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Call for more levy debate



CATTLE producers and beef industry stakeholders are urged to [make written submissions](#) to a government inquiry into industry structures and systems governing grass-fed cattle levies.

The inquiry was formally approved on December 12 last year when the Senate referred it to the Rural and Regional Affairs and Transport References Committee.

Committee member and NSW Liberal Senator Bill Heffernan said with only nine submissions received by January 30, beef industry stakeholders needed to “have a go”.

“There’s been an ongoing debate over a long period of time now about how research and development and marketing levies are collected and used for the beef cattle industry,” he said.

“There have been a lot of critics of the MLA (Meat and Livestock Australia) but now there’s a perfect opportunity for those critics to put forward their views and put their money where their mouth is.

“I would have expected there’d be more submissions received by now as there’s been a long history of critics questioning the allocation of levies.

“It’s no good complaining without also having a proper go.”

March 28 is the current proposed reporting date, while March 1 is the scheduled cut-off date for public submissions. A public hearing is also due on March 7 in Canberra, but the list of witnesses being called to provide evidence is yet to be finalised.

The inquiry’s terms of reference aim to investigate:

- the basis on which levies are collected and used;
- the opportunities levy payers have to influence the quantum and investment of the levies;
- industry governance arrangements, consultation and reporting frameworks;
- and recommendations to maximise the ability of grass-fed cattle producers to respond to challenges and capture opportunities in marketing and research and development.



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The Senate inquiry was largely sparked by Federal Agriculture Minister Barnaby Joyce after a meeting with industry members in Townsville late last year.

Minister Joyce said in a statement at the time that a Senate Inquiry offered the best avenue to open the issue up to a debate and provide opportunity for groups on all sides of the issue to lay their cards on the table.

“Such an inquiry would be a fair and transparent way forward - it would be at arm’s length from the government,” he said.

Most submissions received by the committee so far have backed major industry reforms, including overhauling the MLA and the Cattle Council of Australia (CCA).

A submission from Wayne and Sandra Birchmore said they were sixth generation graziers operating four beef producing properties in Northern and Western Queensland and believed the current system wasn’t working.

They wrote that since the MLA’s compulsory levy was raised to \$5 per head, “farmgate prices have dropped”.

“We are having systems imposed on us with considerable expenses and no increase to farm gate prices,” they wrote.

“MLA is not performing if farm gate prices are dropping – simple.

“The beef industry is too top heavy, with so many representative groups.

“Producers leaving State Farming Organisations in droves shows that there is no value for money in joining and no real representation of the grass roots producer.

“If these organisations were being paid on performance, they would no longer exist.”

In his submission, John Andison said “The inequities of the present system are too long standing and entrenched to be adequately addressed by tinkering around the edges”.

He said labelling CCA a peak council was “patently dishonest” and MLA wasn’t a democratically elected body but a “virtual closed shop”.

“A whole new approach is required,” he wrote.

“What grass fed beef producers of Australia desperately need is one democratically elected body with total control of all monies collected through the \$5 per head transaction levy.

“Those who support this grossly unfair system are treating with contempt the vast majority of grass fed cattle producers who provide the bulk of the \$56-odd million collected annually from the transaction levy.”

Richmond River Beef Producers Association chairman Dr Brian Creedy said his group – which represents small beef producers in the Northern Rivers District of NSW – said the current system had been in operation since 1998 and “by any standard must be judged as a complete failure”.

The Association recommended MLA and CCA be abolished and replaced by a new body elected and responsible to levy payers, with a transparent and accountable voting system.

“A two-tiered voting system would balance the interests of both large and small producers,” the Association wrote.

“The beef industry is at crisis point – we cannot continue to be led down the garden path to oblivion under the current stewardship of MLA and CCA.

“The industry is currently structured to benefit those who contribute least.

“The time for change is now.”

Grass-fed cattle producer James Ramsay submitted that he believed the \$5 per head levy on all cattle transactions was “unfair”.

Mr Ramsay said the levy “does not reflect the profit that is made at any stage of the production process” and should be replaced by a percentage transaction levy similar to the GST.



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He said the MLA should be abolished and replaced by two organisations; one representing livestock producers and one representing meat processors and sellers.

CCA chief Jed Matz said his organisation was still formulating its submission and would present a draft to members first, to seek their feedback and support, to formulate a position “more reflective of a consensus view of the industry”.

In the meantime, he said CCA had [launched a new structure this week](#) that would provide a direct membership option for producers.

Mr Matz said he would also encourage all beef cattle producers and other industry stakeholders to have their say on the current levy arrangements via the Senate inquiry.

“CCA have never said we’re perfect and everyone has a view on how the structure should be - but now’s the time to comment,” he said.

<http://adf.farmonline.com.au/news/nationalrural/cattle/beef/call-for-more-levy-debate/2686196.aspx?storypage=0>