



Department of
**Agriculture, Fisheries
and Forestry**

Reference: CTS 30486/13

21 JAN 2014

Mr Stephen Palethorpe
Committee Secretary
Senate Rural and Regional Affairs and Transport References Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Mr Palethorpe

I refer to the email from Tim Watling of 12 December 2013 concerning the Inquiry into the industry structures and systems governing levies on grass-fed cattle.

I note that the Terms of Reference focus on the collection and disbursement of the levies raised for industry research and marketing, that is undertaken by Meat and Livestock Australia (MLA).

With regard to expenditure of grass-fed cattle levies, the Department of Agriculture, Fisheries and Forestry (DAFF) partners with MLA on a range of levy funded research projects that benefit the grass-fed cattle industry. In 2013-14 DAFF will receive \$1.323 million from MLA for 23 co-funded projects focussed on weed control, pasture improvement and management, pest and disease control in forage crops and extension. These funds leverage approximately an additional \$7 million from the Queensland Government with the aim of increasing the productivity, profitability and international competitiveness of the Queensland beef industry.

With regard to the quantum of levies, DAFF also partners with a number of other rural research and development corporations in other agricultural industries that use levy funds for research. In comparison to other agricultural industries, the grass-fed beef industries' relative investment in on-farm productivity research and development is quite low in comparison to the size of the industry.

There is a clear link between research and development and productivity growth. Increased investment in research and development will improve productivity growth and assist in maintaining an internationally competitive Australian beef industry.

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I look forward to continued collaboration between State Governments and industry funded research programs.

If your Office requires any further information, please contact Dr Chris Chilcott, Director, Animal Industries of DAFF

Yours sincerely

Jack Noye
Director-General
Department of Agriculture, Fisheries and Forestry