Queensland’s Producer Representative Bodies: Challenges and Changes

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(Note: The views in this paper are those of the authors and do not necessarily reflect the views of the Queensland Department of Primary Industries)

ABSTRACT

Information is provided on the membership and roles of Queensland producer representative bodies (PRBs) obtained from a postal survey of PRBs. The challenges currently facing PRBs, and their responses, are also identified and discussed. PRB representation of member interests is also described and discussed.

Key words: Policy, Development, Producer representative bodies

INTRODUCTION

In Queensland, as in other states, primary producers have established numerous bodies to represent their interests and to undertake other largely non-commercial activities. In this paper these bodies are referred to as producer representative bodies* (PRBs). PRBs play important roles in the development and implementation of numerous public policies relevant to the specific industries and across industries at local, state and national levels. They also facilitate economic development by undertaking a wide range of other and often diverse activities such as training, research and development, information exchange, and product promotion.

The roles of PRBs and the challenges they face are often not well understood outside the sector. Consequently, the main aims of this paper are to provide an overview of: the nature of PRBs in Queensland, the challenges which they face, and the changes being made to enable them to respond positively to the challenges.

The paper deliberately concentrates on Queensland’s PRBs and mainly on their activities which relate to the objectives and responsibilities of the Queensland government. This is done mainly because this is the main focus of our work with PRBs but also to put a reasonable boundary on the subject. However, national and interstate issues are of major concern to most Queensland PRBs. Indeed, many are closely involved in these either directly themselves, or by membership of national industry bodies, or through membership of, or other links, with the National Farmers Federation (NFF) based in Canberra. Connors (1996) contains a detailed account of the factors which lead to the establishment of the NFF in 1979 and of its operations up to 1996, including relationships with state PRBs.

BACKGROUND

Queensland’s primary producers have established PRBs for diverse reasons and they have diverse roles and undertake a wide range of activities. An overview of the number and nature of Queensland’s PRBs was provided in Jarratt and Franco-Dixon (1998).

Currently there are about 82 separate PRBs established by Queensland producers (either as completely autonomous bodies or as branches of a national body) or national-only PRBs with significant numbers of

*We use this term rather than alternatives such as “farmer association”, “farm organisation” or “producer body” to: 1. ensure that all types of producers (farmers, growers, graziers etc) are included, 2. exclude bodies established mainly to undertake commercial buying and selling activities (eg product marketing and input supply), 3. take account of the diversity of legal entities which are PRBs (incorporated associations predominate but some PRBs are companies or cooperatives).
members from Queensland. 74 are state producer representative bodies and 8 are national producer representative bodies actively represented in Queensland. A break-down of the PRBs by commodity category is provided in Appendix 1.

Information about many aspects of Queensland’s PRBs was obtained by the authors from a survey of 63 PRBs in 1998. The response rate was 75 percent.

As shown in Table 1, 67 per cent of the responding PRBs were small, ie less than 100 members, however, many of these PRBs had 76-100 percent of producers in their industry as members. Only 5 responding PRBs had more than 500 members and 7 had 101 to 500 members. Most of the larger responding PRBs had several thousand members.

Table 1: PRB by number of members and coverage of all producers*

<table>
<thead>
<tr>
<th>Number of Members</th>
<th>Members as a % of all producers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;25</td>
</tr>
<tr>
<td>&lt; 100</td>
<td>3</td>
</tr>
<tr>
<td>101 – 500</td>
<td>1</td>
</tr>
<tr>
<td>&gt; 500</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>4</td>
</tr>
</tbody>
</table>

* This analysis excludes peak and national PRBs and those that did not provide complete information for membership size and per cent of producers that are members.

As shown in Table 2, the main functions of the responding PRBs were: representation, advice/information, product promotion, and training.

Table 2: Main functions of PRBs (n=42)*

<table>
<thead>
<tr>
<th>Functions</th>
<th>Number</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Representation</td>
<td>38</td>
<td>90</td>
</tr>
<tr>
<td>Advice/information</td>
<td>35</td>
<td>83</td>
</tr>
<tr>
<td>Product promotion</td>
<td>19</td>
<td>45</td>
</tr>
<tr>
<td>Training</td>
<td>13</td>
<td>31</td>
</tr>
<tr>
<td>Input supplies/discounts</td>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td>Union of employers</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Others**</td>
<td>5</td>
<td>12</td>
</tr>
</tbody>
</table>

* This analysis excludes the peak and national PRBs.
**Marketing, certifying, workshops, professional needs eg. insurance & local council permit, and environment management.

All states have a large number of independent PRBs but in some the number is reduced by the existence of a large heterogeneous single association/federation with subsidiary commodity sub groups. These single state bodies usually have a governing council, which sets policy on cross commodity issues, and the commodity sub groups deal with commodity specific matters. The commodity sub groups within these peak bodies are usually an integral and legal part of the body. Many also have as affiliated/associated members other legally independent PRBs. The members of Queensland’s peak PRB, the Queensland Farmers Federation (QFF), are all independent PRBs.

The large number of independent PRBs in Queensland reflects several factors including: the large number of commodities produced, the wide geographical spread of production areas, and the absence (until recently) of a single PRB for grain, beef and sheep producers.

REPRESENTATION

As shown by the survey results, most Queensland PRBs represent the interests of members to various parties, especially to the state government, and this is usually a major role for a PRB. However, many PRBs have a variety of other major roles including providing member/industry services (insurance, training, research and development, etc) and facilitating industry development. Governments often recognise the importance of PRBs for the development and implementation of government policies by encouraging the establishment of, and work with, industry and peak level PRBs.
The representational role is so important for PRBs that some observations on its conduct by PRBs and its relevance/interest to economists and political scientists are presented below.

The type and conduct of the representative role can vary greatly between PRBs and may be influenced by many factors including degree of industry development/maturity and current key industry issues.

PRBs can and do represent the interests of their members to a wide range of stakeholders not just to governments. These non-government stakeholders may include labour, marketers, and input suppliers. Generally, PRBs deal only with whole-of-industry issues and with the relevant union/industry association. But some PRBs may represent individual members in dealings with individual stakeholders.

However, the representational activity of most PRBs is directed at governments and their agencies. In Queensland, the main focus for most PRBs is the Queensland government but most are also involved directly or indirectly in representation to the Federal government.

The representational activities of PRBs with government agencies and politicians can be categorised as:

- Reactive (mainly reacting to the proposals or actions of others)
- Pro-active (advancing ideas for others to adopt)
- Consultative (working with other parties in policy development and implementation)
- Profile maintenance (maintaining regular contact with decision-makers, etc)

The importance of each category may vary over time within a PRB and varies greatly between PRBs.

Many PRBs are often primarily in the reactive mode due to: inadequate resources, unexpected crises, lack of or only short periods for public consultation on policy proposals, and lack of planning/research.

Regular formal consultation on policy proposals and industry development needs may assist PRBs to adopt pro-active and consultative modes.

Profile maintenance is an important representation mode required to build long term relationships with bureaucrats and politicians and to influence public understanding of, and support for, a PRB and its policies, objectives, activities etc. However, many PRBs often give low priority to this type of representation. This usually reflects many factors, including lack of resources.

Many PRBs have important non-representational roles which make major contributions to industry, community and regional development. However, economists and political scientists tend to focus on their representational role, especially attempts to influence relevant government policies ie to act as an “interest group”. There is a considerable body of economic and political science literature on the role of interest groups in decision-making on public policy. Political scientists tend to be interested mainly in the policy process and have developed models of decision-making on public policy issues which involve politicians, bureaucrats, the community, markets, and interest groups.

Economists often regard PRBs primarily as “rent seekers” ie attempting to obtain or maintain wealth transfer to their members via protection, special privileges etc. Often, this arose from legislation which restricted competition from other producers/imports and regulated prices in favour of producers. However, many of the potential sources of “rents” for producers have been removed in Queensland. Indeed, many PRBs now allocate considerable resources to try to minimise or avoid the imposition of extra costs/restrictions on members from legislation, which affects the operation of individual businesses, eg environmental legislation.

Coleman (pers.com.) assessed the political influence of farmers in Canada, Australia, USA, Germany and France as a result of the activities of their organised interest groups (PRBs), their political parties, and their voting patterns. His assessment of the impact of the PRBs included considering the degree of involvement in the following activities:

- Minimisation of competition between associations for members
- Building up the internal resources of associations
- Constructing horizontal bridges between associations
- Increasing levels of vertical integration within the associational system.
These activities were derived from the concept of the establishment by association systems of “an associative order” to realise political gains (Streeck and Schmitter, 1985).

When these activities are undertaken, the association system increases its ability to maintain “an associative order” and to achieve political gains.

To varying degrees, individual PRBs in Queensland and PRBs in general are currently involved in these activities.

**CHALLENGES**

Queensland’s PRBs in general and individual PRBs face numerous major challenges to their operations and future. These challenges exist at individual producer and PRB level and must be appropriately addressed if the PRBs are to remain effective, meet member needs, and contribute to industry development. Some of the main challenges are listed and discussed below.

**Economic pressures on producers**

The difficult economic circumstances of significant numbers of producers in several industries have had many effects on the operations of PRBs and the attitudes of members towards PRBs. The effects include: increased need for representation on industry costs (especially government charges), increased opportunities and needs for PRB involvement in training and adjustment, reduced ability of producers to act as PRB leaders, increased producer concern about the cost of PRB membership, and reduced numbers of actual and potential members.

**Diversity and complexity of industry problems/issues**

The diversity and complexity of many industry issues and the speed of technological, economic and political change present many challenges for all PRBs. There are clear implications for them in terms of operating efficiently and effectively and being flexible and resourceful. The responses of PRBs to these challenges include: making greater use of peak bodies like the QFF to handle cross commodity issues, greater use of commodity peak bodies by industries with several PRBs, increased use of specialist consultants and in house research officers, and more planning and prioritisation of activities.

**Deregulation**

The scope for PRBs to undertake representation for the maintenance or extension of regulation in favour of producers has been greatly reduced in Queensland for many PRBs. This is mainly due to the winding-up of statutory grower-controlled commodity marketing boards and the removal of some other regulations and by general moves away from government regulation as a solution to industry problems. However, the scope for representation on legislative matters has been increased by developments such as increased use of industry self-regulation and increased legislation on the environment, safety, and plant and animal health.

**Establishment of new industries**

The rapid diversification of products has resulted in the establishment of many new PRBs for producers of new products like olives, native flowers and aquaculture products. Many of these PRBs have few members and face considerable challenges to obtain the resources needed to provide the services demanded by members. In many, the focus is on the exchange and sharing of technical information between members and the conduct and funding of industry R&D. In many new industries several PRBs have been established and peak bodies have been established or are needed to provide a single industry view on some matters.

**Govt consultation processes and expectations**

Governments now have more formal consultation processes for consideration of policy proposals and expect high quality submissions from PRBs. This has put great pressure on many PRBs to ensure that sufficient resources are available to meet these needs. It has also increased the need for research etc by PRBs and for them to establish agreed and well argued positions on policy proposals/issues.

**Member needs**

Many PRBs find that producers are increasingly expecting membership of a PRB to deliver significant and tangible benefits to them as individuals. This means that more PRBs are considering or actually providing services only for members or at lower cost to members. Many are also improving the effectiveness of their communications with members.
**Resource constraints**

Many PRBs are constrained in the quantity and quality of the services that they can provide by being unable to raise sufficient funds from voluntary membership fees. The effects on and reactions of PRBs to this problem vary. Some of the strategies being adopted to remove or reduce the problem are: seeking more revenue from the provision of services to individual members, investigating opportunities for advertising revenue and sponsorship, and working with other PRBs to reduce overheads.

**Leadership**

Many PRBs have difficulty filling leadership positions. This reflects many influences including the economic pressures on individual business and the increased complexity of running a PRB. Strategies being implemented to counter these problems include: increased use of full or part time paid professional staff, and member participation in leadership development programs.

**CHANGES**

In response to some of the above, and other, challenges, PRBs in general and many individual PRBs have undertaken or are considering numerous changes. Some of the main changes are listed and discussed below.

**Formation of AgForce Queensland**

In 1999, the members of the United Graziers Association (UGA), Queensland Grain Growers Association (QGGA) and the Cattlemen’s Union of Australia (CUA) voted to wind-up their existing organisations and to form one new organisation, AgForce Queensland. The main objectives of the change were to achieve:

- More effective representation
- More unified representation (especially for cattle producers who were represented by the UGA and the CUA)
- Operational economies eg reduction in overheads and duplication of activities

AgForce is structured similarly to the main broad-acre farmer bodies in other states. Its general council sets policy on cross commodity matters and there are separate subsidiary bodies for cattle, sheep/wool and grains.

**PRBs established for new industries**

The diversity of the state’s agricultural products has increased greatly in recent years. This has resulted in the establishment of many new PRBs for producers of these products. For example, PRBs have been established (often in each region) for wine grapes, olives, crayfish, and many other new commodities as well as for organic products. The main aims of the new PRBs vary greatly. For some, a major objective is to assist members to exchange information on production methods etc but other roles such as: securing adequate government services and policies, and funding and prioritising industry research/development, are also important for most.

**Establishment of Peak Industry PRBs**

Increasingly, many industries with several independent PRBs (usually for sub sets of the products or to represent regional groups) have established a peak state PRB to facilitate and coordinate work at state and national level on whole of industry issues. In some cases the establishment of peak PRBs has been encouraged by the state government to facilitate consultation and communication with producers on industry development needs. So far such peak PRBs have been established for the wine grape, olive, flower and crayfish industries. The detailed roles and functions are still being developed for several of these peak PRBs.

**Expansion of Queensland Farmers Federation**

The QFF is a voluntary federation of PRBs established in 1989 to replace the statutory Queensland Council of Agriculture (QCA). The QCA was a compulsory peak body for statutory marketing boards and statutory PRBs and focussed largely on the state legislation under which its members operated. Non statutory PRBs for commodities could not be members of the QCA and there was no other peak body for them. Consequently, the commodity marketing boards often assumed a limited representational role for their producers (except for grains where the QGGA had that role) and commodities without statutory marketing boards or PRBs eg beef cattle, and sheep/wool were not represented at all. The need for the QCA declined greatly with the reduction in the number of the marketing boards during the late 1980s and early 1990s.
The QFF has a governing Council made up of its member organisations. QFF mainly represents member interests to the Queensland government on issues of agreed common concern to all members. It is also a member of the NFF.

The membership of the QFF has expanded during the last 2 years, primarily via several smaller PRBs becoming associate members. Such membership allows these PRBs to be informed about and represented on cross-industry issues. This reduces the need for the individual PRBs to allocate their scarce resources on these matters and helps them to concentrate on commodity specific issues.

QFF has also expanded its activities by forming the Queensland Agri-Business Alliance (QABA) which allows agribusiness bodies, like marketers and suppliers of services, to become more involved with QFF. However, members of QABA are not represented on the QFF’s governing council.

**Provision of non representative services by PRBs**

Many PRBs recognise that their representational activities on behalf of industry benefit members and non members and that this can encourage some producers to be free riders ie obtain benefits from the PRB’s activities but not contribute financially to its operations. Accordingly, an increasing number of PRBs provide services which deliver clear benefits to members eg exclusive access to or lower cost services like insurance, information and training. Many PRBs are also improving communications with members and promoting the advantages of membership.

**Change from compulsory to voluntary funding of some PRBs**

Until recently most Queensland PRBs relied on voluntary membership and funding. The exceptions were 5 PRBs established under legislation which required all producers in a specified industry to be a member, and fund the operations, of its PRB. In general, the level and reliability of payment of the membership fees provided these bodies with significant advantages over the voluntarily funded PRBs many of which face great challenges to get and retain sufficient members and funding.

Recently, the statutory basis for the compulsory membership and funding of the PRBs established by statute for producers in the sugar, pork, fruit and vegetable, dairying and commercial fishing industries changed significantly. The Act, which provided for compulsory membership and funding of PRBs where producers had at some time in the past agreed that this was required, was repealed and replaced by a new Act. The new legislation contains no legislative provisions for members to fund the operations of the organisations but requires that they be members for 3 years. After 3 years, a poll of members is required on the continuation of compulsory membership for a possible maximum of 2 more years.

The previous legislation was repealed primarily because of potential constitutional problems with state-based taxes on production, the general trend towards less regulation of commercial activities, and a view that more effective representation would result from member (ie non-statutory) ownership and control of the PRB.

Each PRB is responding to the new legislative provisions with a new legal structure and with strategies to achieve membership and funding objectives. A company structure has been adopted by sugar, fruit and vegetables and dairying PRBs and incorporated association by pork and commercial fishing.

The change to voluntary funding arrangements could significantly influence the resources, activities and priorities of the new PRBs. However, the effects are also likely to be varied. For example, the Queensland Dairyfarmers Organisation has operated with voluntary funding since 1 July 1999 and only a small number of members have ceased to provide funding. (This may reflect producer interest in having a well-supported PRB when major changes to the regulation of farm-gate milk prices are under consideration). Conversely, in 1994 the removal of legislatively backed compulsory membership and funding of the NSW Commercial Fishermen’s Advisory Council resulted in a major decline in membership and funding due to former members deciding not to be a member of any PRB or to form small special-interest PRBs. The Council was wound-up and a new PRB, PROFISH, has been established, the current members of which are mainly large producers. Also, in New Zealand the loss of compulsory funding appears to have weakened the peak meat and wool producer PRB, Federated Farmers, and encouraged fragmentation of representational efforts.
Clearly, the loss by a PRB of compulsory funding by members could have many and diverse effects on a PRB, other PRBs and the industry. The actual effects will reflect many influences and be very PRB and industry specific.

Jarratt (1997) reported data from a postal survey of pork producers indicating that if member funding of the PRB were not compulsory, the proportion of members likely to stop providing funds would vary according to the level of representation (national, state, district or local) involved. For state level funding the likely drop-out rate would be 14% to 16%. The study also showed that the likely drop-out rate was not influenced by enterprise size.

Useful and interesting research could be undertaken on the responses to, and impacts of, the change from compulsory to voluntary funding of the 5 affected Queensland PRBs.

CONCLUSIONS

Queensland’s PRBs face many challenges if they are to continue to remain effective and provide a range of services to members. Numerous changes in the operations, structure etc of the PRBs are occurring and are likely to continue to occur in response to these challenges. These changes will often seek to improve the efficiency and effectiveness of the PRBs and could involve:

- further amalgamations of PRBs,
- greater use of peak commodity PRBs,
- greater sharing of resources between PRBs (especially of paid staff and office accommodation),
- greater attempts to obtain funding from non traditional sources, and
- increased membership of the Queensland Farmers Federation.

Many PRBs will also seek to provide more member-specific benefits (to reduce the opportunities for free-riding by non-members). This will often involve the provision of discounts on inputs like insurance and training and the provision of other services.

Representation of members’ interests to governments and other stakeholders will continue to be the major activity of most PRBs. However, more are likely to play important and active roles in facilitating the development of their industry by undertaking a range of activities themselves or with government development agencies and other stakeholders.

Finally, more economists should recognise (as have many governments) that PRBs can and do have important roles to play in industry development, policy development and implementation, and that PRBs should be seen as being more than just “rent seeking interest groups”.

REFERENCES

### List of Queensland's producer representative bodies (by commodity sub-types) for which DPI's Industry Services Section maintains contact details

Produced by Industry Services Section, DPI, ph 07 32393280  
Date fully updated: 27-Sep-99

**Note:** Excludes regional branches of Queensland based bodies but includes Queensland branches of national bodies and relevant national bodies which do not have a Queensland branch.

#### Grazing Livestock
- AgForce Cattle
- AgForce Sheep and Wool
- Australian Beef Association
- Australian Cashmere Growers Association
- Deer Industry Association of Australia - Queensland Branch
- Goat Industry Committee of Queensland
- Mohair Australia Ltd (Queensland Division)
- Queensland Branch Dairy Goat Society of Australia
- Queensland Dairy Farmers Organisation
- Queensland Licensed Raw Goat Milk Producers Association

#### Intensive Livestock
- Australian Lot Feeders Association
- Queensland Pork Producers Organisation

#### Poultry
- Australian Ostrich Association (Queensland Branch)
- Central Queensland Commercial Egg Producers Organisation
- Emu Association of Queensland
- Free Range Poultry Assn of Queensland
- Queensland Chicken Growers Association
- Queensland Contract Egg Farmers Association, Inc.
- United Egg Producers

#### Field Crops
- AgForce Grains
- Australian Cane Farmers Association
- Australian Tea Tree Industry Assn
- CANEGROWERS
- Cotton Australia Ltd
- Ecofibre Industries Association
- Fraser Coast Essential Oils Association
- North Queensland Tropical Pasture Seed Producers Association
- Queensland Industrial Hemp Farmers Association
- Queensland Tobacco Marketing Coop
- Sub-Tropical Pasture Seed Producers Association

#### Fruit and Vegetables (inc olives, wine & grapes)
- Australian Ginger Growers Association
- Bundaberg and District Wine Growers Association Inc
- Burnett Valley Olive Growers Association Inc
- Burnett Valley Winegrowers Association
- Callide-Dawson Herb Association Inc.
- Granite Belt Wine Industry Association
- Inglewood and Region Olive Association Inc
- Inglewood Shire Wine Grape Growers Association
- Kolan Olive Growers Association Inc
- Lockyer Olive Growers Association, Inc
- Queensland Fruit and Vegetable Growers
- Queensland Vine Improvement Association
- Queensland Wine Industry Association
- Western Downs Olive Group

#### Flowers/Foliage & Nursery
- Australian Bud Flower and Foliage Growers Coop
- Australian Flora and Protea Growers Association (Queensland Branch)
- Central Queensland Native Flower Growers Association
- Cooloola Flower Growers Association
- Corroboree Native Flower Growers Association
- Maryborough Flower Growers Association
- Queensland Flower Growers Association
- Queensland Nursery Industry Association
- Queensland Wax and Native Flower Growers Association Inc.
- South Burnett Growers Association
- The Burnett Growers Association
- Wide Bay - Burnett Flower Growers Association Inc.

#### Forestry
- Australian Forest Growers (Queensland)
- Australian Forest Growers (South East Queensland)

#### Fisheries and Aquaculture
- Aquaculture Association of Queensland, Inc
- Australian Barramundi Farmers Association
- Australian Cultured Eel Association
- Australian Prawn Farmers Association
- Bundaberg and District Crayfish Association
- Capricorn Crayfish Farmers Association
- Commercial and Recreational Fish Hatcheries Association
- Crayfish Farmers Association of Queensland (Northern Branch)
- Mackay Prawn Farmers Association
- Queensland Commercial Fishermen’s Organisation
- Queensland Oyster Growers Association
- Queensland Pearl Industry Association
- South Queensland Crayfish Association

#### Miscellaneous
- AgForce Queensland
- Australian Macadamia Society
- Australian Mushroom Growers Association
- Australian Queen Bee Breeders Association (Northern Branch)
- Biological Farmers of Australia
- Organic Producers Association of Queensland
- Queensland Beekeepers’ Association
- Queensland Farmers Federation
- Queensland Irrigators Council Inc