

Federal budget supercharges entire meat supply chain

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The Australian Meat Industry Council (AMIC) strongly applauds the Morrison Government on backing the rural and regional red meat supply chain to help Australia recover from COVID-19. The October 2020 Federal Budget will turbo-boost red meat exports, a sector which provides 200,000 direct and indirect jobs, underpin business investment, drive farmgate returns and support affiliated rural and regional supply chains.

"The Federal budget strongly invests in a contemporary, forward leaning export and business framework, not just for now, but well into the future that is fleet-footed enough to change as quickly as global events demand," says AMIC CEO Patrick Hutchinson.

"Australian meat exports have long been considered world best class. These budget measures will propel that reputation into the future."

Busting Congestion for Agricultural Exporters

AMIC commends Agriculture Minister David Littleproud for his visionary leadership and steadfast determination to grow the red meat export sector despite the particularly challenging headwinds posed by COVID-19. The government's \$328 million 'Busting Congestion for Agricultural Exporters' measures, over 4 years from 2020-21, are eagerly welcomed by industry:

- 'Digital Services to Take Farmers to Markets' – this flagship \$222.2m measure will visibly transform how industry engages with government through a digital platform that streamlines export trade and modernises how we do business – faster, more technologically connected, more objective, and more efficient.
- 'Building a More Competitive Meat Industry' – this \$10.9m measure will enable modernisation of the meat export program which is critical to keep the Australian red meat export industry globally competitive and sustainable, playing its part in underpinning the government and agricultural industries joint vision of growing agriculture to \$100bn by 2030.
- 'More Efficient and Sustainable Export Regulation' – this \$71.1m measure will ensure critical export regulatory systems can be maintained and enhanced. Industry will be directly assisted through the modernisation process with a freeze on increases in fees and charges in 2020-21, and stepped increases spread through to 2023-24.

"AMIC has been at the forefront in busting congestion for agriculture exporters, building a more competitive meat industry and leading the Meat Modernisation Working Group in the lead up to this budget announcement, with special thanks to Mr Terry Nolan, AMIC National Processor Council Chair, says Mr Hutchinson.

Export Trade - budget measures

AMIC also welcomes Trade Minister Simon Birmingham for his continuing efforts to support export trade through the \$317.1m extension to the International Freight Assistance Mechanism (IFAM) until mid-2021 to keep global freight routes and flights operating during COVID-19.

"IFAM has provided a critical lifeline to meat exports during this unprecedented pandemic and has enabled red meat processors to get our high-quality products into key export markets," says Mr Hutchinson.

"We look forward to our government trade negotiators having access to an additional \$6.6m in funding to pursue new free trade agreement opportunities."



Game changing support for businesses

The entire supply chain of the Australian red meat industry will strongly benefit from the Morrison Government's budget measures which will allow businesses to write off the full amount of any eligible assets purchased until June 2022 including new cars, trucks and capital equipment. Further, for the next two years companies will be able to offset losses against previous profits on which tax has been paid to generate a refund.

"This is an absolute game-changer for businesses and will underpin the sustainability of the meat industry at a critical crunch point for many processors impacted by COVID restrictions, bushfires and the shortage of livestock following years of devastating drought," says Mr Hutchinson.

Jobs, jobs, jobs – attraction and retention

The Morrison Government's budget measures also means a greater flow of workers to Australia's rural and regional towns as well as encourage meat businesses to take on apprentices:

- The \$17.4m 'Relocation Assistance to Take Up a Job' program will provide job seekers with financial assistance of up to \$6,000 per person.
- The Australian Government will fund 100,000 new apprenticeships through the \$1.2 billion 'Boosting Apprenticeship Commencements' wage subsidy. It will be paid to businesses of any size which take on new or recommencing apprentices from 5 October 2020 to 30 September 2021, for wages paid in that period, capped at \$7,000 per quarter.
- Under the JobMaker program, businesses will receive a credit of \$200 a week for hiring workers between 16 and 29 and \$100 a week hiring those aged between 30 and 35 with eligible employees required to work a minimum of 20 hours a week.

"These measures, which focus on growing jobs, has a huge benefit for local meat manufacturing, which flows through to our meat processing, smallgoods manufacturers and retailers, including independent local butchers," says Mr Hutchinson.

Local manufacturing and underpinning R&D

AMIC notes that this budget also provides recognition for domestic manufacturing including up to \$1.5bn in grants for several sectors including value-adding food and beverage production.

"The Australian red meat processing industry is uniquely positioned as Australia's largest trade exposed manufacturing sector and we need to continuously invest in our businesses to ensure we remain globally competitive," says Mr Hutchinson.

AMIC commends the Minister for Industry Karen Andrews for her ongoing support and recognition of the critical importance of the red meat sector.

"Overall, AMIC is delighted with the Morrison Government's comprehensive and decisive budget measures and the red meat sector is looking forward to working closely with the government to drive the COVID-19 recovery process, both in Australia and through our exports."

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Media contact: Catharine Heffernan, GM – Communications **M:** 0437 196 882 cheffernan@amic.org.au

