates agreed to by CPA & CCA and the ILF and endorsed by the RSC.
4. The details of the weighted voting constitutional provisions for the election of a portion of the CA board agreed to by the RSC on 22/2/22 are yet to be finalised.
5. The current KWM draft of the CA constitution proposes an unnecessary ongoing NABRC-SALRC-WALRC electorate structure with 3 elected directors coming from NABRC, 3 from SALRC and 1 from WALRC even though that proposal was only agreed for a 1 year period in the event that it was decided that the necessary levy payment data could not be put in place for weighted voting at the inaugural CA board election. Such an arrangement would be completely unnecessary if the proposed weighted membership fee board election structure is adopted.
6. Expenditure of RSC resources, of Government and Industry origin, carried out by CCA on behalf of RSC under an Auspice Agreement and the Department of Agriculture's Procurement Agreement, has not been adequately supervised by the RSC. Invoices have not been tabled for ratification by the RSC in spite of requests from CPA representatives to do so. The RSC is responsible for the deliverables and expenditure of funds associated with this project.
7. The \$500k seed establishment funding for CA was paid to CCA under the terms of the Procurement and the Auspice Agreements for the benefit of the RSC and, in spite of our requests,

no arrangement has been reached with the RSC regarding verification of the expenditure of the seed funding grant money to date or the expenditure of any remaining portion of that fund.

Cattle Australia's newsletter assertions and other recent media releases indicating that RSC oversight of the reform process is to be handed over to CCA on 30/6/22 have not been agreed to by the RSC and are therefore erroneous, and, if carried out, would, in our view, be catastrophic for the representative reforms demanded by the cattle producers. This action, as foreshadowed by the RSC Independent Chair in the 27/6/22 Beef Central article, has not been authorised by the RSC.

Suggested Solutions:

1. RSC appoint a person with the required expertise to oversee and facilitate the transition from CCA to CA as the cattle industry's peak industry council.

Requirements of appointee:

- Oversee the completion of an appropriate CA constitution which empowers levy payers and encourages levy payer engagement with Cattle Australia.
 - Conduct appropriate negotiations with MLA and RMAC with regards to CA resourcing for the initial 3 years of operation.
 - Work transparently and co-operatively with the RSC and the CCA to conduct the necessary CA Board and Policy Council elections in order to facilitate as seamless a transition as possible to the new peak industry council.
 - Ideally, be available to fill a position on the inaugural CA board if a mutually agreed arrangement can be reached.
2. RSC, under the guidance of this implementation/transitional facilitator, to refocus on its core function to develop and oversee the implementation of a well-resourced representative structure as the cattle industry's peak industry council.

Yours Sincerely,

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