



Government Response to Tasmanian Meat Industry Working Group Recommendations and Findings

June 2019

Foreword

Red meat is a key component of the Tasmanian agricultural economy, with a farm gate value in 2017-18 in excess of \$400 million. A strong and competitive meat industry will ensure that the state is on target to grow the farm gate value of Tasmanian agriculture to \$10 billion by 2050.

In November 2018, with the local red meat industry under pressure due to withdrawal of JBS Australia from Devonport City Abattoir, the Government appointed leading representatives from a broad cross section of industry and government to the Tasmanian Meat Industry Working Group (TMIWG). Their focus was on immediate actions as well as long term strategy to achieve sustainable growth.

In May 2019, TMIWG concluded its role with a report to the Tasmanian Government recommending a number of actions and strategies to support a sustainable livestock industry. To inform their recommendations the Working Group commissioned, through DPIPW, consultants (Meridian Agriculture) to complete an independent feasibility study into establishing commercially viable on-island processing in Tasmania.

The Government has accepted all findings and recommendations of the TMIWG in full, with a summary of the Government's response provided below. I note that a huge amount has been achieved already and thank members for their commitment to the red meat industry. I look forward to the next steps as the industry moves forward in implementing its strategic plan.

Guy Barnett
Minister for Primary Industries and Water

Recommendations and Findings	Government Response
GENERAL RECOMMENDATIONS	
<p>1. TMIWG concluded that Tasmanian based processing has benefits to the state in terms of rural and regional employment and value adding in the state, and recommends the Government continues to maintain the appropriate policy setting, investment, branding and regulatory regime mindful of the competitive nature of the industry.</p>	<p>Accepted.</p> <p>The red meat industry is encouraged to continue to engage with Government on matters of importance.</p> <p>Industry Development Officer (IDO) to convene six monthly industry meetings with DPIPWE and DSG representatives. (Refer to General Recommendation 3)</p>
<p>2. TMIWG agreed that the Tasmanian Red Meat Industry Strategic Plan was still broadly applicable and recommends that an Operational Plan derived from and linking into this Plan sets achievable targets and timelines which make sure the strategies become a reality.</p>	<p>Accepted.</p> <p>Facilitated industry planning session will be undertaken to develop Operational Plan with priorities, actions, timeframes and targets identified, in conjunction with the meat IDO.</p>
<p>3. To facilitate delivery of the Operational Plan and industry priorities, TMIWG recommends that work is undertaken to determine an appropriate model for funding (including initial Government seed funding) and managing an industry development officer appointed for an initial period of three years within a suitable body, with established governance and defined responsibilities.</p>	<p>Accepted.</p> <p>Government to provide seed funding for IDO and support to establish governance and responsibilities.</p>
<p>4. On-island meat processing continues to be supported wherever viable whilst interstate freight routes should be maintained to provide for enhanced competition at the farm gate and mitigation of seasonal fluxes in livestock supply.</p>	<p>Accepted.</p> <p>Government support includes funding provided through Department of State Growth (\$800 000) to support micro and small abattoirs scale up and manage a significantly increased workload.</p> <p>Continuation of government mechanisms for supporting a viable local processing sector including AgriGrowth Loans (Department of State Growth).</p>
<p>5. TMIWG concluded that Government compulsory acquisition and/or ownership of meat processing facilities was not appropriate. The free market needs to be allowed to adjust to challenges and opportunities as they arise in the red meat supply chain. However, it was also concluded that in situations of market failure Government intervention may be appropriate, and if so the principles of competitive neutrality should apply.</p>	<p>Accepted.</p>
<p>6. TMIWG acknowledged the importance of Government's ongoing support of the Tasmanian Freight Equalisation Scheme to assist Tasmanian producers and processors compete in the Australian and global marketplace by addressing the transport disadvantage experienced by Tasmania, and recommends that this is maintained.</p>	<p>Accepted.</p>

Recommendations and Findings	Government Response
<p>7. TMIWG concluded that Government's strong investment and support for Biosecurity Tasmania was critical and that a proactive and collaborative management approach is appropriate to address biosecurity risks for the red meat industry. Further, the group supported the work of Government and industry to prepare for high impact biosecurity incursions (for example, conduct a scenario planning exercise for Foot and Mouth Disease).</p>	<p>Accepted.</p> <p>The Biosecurity Bill has recently advanced through the Lower House of Parliament.</p> <p>Preparations will continue for Biosecurity Tasmania and TFGA biosecurity incursion scenario planning.</p>
<p>8. TMIWG acknowledged the importance of the Departments of Primary Industries, Parks, Water and Environment and State Growth resourcing to enhance engagement with the meat industry in Tasmania.</p>	<p>Accepted, as per General Recommendation 1</p>
<p>9. TMIWG recommends that appropriate Government support is extended to maintain stability, viability and processor investment in Tasmania and to enhance investment in technology and innovation (noting competitive neutrality recommendation in point 5).</p>	<p>Accepted, as per General Recommendation 4</p>
<p>10. TMIWG recommends that there be continued Government support for private sector marketing and branding via endorsements and other mechanisms noting the following points: provenance branding sits well with an economic growth strategy; and brands are best built by individual or small groupings of businesses heavily invested in maintaining the quality of the brand with expertise in marketing product using brand-provenance.</p>	<p>Accepted.</p> <p>The Government acknowledges the work being undertaken through the Tasmanian Trade Strategy, which sets out a whole-of-government approach to working with businesses to grow trade, both in Australia and internationally; and Brand Tasmania's work to further develop the overarching Tasmanian brand that embodies the spirit of Tasmania and its people.</p>
<p>11. TMIWG recommends that Government supports the strategic direction of the red meat sector and the efforts of industry leaders by releasing the Meridian Report and appendices to the public. TMIWG also supports the public release of these recommendations to help guide future decision making.</p>	<p>Accepted.</p> <p>The Meridian report into the feasibility of further on-island processing and the TMIWG Recommendations will be made available as a resource to government and industry.</p> <p>Report and Recommendations have been provided on the DPIPWE website. https://dPIPWE.tas.gov.au/agriculture/tasmanian-meat-industry-working-group</p>
<p>12. TMIWG acknowledged Government support for the Tasmanian Institute of Agriculture as the provider of publicly funded research, development and extension and the potential to optimise on-farm and post-farm productivity through Government investment in research and development and technologies, particularly those for irrigation and pasture improvement.</p>	<p>Accepted.</p> <p>The Government acknowledges the work being undertaken as part of the \$648 000 Pastures and Livestock Productivity project and links to <i>Growing Tasmanian Agriculture - Research, Development and Extension for 2050 White Paper</i>.</p>

Recommendations and Findings	Government Response
13. TMIWG concluded that enhanced and comprehensive industry data must be gathered and maintained to inform decision making.	Accepted. The Government notes the work being undertaken through the Agri-Food Scorecard, and asks that Industry continue to collaborate to maintain and improve industry data. Government acknowledges the support provided by the Red Meat Forecasting Committee members and businesses in the industry.
14. TMIWG found that disposal of trade waste was a significant challenge for many processors and supports ongoing work being undertaken by the Tasmanian Government and industry to address these challenges.	Accepted. The Government undertakes to work with the Australian Government to seek support for trade waste solutions.
15. TMIWG recognises the growing interest in the activities of the red meat sector from stakeholders previously considered external to the sector. TMIWG recommends the Government and industry collaborate to identify appropriate mechanisms to avoid risks to personal safety and biosecurity. TMIWG recommends the Government and industry deploy a positive communications strategy and prepare a crisis management plan for any future unfavourable activism events.	Accepted. The Government notes the 2019 Biosecurity Bill and the intention to introduce later this year the Workplaces (Protection from Protests) Amendment Bill 2019. The Government acknowledges the Australian Government commitment to address these issues, through sanctions under the Privacy Act and other mechanisms, and will work collaboratively to protect primary producers. The Government will work with the IDO to assist industry to prepare for unfavorable activism events.
BEEF SPECIFIC RECOMMENDATIONS	
1. TMIWG found that no market failure is currently evident in the beef processing supply chain however risks are evident if existing operators withdraw or freight supply chains are disrupted.	Accepted.
SHEEP SPECIFIC RECOMMENDATIONS	
1. TMIWG found that despite the withdrawal of several on-island processing facilities, no market failure is evident in the current sheep supply chain.	Accepted. The Government acknowledges the Australian Government's \$8 million commitment to support Total Quality Meats (TQM) to upgrade its meat processing facility at Cressy to grow Tasmanian jobs and economic benefits.
2. TMIWG considers that significant growth is possible in on-island processing of lamb and sheep despite General Recommendations 3 and 5 to support maintenance of interstate transport to accommodate seasonal fluxes in supply.	Accepted. As per Sheep Specific Recommendation 1
3. TMIWG considers that there is significant growth potential in the international export of Tasmanian grown, processed and branded lamb.	Accepted. As per Sheep Specific Recommendation 1. The Government acknowledges the newly launched TQM Lamb of Tasmania brand.

Recommendations and Findings	Government Response
PORK SPECIFIC RECOMMENDATIONS	
1. TMIWG notes that market failure was imminent in the pork supply chain specifically arising from the intended closure of the Devonport City Abattoir in late 2018.	Accepted
2. TMIWG concluded that the support provided by Government to date for the pork industry following the closure of the Devonport City Abattoir is entirely appropriate (noting competitive neutrality recommendation in General Recommendation 5).	Accepted. As per General Recommendation 4 the Government notes the work undertaken to ensure stability in the meat industry.
3. TMIWG recommends that Government, through the Departments of State Growth and Primary Industries, Parks, Water, and Environment, works with business stakeholders to ensure stability in the sector until other planned pig processing capacity is operational.	Accepted. The Government is supporting the interim solution provided by Devonport Pork.
4. TMIWG concluded that the intervention of the Government to provide the industry a readjustment period of 2 years (12 months + 12 months) would be required and should be sufficient to enable the current stakeholders to resolve a self-sustaining supply chain beyond this period. The principles of General Recommendation 5 apply.	Accepted. As per Pork Specific Recommendation 3.
MICRO AND SMALL ABATTOIR SPECIFIC RECOMMENDATIONS	
1. TMIWG acknowledged that micro and small abattoirs are important for some stakeholders in the Tasmanian red meat industry in so far as they provide for service kills and facilitate the current marketing and branding strategies of some businesses regarding product provenance.	Accepted. As per General Recommendation 4.
2. TMIWG concluded that the support provided by Government to date for micro and small abattoirs following the closure of the Devonport City Abattoir is entirely appropriate (noting competitive neutrality recommendation in General Recommendation 5).	Accepted. As per General Recommendation 4. Government also notes the Enterprise Centre assistance available for business planning for Micro abattoirs.
3. TMIWG recommends that Government continues to work with micro and small abattoirs to address critical trade waste and other matters (noting General Recommendation 5).	Accepted. Government notes General Recommendation 4 and 14.