

INQUIRY INTO ASPECTS OF AGRICULTURE IN NSW

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The Director,
Standing Committee on State Development
Legislative Council
Parliament House
Macquarie St
Sydney 2000

Dear Sir,

Inquiry Into Aspects Of Agriculture In NSW

Thank you for the opportunity to provide a submission to this Inquiry, and we respond after having communicated with our Peak Body, the Australian Meat Industry Council (AMIC).

AMPC is an R&D and marketing investment company that seeks to overcome market failure in the red meat processing industry. It is to the first of the Terms of Reference to which we provide a response.

AMPC's members are red meat processing establishments, and while they are "downstream" in the agricultural economy, they are an integral part of the contribution of agriculture and agricultural based produce to the NSW economy. In many towns red meat processors are the single largest employer, and a valuable source of employment and rapid career advancement for young workers. Many senior management positions in processing plants are held by workers under the age of 30, some of whom have responsibility for more than 50 workers. In addition, red meat processors contribute strongly to training opportunities for workers, through delivery of high quality training programs developed by MINTRAC, which is owned by the meat industry and part funded by red meat processors.

Many of AMPC's members are also vertically integrated. Up to 20% of red meat processors also own and operate pastoral properties &/or feedlots.

AMPC's members suffer significantly from the issues that also affect primary producers competing in a "least cost" and highly competitive world market.

ABS statistics suggest that up to 55% of all Australia's meat production is exported, and this export market in turn governs the performance of the domestic market. One manifestation of this highly competitive market is illustrated by the continued rationalisation of the red meat processing sector, with up to 30% of meatworks closing in the last decade. Closure of a major plant can suck the lifeblood out of a country town and has other adverse effects including longer animal transport distances, difficulties sourcing staff, and difficulties accessing supplies for remaining businesses.

Any element or issue that increases cost of production will negatively affect agricultural productive capacity and growth. This includes any unnecessary impost of regulation, inspection, or administration beyond that which is absolutely necessary for the effective operation of the business.

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A recent AMPC/MLA R&D report highlights the value of a medium sized red meat processing plant to a medium sized country town. While the report largely focuses on the element of the added economic value that is associated with commitment to training; there are considerable additional findings and commentary on the other elements of value, including social cohesion, attitude and workplace opportunity.

I trust that the report is useful to the standing committee.

Yours Faithfully,



Joanne Sillince
Chief Executive Officer