



## **Submission by AMIC to Commonwealth Economic Reform Roundtable**

As the peak body representing post-farmgate meat businesses, the Australian Meat Industry Council (AMIC) has a long history of working constructively with government to drive and implement reform which has underpinned the world-leading Australian meat sector.

Meat processing is Australia's largest manufacturing sector, is a major contributor to regional employment and a critical component of a modern, vibrant economy. The meat supply chain encompasses thousands of small-to-medium sized independent retail and wholesale businesses, which play an important role in feeding local communities and underpinning a competitive and healthy marketplace. Meat processing, smallgoods manufacturing, and meat retail and wholesale businesses directly employ over 70,000 people.

We welcome the opportunity to highlight a number of areas for reform which are a priority to our members, are in the national interest and would support Australia's increased productivity and economic resilience.

### **Digitising Information Along Supply Chains**

Meat production and retailing is one of the most regulated industries in Australia; digitisation, as part of a modern regulatory approach, offers an opportunity to substantially reduce this burden. Connectivity, capability and legacy systems mean parts of the meat supply chain rely on paper-based, human-based or disconnected digital systems to communicate and verify regulatory and commercial information. Australia has led the world when it comes to establishing livestock traceability systems. However, the full capability of such infrastructure and the unrealised value it could deliver, are held back by a lack of progress in fully digitising how information is fed into, connected with and passed through such systems.

The meat supply chain is complex and varied and is characterised by a fragmented producer/supplier base, a capital-intensive processing sector and a diffuse retail, wholesale and export marketplace. The variability in business size and how these entities interact along the supply chain make digitisation difficult. There are significant opportunities for modernising how information is communicated and compliance verified, but this requires the right incentives, investments and policy settings. This would drive increased productivity and efficiency across the supply chain.

### **Streamlining Cross-border Trade**

AMIC and our members have been long-term partners with government in developing, driving and implementing meat industry regulatory reforms of the meat export system for over 40 years. This work has led to significant savings to government and industry, contributing to Australia's reputation in delivering an efficient and trusted meat production, inspection and certification system that underpins our access to over 100 export markets.

While the meat industry will continue to partner with portfolio agencies such as DAFF to drive continual improvement and reforms for our industry-specific export and trade regulations, there remains a significant opportunity to boost Australia's productivity and competitiveness through ambitious and broad-reaching reform of Australia's trade regulations. This process was started through the former Simplified Trade System (STS) which scoped a range of highly important regulatory inefficiencies, duplication and antiquated systems in need of reform. However, the STS was never provided the mandate to truly cut across portfolio silos, enact holistic reforms and invest in the streamlining of systems required to have a transformational impact on trade exposed industries, which are an engine room of the Australian economy.

In an increasingly turbulent global trading environment, the need for Australia to shift to effective, efficient and modern technological, interoperable regulatory systems and user interfaces is critical. The benefits would cut across the entire economy, and position Australia to trade more openly, effectively and efficiently. This would reduce costs to government and industry, while increasing productivity and enhancing our trading partners' confidence in Australia's regulatory systems that underpin our market access.

### **Ensuring Effective Migrant Labour Policy Settings and Streamlined Processes**

Businesses along the Australian meat supply chain will always prioritise employing local workers and developing local skills and capability. However, the difficulty in recruiting and retaining local workers in the current economic climate is well recognised. Coupled with significant barriers in accessing and utilising migrant labour, this causes significant underutilisation of existing investments in physical assets and reduces confidence in making new investments. As such, fit-for-purpose migrant labour policy settings – enabling reliable and timely access to skilled, semi-skilled and unskilled overseas employees to fill local workforce gaps – are critical for ensuring Australian meat processing, manufacturing and retail businesses can maintain their workforce and remain viable and productive.

Existing visa settings and migrant labour programs are complex, costly, constrained by slow processing times, and are not available or feasible to all parts of the meat supply chain, especially small business. Livestock supply is highly seasonal, and processing assets are unable to be built or liquidated to mirror major climate-driven shifts in livestock turnoff. The ability to expand the post-farmgate workforce is often the only tool available to respond to climate driven spikes in supply to avoid bottlenecks on-farm. Access to migrant labour ensures meat businesses can remain viable and continue employing the thousands of Australians across the industry.

### **Affordable Housing, Particularly in Regional Australia**

The lack of availability and affordability of housing is well known; the impact is profoundly felt by the meat industry. A deficiency of housing supply limits the available workforce and constrains meat processing capacity. The impact is felt across metropolitan and, particularly, regional areas where meat processors are often the largest employer in town. This lack of affordable housing stock constrains the meat industry workforce, reducing the viability of businesses and appetite for investment required to maintain and increase productivity.

Noting the impacts are being felt economy-wide, AMIC strongly supports a focus on reforms to Australia's housing market which promote investment, housing development and access to affordable housing.

### **Addressing Federation's Regulatory Inefficiencies**

Improving productivity requires a more coherent regulatory environment. The growing regulatory burden from red tape, duplication and non-alignment of systems and processes across federal and state jurisdictions is increasingly undermining productivity, investment and growth. Despite addressing similar issues, inconsistent approaches across jurisdictions lead to inefficiencies, higher compliance costs and reduced confidence for businesses. Rather than effectively coordinating and standardising national approaches, there continues to be a divergence in regulatory settings and systems between states, territories and the Commonwealth.

In some cases, it may be appropriate for a national approach, with states and territories referring powers to the Commonwealth enabling a single, coherent national regulatory framework. Enhanced coordination is required across a number of key regulatory portfolios such as agriculture, environment and labour, where harmonised regulations and strong federal leadership can reduce duplication, streamline compliance and enhance economic performance.

Regards,



Tim Ryan

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Australian Meat Industry Council