



26th of February 2014

Committee Secretary
Senate Standing Committees on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Sir/Madam

The Pastoralists and Graziers Association of WA (Inc) (PGA) is aware that the Senate Rural and Regional Affairs and Transport References Committee are inquiring into the industry structures and systems governing levies on grass-fed cattle.

The PGA is a non-profit industry organisation established in 1907, which represents primary producers in both the pastoral and agricultural regions in Western Australia.

As a state farming organization, the PGA is a corporate member of the Cattle Council. An elected representative of the PGA's Executive Committee sits on the board of the Cattle Council.

As such, the PGA has been involved in the consensus discussions within the Cattle Council to arrive at an industry position with respect to the payment and distribution of beef levies.

The PGA is supportive of this process.

The PGA notes that there is a diversity of views surrounding the payment of this levy. The root cause of this dissonance has been the on-going reduction in industry profitability.

It is a fact that producers receive similar returns to 30 years ago, whilst input costs have inexorably risen over the same time period, eroding profit margins for those who do not adopt new technology and adapt to changing market conditions.

With such a background, there is little wonder that some producers seek to further reduce input costs by reviewing beef levies.

The Cattle Council has only just implemented a ground breaking restructure that seeks to better represent all beef levy payers. It is expected that this restructure will seek out and present considered industry policy positions to government that improve the profitability of the grass fed cattle industry.

Yours Faithfully

Rob Gillam

President

Cc Mr Jed Matz, Chief Executive Officer, Cattle Council of Australia