



## AgForce Queensland responds to Senate Inquiry of Grassfed Cattle Levies

AGFORCE Queensland has today stated it would endorse the adoption by Government of only one of the seven recommendations tabled earlier this week as part of the Senate Inquiry of into Industry Structures and Systems.

The Inquiry, undertaken by the Senate Rural and Regional Affairs and Transport committee, was completed on the instruction of Federal Minister for Agriculture, Barnaby Joyce, and following widespread industry concern as to the return on investment of levy funds over a number of years.

However AgForce Cattle President, Howard Smith, said his Board was really only sees value in Government adopting Recommendation 2:

**“The committee recommends the establishment of a cost-effective, automated cattle transaction levy system. The system should identify levy payers against levies paid. The automated system should provide for more immediate settlement of levy fees paid and the allocation of voting entitlements. It should be subject to regular independent auditing and verification.”**

“This would certainly allow greater transparency and accountability for the Meat and Livestock Australia voting system and could potentially provide an effective system to consult with levy payers,” Mr Smith said.

“Adoption of this recommendation would also represent a vast improvement on the status quo; and provide the appropriate information needed before considering other recommendations in the Inquiry.”

Mr Smith said it is absolutely critical the cattle industry take ownership of the future direction of the grass fed levy system and that the AgForce Cattle Board was wholly unresponsive of the establishment of a producer-owned body by legislation to receive and disperse the research and development, as well as marketing, component of the levy funds.

“We are strongly of the view the peak council for grass fed cattle should not be established in legislation and that this should be completely autonomous from Government. We need to be able to advocate and lobby on issues like government resourcing, market access and regulatory reform independently” he said.

“Our cattle industry has an exceptionally bright future ahead given burgeoning Asian market opportunities and our global reputation for producing beef of the highest quality.

“For this reason it is paramount any changes made are what will allow industry to best capitalise upon these opportunities and, if the correct decisions are now made, this is our chance to ensure effective and long-lasting reform.”

“The onus is on industry to makes these big calls, not government.”

**Full List of AgForce Responses to Inquiry Recommendations**

Recommendation	AgForce Response
<p><b>Recommendation 1:</b> The committee recommends that a producer-owned body be established by legislation. The body should have the authority to receive and disperse the research and development, as well as marketing component, of the cattle transaction levy funds. The producer-owned body should also be authorised to receive matching government research and development funds. Reforming the Cattle Council of Australia to achieve these outcomes should be examined as part of this process.</p>	<p>AgForce Cattle Board does not support Recommendation 1 or its adoption by Government. AgForce Cattle is of the view the peak council for grass fed cattle should not be established in legislation. This needs to be completely autonomous from Government.</p>
<p><b>Recommendation 2:</b> The committee recommends the establishment of a cost-effective, automated cattle transaction levy system. The system should identify levy payers against levies paid. The automated system should provide for more immediate settlement of levy fees paid and the allocation of voting entitlements. It should be subject to regular independent auditing and verification.</p>	<p>AgForce Cattle Board supports the implementation of Recommendation 2 and adoption by Government. This would allow greater transparency and accountability for the MLA voting system and could potentially provide an effective system to consult with levy payers.</p>
<p><b>Recommendation 3:</b> The committee recommends that the Primary Industries (Excise) Levies Act 1999 be amended to ensure that levies paid by processors are recognised as processor (or slaughter) levies and not as producer (or cattle transaction) levies.</p>	<p>On face value AgForce Cattle Board does not support Recommendation 3. It is not clear how further fragmentation amongst levy payers would result in delivering tangible outcomes. AgForce Cattle would not be supportive of this in the absence of further information.</p>
<p><b>Recommendation 4:</b> The committee recommends that the Australian National Audit Office conduct an audit of the cattle transaction levy system, tracing the levy from inception and focusing on the revenue from, and expenditure of, the respective components of the levy.</p>	<p>On face value AgForce Cattle do not see what the benefit is for the Australian beef industry. It is currently being overlooked by the Department of Agriculture (DOA).</p>
<p><b>Recommendation 5:</b> The committee recommends that the Minister for Agriculture dissolve the Red Meat Advisory Council. The committee further recommends that the Minister for Agriculture establish a new system to manage and disperse earnings from the Red Meat Industry Reserve Fund, in consultation with the industry.</p>	<p>RMAC needs serious operational reform in order to provide a critical ‘cross sector’ voice for the red meat industry. It is entirely up to industry to instigate these changes and AgForce Cattle are not supportive of Government being part of this process.</p>

<p><b>Recommendation 6:</b> The committee recommends that the Minister for Agriculture revoke the status of the MLA Donor Company (MDC) as an approved donor under the Australian Meat and Live-stock Industry Act 1997.</p>	<p>AgForce Cattle does not support the adoption of Recommendation 6. The MDC is an efficient way of attracting private investment (matched by a Government co-contribution) into red meat research and development and has minimal levy input.</p>
<p><b>Recommendation 7:</b> The committee recommends that the Department of Agriculture, in consultation with the cattle industry, conduct an analysis of the benefits, costs and consequences of introducing legislation akin to the Packers and Stockyards Act 1921 and Livestock Mandatory Price Reporting Act 1999.</p>	<p>AgForce Cattle are supportive of this work occurring for further consideration of industry. This is currently being conducted by Meat and Livestock Australia and is therefore considered sufficient covered.</p>

Ends

**For media enquiries, contact**

**AgForce media and communications: Stacey Milner 0418 733 102 or [milners@agforceqld.org.au](mailto:milners@agforceqld.org.au)**

**Alison Francis 0488 002 092 or [francis@agforceqld.org.au](mailto:francis@agforceqld.org.au)**

**Who is AgForce?** AgForce represents thousands of Queensland broadacre producers who recognise the value in having a strong voice. AgForce leads the way to ensure agriculture's social, economic and environmental contribution is recognised by all levels of government. AgForce works alongside landholders, encourages and supports the next generation, builds industry partnerships and skills and promotes agriculture - for secure, sustainable, progressive and profitable food and fibre into the future.