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OPENING REMARKS

- Welcome To Beef's New Direction Forum--Welcome to Armidale--Welcome to the NSW Electorate of Northern Tablelands.
- The beef industry is of vital importance to NSW, rural Australia and to our national economy.
- I do not have to tell any of you gathered here today that the cattle industry has been going through tough times. In real terms - cattle prices are 20 % below the prices received 20 years ago and Australian beef consumption is 17% below where it was in 1989.
- During the same 20 years the cost of production has skyrocketed and the burden of government-influenced charges has increased putting a squeeze, a stranglehold, on the profitability of cattle production.
- The sad fact is, for many cattle farmers, cattle production at current cattle prices is unsustainable.
- This is as true in my Northern Tablelands electorate, which has some of the best cattle and best pastures in the world, as it is for the rest of rural Australia.
- The answers are not easy. For decades there have been calls on farmers to get big or get out but economies of scale alone have not provided the solution. It is a matter of public record that Australia's largest public company cattle producer, the AA Company, has been struggling to make a profit for years.
- Nor is the old chestnut of productivity the panacea for all of the beef industry's woes. Productivity in Australia has averaged less than 2% a year during the 1990's and during the last decade has fallen to just over 1% having been dragged down by the effect of drought on the Agricultural sector.
- This Forum has been convened by Bindaree Beef with the help of many in an attempt to turn the situation around and to look at a new direction for the beef industry.

THE CHALLENGE

- The challenge is large. The task will not be easy. There are no simple answers.
- We have two alternatives:-
 - the beef industry can continue down the same old path that it has for the last 10 years – indeed the last 20 years
 - or it can seek a new direction.
- If we believe it is impossible to reverse the fortunes of the beef industry
 - if we continue down the same path that we have trodden in the past-
 - if we focus on those things that are outside our control
 - such as the rising dollar and faltering export markets
 -

we will create a self fulfilling prophecy.

- But if we believe that we can make a difference and set about doing so with a clear-eyed vision, passionate focus, persistence and courage then we can achieve significant changes.

THE FORUM

- Today's Forum is a call for a bi-partisan approach to what many see as years of neglect of regional Australia.
- State and Federal politicians from both Labor and the Coalition, as well as Independents, Industry and Union leaders have been invited to speak.
- This is a Beef Industry Forum. The future prosperity of regional Australia is intrinsically linked to the fortunes of the beef industry and this Forum will touch upon declining regional population and prosperity but the focus will be on the beef industry.
- This Forum is about finding solutions and producing outcomes; finding ways of working together and ending the divisions that hold the industry back. Above all, the Forum is about leadership to deal with the current difficulties in the industry and generate a change of direction.
- As the Land Newspaper said in its editorial on 11 February this year: "The Forum will only work if its recommendations are realistic, focused and achievable".

- It is up to all the speakers here and all of you that have attended to make sure the Forum's recommendations are realistic, achievable and in the interests of the industry as a whole rather than any one sector.
- We need to be smart about marketing our agricultural products, particularly beef, in a very competitive domestic and world market. A vital part of the new direction for the industry is about boosting our domestic market through greater consumer satisfaction but we need to be much more united, particularly our representative associations and organisations.

- **THE NSW FOOD AMENDMENT (TRUTH IN LABELLING) BILL**

- That brings us to the Truth in Labelling Bill that I introduced and steered through Parliament last year. It took a period of 12 months and there was wide consultation within the industry and with consumer representatives. This legislation should not have been as controversial as it was given it focuses on a better deal for consumers and producers. Consumers have been moving away from beef products because of an unreliable standard of labelling. If people can buy a delicious tender steak one day and then one that is tough and dry the next, the problem has to lie with the way the product is identified. If the labelling is misleading and consumers have a bad experience, they will steer away from that product and select something else.

- During the months of the passage of this Bill, I received very enthusiastic feedback from consumers and producers. Consumers say that they like beef but they want to know that what they pay is reflected in the quality of the product. Consumers do discriminate and encouraging them to discriminate in favour of beef is what the Truth in Labelling Bill sets out to achieve including and, most importantly, the positive flow-on effects to producers.
- I hope that the NSW lead will be followed in other States. There has been considerable interest in the legislation at both state and federal level and I would hope to see this initiative taken up nation wide.
- There has been some criticism within the industry regarding the legislation based on the premise that the industry, not the government, should control the beef labelling system. One of the difficulties I have with this particular argument is that the industry itself has been divided and has been unable to assemble behind a coherent policy or consistent strategy with an appropriate consumer and producer focus. When vested interests get in the way, both the consumer and the producers become losers. It is therefore appropriate for the government policy to intervene to resolve the issue. As a result of this legislation consumers in NSW will know that the label on the beef they buy represents a standard they can depend upon. How can anyone argue with that?
- We are talking here about a voluntary labelling system, underpinned by legislation and adopting MSA carcass-based language that means what it says. Those who use the language to market beef products must abide by the standards it implies or face a fine. Those who choose to operate outside the system with a language of their own, have that choice.

I welcome the opportunity to be part of this forum with its objective to take the beef industry forward. We should together seize this opportunity.