



30 June 2020

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

By email: [rrat.sen@aph.gov.au](mailto:rrat.sen@aph.gov.au)

Dear Committee Secretary

The Australian Livestock Exporters' Council (ALEC) is a member-based, peak industry body representing Australia's livestock export sector which contributes over \$1 billion in export earnings annually while employing 13,000 mainly regional Australians. ALEC provides strategic direction to the industry, sets industry policy and represents Australia's livestock export trade in Australia and internationally.

ALEC members account for more than 96 per cent of Australia's annual livestock exports, by volume and value. ALEC's membership also extends to supply chain participants including registered premise operators, ship owners, feed suppliers and other service providers to the trade.

ALEC appreciates the opportunity provide comment on the provisions of the Primary Industries (Customs) Charges Amendment (Dairy Cattle Export Charge) Bill 2020 (the bill), having been referred to the Senate Standing Committees on Rural and Regional Affairs and Transport for inquiry and **strongly recommends that it be passed urgently and without delay.**

The bill amends the Primary Industries (Customs) Charges Act 1999 to provide for:

- Export charges to be imposed on dairy cattle
- Set the rate of provision on a per head basis on the export of dairy cattle, and
- Enable the full funding of the Dairy Cattle Export Program, to meet specific research and development (R&D) and marketing activities for the dairy cattle export sector.

The export of dairy cattle offers an important alternative income stream for dairy producers that underpins livestock prices. Dairy cattle therefore require specific and targeted R&D, as well as technical market access and supply chain analysis, advice and support (marketing activities). In recognition of this, the livestock export industry's not-for-profit service provider, the Australian Livestock Export Corporation Ltd (LiveCorp), established a Dairy Cattle Export Program in 2006, funded through a voluntary levy of \$6.00 per head.

NFF House  
14-16 Brisbane Ave, Barton ACT  
Locked Bag 9, Kingston ACT 2604

Phone: (02) 6269 5690  
Email: [info@livexcouncil.com.au](mailto:info@livexcouncil.com.au)  
Web: [www.auslivestockexport.com](http://www.auslivestockexport.com)



Under the program, LiveCorp provided advice and support for market access through the Livestock Export Protocol Committee, conducted R&D for dairy cattle exports and actively participated on and provided funding to the National Arbovirus Monitoring Program (NAMP) to underpin market access opportunities. The program's priorities included animal health and welfare, supply chain efficiency and regulatory performance and market access.

Due to the nature of the voluntary arrangement, the Dairy Cattle Export Charge is significantly (and historically) under-collected as evidenced in Figure 1 and is not sufficient to meet the R&D and marketing activity needs of the dairy cattle export sector. The continued under-collection of the charge has recently led to the temporary suspension of the Program.

**Figure 1: Dairy levy collection at 25/05/20**

Financial year	Total exports (head)	Levy rate \$/hd	\$ collected by LiveCorp
2009	32,568	\$3	62,811
2010	48,909	\$3	149,012
2011	48,253	\$3	133,014
2012	58,773	\$3	95,796
2013	87,422	\$3	133,324
2014	92,340	\$6	149,578
2015	73,217	\$6	176,436
2016	71,907	\$6	164,358
2017	72,811	\$6	78,942
2018	47,017	\$6	38,892
2019	92,347	\$6	15,132

Source: ABS, supplied by LiveCorp

Due to this under-collection and at the request of livestock exporters, ALEC requested the government consider implementing a statutory Dairy Cattle Export Charge at a rate of \$6.00 per head, payable at the point of export. ALEC undertook significant stakeholder consultation on the proposed Dairy Cattle Export Charge from 31 May until 13 October 2017, following which ALEC conducted an industry-wide ballot between 12 and 18 December 2017. The vote determined majority support (80%) in favour of the proposed charge.

At the request of government, ALEC also undertook a further six-week objection period with industry. This occurred from 5 October to 16 November 2018 and was undertaken to ensure all charge payers and interested stakeholders had an opportunity to express their views on the implementation of a statutory Dairy Cattle Export Charge. There were no objections received.



Using the export of 60,500 dairy cattle over the course of a year as an example, the Dairy Cattle Export Charge would, when implemented, raise approximately \$363,000. This equates to a collection of \$60,500 for R&D activities and \$302,500 for marketing activities. The levy revenue will be invested by LiveCorp into the Dairy Cattle Export Program, delivering against strategic priorities to meet the needs of the dairy cattle export trade in areas of animal health and welfare, supply chain efficiency and regulatory performance, market access and stakeholder communications.

LiveCorp receives statutory levy funds in accordance with a Funding Agreement with the Commonwealth of Australia, which sets out LiveCorp's governance and reporting obligations to levy payers and the commonwealth, including the development of annual operating plans, strategic plans and annual reports.

Thank you again for the opportunity to comment on the provisions of the bill. Noting that a substantial amount of time has passed since this process was initiated and the distinct and broadly supported need for levy funded R&D and marketing activities associated with the export of dairy cattle, the passing of the bill is strongly supported and recommended. Further information is provided in the attached Dairy Cattle Export Charge industry proposal submitted to government on 28 May 2018 (Attachment 1).

Regards,

Mark Harvey-Sutton  
Chief Executive Officer  
Australian Livestock Exporters' Council

*Attach: Dairy Cattle Export Charge industry proposal – 28 May 2018*

NFF House  
14-16 Brisbane Ave, Barton ACT  
Locked Bag 9, Kingston ACT 2604

Phone: (02) 6269 5690  
Email: [info@livexcouncil.com.au](mailto:info@livexcouncil.com.au)  
Web: [www.auslivestockexport.com](http://www.auslivestockexport.com)

MAY 28, 2018

DAIRY CATTLE EXPORT CHARGE  
INDUSTRY PROPOSAL

## Executive Summary:

- ALEC recommends that a statutory Dairy Cattle Export Charge be implemented at a rate of \$6.00 per head, payable at the point of export and collected monthly.
- Exporters of dairy cattle currently pay a voluntary levy, introduced to enable funding for sector specific research and development and marketing.
- Due to the nature of the voluntary arrangement, the Dairy Cattle Export Charge is significantly (and historically) under-collected and is not sufficient to meet the R&D and marketing needs of the dairy cattle export sector. As such, at the request of livestock exporters, the Australian Livestock Exporters' Council (ALEC) commenced the process to implement a statutory Dairy Cattle Export Charge at a rate of \$6.00 per head, payable at the point of export.
- ALEC undertook significant stakeholder consultation on the proposed Dairy Cattle Export Charge from 31 May until 13 October 2017 following which ALEC conducted an industry-wide ballot between 12 and 18 December 2017. The vote determined majority support (80%) in favour of the proposed charge.
- The Dairy Cattle Export Charge will raise approximately \$363,000, from the estimated export of 60,500 cattle in 2018/19, reflecting a collection of \$60,500 for R&D activities and \$302,500 for marketing activities. The levy revenue will be invested by LiveCorp into the Dairy Cattle Export Program, delivering against strategic priorities to meet the needs of the dairy cattle export trade in areas of animal health and welfare, supply chain efficiency and regulatory performance, market access and stakeholder communications.
- LiveCorp receives statutory levy funds in accordance with a Funding Agreement with the Commonwealth of Australia, which sets out LiveCorp's governance and reporting obligations to levy payers and the commonwealth, including the development of annual operating plans, strategic plans and annual reports.
- ALEC recommends that the statutory Dairy Cattle Export Charge be reviewed within 7 years following its implementation.

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Attachment B: Dairy Cattle Export Charge consultation activities

Attachment C: Correspondence from Australian Dairy Farmers (ADF) – 15 August 2017

Attachment D: Dairy Cattle Export Program - Budget

## 1. Dairy Cattle Export Charge Proposal:

The Australian Livestock Exporters' Council (ALEC) proposes that a Dairy Cattle Export Charge be implemented at a rate of \$6.00 per head of dairy cattle exported from Australia. ALEC proposes that the charge is imposed on the exporter of the dairy cattle, at the point of export and payable to the Department of Agriculture and Water Resources (DAWR), monthly.

## 2. Rationale for the Levy:

### *Principle 1: Defining the problem or opportunity*

In recognising that dairy cattle require specific and targeted research and development (R&D) and marketing activities, the Australian Livestock Export Corporation Ltd (LiveCorp) established a Dairy Cattle Export Program in 2006, funded through a voluntary levy of \$6.00 per head. An overview of the Dairy Cattle Export Program is included at [Attachment A](#).

Under current voluntary levy arrangements LiveCorp does not have sufficient funding to effectively manage and deliver a program that meets the needs of the industry.

Some examples of the dairy cattle export industry's current and future needs include:

- A coordinated industry response to the recent changes to Australia's Blue Tongue Virus Zone and subsequent market access issues;
- Reviewing and developing sector specific resources such as 'A guide to Dairy Herd Management' for distribution and adoption in-market;
- Providing technical advice to support Australian representation at the Biennial Australia Week in China (AWIC) discussions; and
- Making ongoing contributions to the National Arbovirus Monitoring Program (NAMF) to underpin market access opportunities.

The voluntary levy has historically been under-collected and payments are currently sporadic and unreliable. Under this arrangement, LiveCorp is often unable to completely meet the investment needs of the dairy cattle export industry due to a lack of funding. In addition those who pay the voluntary levy subsidise those who don't, creating a free-rider effect.

A statutory Dairy Cattle Export Charge will ensure that all beneficiaries contribute to the Dairy Cattle Export Program and allow LiveCorp to integrate its Dairy Cattle Export Program into routine organisational operations to meet the needs and expectations of the sector.

## 3. Stakeholder Consultation:

*Principle 2: A request for a levy must be supported by industry bodies representing, wherever possible, all existing and / or potential levy payers, the relevant levy beneficiaries and other interested parties.*

*The initiator shall demonstrate that all reasonable attempts have been made to inform all relevant parties of the proposal and that they have had the opportunity to comment on the proposed levy.*

ALEC is the peak industry council for the Australian livestock export industry, representing 24 licensed exporter members (Note: A small number of exporters have subsequently left the industry during the stakeholder consultation process). ALEC's exporter membership is responsible for over 95% of total volume of livestock exports from Australia.



ALEC conducted a stakeholder consultation process on the proposed Dairy Cattle Export Charge, between 31 May 2017 and 13 October 2017. During this time, stakeholders (both exporters and others) were invited to provide ALEC with feedback on the levy proposal as well as seek additional information. A record of engagement activities is available at [Attachment B](#).

### 3.1. Identifying Stakeholders:

Under the right commercial circumstances, any livestock exporter can potentially export dairy cattle from Australia. As such, all Australian Government licensed livestock exporters are considered to be key stakeholders.

In addition, dairy cattle producers supplying the live export trade may have an interest in the use of collected funds and any implications for dairy cattle markets, despite not being required to pay the statutory charge.

There are currently 49 licensed livestock exporters, 34 of which are considered active and recognised by the DAWR as charge payers. As mentioned above, ALEC represents 24 licensed exporters, reflecting over 95% of total livestock exported and 70% of active exporters.

### 3.2. Stakeholder Consultation:

On 31 May 2017, ALEC wrote directly to each of its 24 licensed exporter members, detailing the charge proposal, the proposed Dairy Cattle Export Program budget for R&D and marketing activities, and details for participating in the industry-wide ballot. ALEC also wrote to its 6 industry members (defined under the constitution as a person who is involved in the livestock export industry), and 4 active state chapter association members including:

- Northern Territory Livestock Exporters' Association (NTLEA)
- Queensland Livestock Exporters' Association (QLEA)
- Western Australia Livestock Exporters' Association (WALEA)
- South East Australian Livestock Exporters' Association (SEALEA)

On the same day ALEC also wrote to LiveCorp, advising that consultation had commenced and to request that the proposal be distributed to their 38 members. LiveCorp circulated information regarding the Dairy Cattle Export Charge consultation on 7 July 2017. All licensed livestock exporters are eligible to be members of LiveCorp.

Dairy cattle producers were consulted via peak industry councils and representative organisations throughout the consultation period. ALEC met with Australian Dairy Farmers (ADF), the peak advocacy body representing dairy farmers in Australia, on several occasions to discuss the proposed Dairy Cattle Export Charge. On 15 August 2017, ADF wrote to ALEC to confirm its support for the proposal. A copy of this correspondence is included at [Attachment C](#).

Between 31 May and 13 October 2017, ALEC directly and indirectly consulted with all active licensed exporters and charge payers, 20 peak councils and other representative organisations by publishing explanatory material online, via social media and by issuing statements to the media to gain exposure in mainstream rural media publications. (Note: Some livestock export operations have changed or ceased activity during the consultation period). Details of this are included at [Attachment B](#).



Support was demonstrated by several stakeholders during public consultation, where they noted that the charge will ensure that LiveCorp is more effectively resourced to meet exporters' increasing demand and expectation for services.

## 4. Stakeholder Opposition:

*Principle 3: The initiator of a levy proposal shall provide an assessment of the extent, the nature and source of any opposition to the levy, and shall provide an analysis of the opposing argument and reasons why the levy should be imposed despite the argument raised against the levy.*

### 4.1. Extent and Nature of Stakeholder Opposition:

During public consultation on the proposed Dairy Cattle Export Charge, two exporters expressed opposition to the charge.

One comment made was that the proposed \$6.00 export charge should be applied to all cattle exported as 'breeder' animals. This would include dairy cattle (exported for the purposes of dairying) as well as beef-breeder cattle exported from Australia.

One comment was made that the levy rate of \$6.00 per head is too high and that it should be implemented at a rate of \$4.00 per head.

### 4.2. Addressing Opposition:

While the term 'breeder' is often used colloquially within the industry to refer to all cattle that are not exported as feeder or slaughter animals, there are distinct differences between the R&D and marketing needs for dairy and beef cattle. This distinction is reflected by the establishment of the Dairy Cattle Export Program within LiveCorp, which recognises that exported dairy cattle require specific and targeted R&D and marketing activities.

A statutory export charge is payable on exported beef breeder cattle at a rate of 0.9523 cents per kilogram which, on average, equates to approximately \$3.00 per head. This money is collected by LiveCorp and allocated appropriately to R&D and marketing activities in accordance with LiveCorp's Annual Operating and Strategic Plans.

In consultation with LiveCorp, ALEC considered a Dairy Cattle Export Program budget funded at \$4.00 per head. At this rate, LiveCorp would not collect sufficient funding to manage and deliver an effective Dairy Cattle Export Program.

Both matters were debated and addressed through direct engagement with the two stakeholders who expressed opposition, the industry's breeder livestock committee and the wider ALEC membership in November 2017.

Despite the concerns raised, ALEC continues to propose that a \$6.00 per head export charge be implemented on dairy cattle only for the reasons stated above.

## 5. Industry Support:

ALEC members first voted to implement a statutory Dairy Cattle Export Charge in 2014. However, the implementation was delayed due to several parliamentary inquiries into the agricultural levy system.

Between 12 and 18 December 2017, ALEC conducted an industry-wide ballot on the proposed Dairy Cattle Export Charge at a rate of \$6.00 per head, with an independent ballot and elections service provider, GoVote, conducting the ballot. The pre-selection of the provider, GoVote, was endorsed by the Department of Agriculture and Water Resources, ahead of the vote being conducted.

To be eligible to vote in the ballot, voters must hold a current Australian Government issued livestock export license. Eligible voters were entitled to one vote per export license held, which reflects the voting requirements under section 8.2 of the ALEC constitution.

Eligible voters were asked: *‘Do you support establishing a \$6.00 / head R&D levy to invest in research and development to improve the productivity and profitability of the dairy cattle export industry?’*

ALEC developed and maintained a register of eligible voters using a charge payer list provided by DAWR and actively sought registrations from organisations not on the list.

To register to vote, exporters were required to complete a registration form, detailing the voter’s name, contact details and export license number. The form was available online via the ALEC website or could be provided electronically or in hard copy by contact ALEC directly (for information to be collected manually). All registrations were collected by the online form and of the 34 known charge payers, 21 licensed livestock exporters registered to vote in the ballot and 20 votes were lodged.

The results of the ballot are detailed below in table 1.

**Table 1: Dairy Cattle Export Charge Industry-wide ballot result summary.**

Dairy Cattle Export Charge	Ballot Detail / Result
Yes	16 (80.0%) - MAJORITY
No	4 (20.0%)

The online ballot requested that voters submitting a No vote provided a reason for their opposition to the levy. Despite 4 votes against the levy being recorded, reasons for this opposition were not provided.

### 5.1 Clarification of Ballot Question

LiveCorp, as the recipient of the levy, has reviewed this submission and identified that the question in the ballot *‘Do you support establishing a \$6.00 / head R&D levy to invest in research and development to improve the productivity and profitability of the dairy cattle export industry?’* does not accurately reflect the intended allocation and use of the levy by LiveCorp.

The intended allocation and use of the levy by LiveCorp will be to invest in research and development (\$1) and marketing activities (\$5). This use and allocation is consistent with the statutory levies currently in place for the live export of beef cattle, sheep and goats.

To ensure the allocation and use of the \$6 levy is accurately represented in this submission, LiveCorp sought clarification, by way of a signed declaration, from the 21 licensed exporters who registered to vote, as to their understanding of the use of the levy. Seventeen declarations were returned and the result of these declarations was 16 licensed livestock exporters confirmed they understood the \$6 per head levy will be used to invest in research and development (\$1) and marketing activities (\$5).



The remaining exporter confirmed their understanding of a \$6 levy, however indicated that it was not clear to them that the levy would be applied across both marketing and research and development activities.

## 6. Export Charge Collection and Use:

*Principle 4: The initiator is responsible to provide, as follows:*

- an estimate of the amount of levy to be raised to fulfil its proposed function;
- a clear plan of how the levy will be utilised, including an assessment of how the plan will benefit the levy payers in an equitable manner;
- demonstrated acceptance of the plan by levy payers in a manner consistent with Levy Principle 2.

### 6.1. Levy Collection and Use:

LiveCorp requires approximately \$363,000 to manage the Dairy Cattle Export Program on an annual basis. Charge revenue is directly linked to export volumes which can be volatile, so the proposed budget allows LiveCorp to ensure that activities and services can be sustained over time.

The estimated amount of charge to be raised is based on an expected forecast volume of 60,500 dairy cattle being exported from Australia, raising \$363,000 annually as per table 2 below.

**Table 2: Dairy Cattle Export Program – Funding Summary**

Proposed Charge Rate	Estimated Export Numbers (head) 2017/18	Estimated Revenue	Estimated Australian Government matched funding (R&D)
\$6.00 per head	60,500	\$363,000	\$60,500

This budget proposes that the export charge will split marketing and research and development activities 5:1, totalling \$302,500 and \$60,500 in expenditure respectively.

The *LiveCorp Strategic Plan 2016-2020* will provide the basis for operational planning, with Dairy Cattle Export Charge revenue being directed towards LiveCorp’s five key strategic objectives:

1. Improve animal health and welfare outcomes throughout the supply chain
2. Improve supply chain efficiency and regulatory performance
3. Enhance market access conditions – for existing and new markets
4. Enhance communication - providing information and services on program progress and issues to industry and government
5. Improve corporate operations - governance, planning, evaluation and review to ensure efficient and effective investment.

The Dairy Cattle Export Program budget is included at [Attachment D](#).

## 7. Collection Mechanism:

*Principle 5: The initiator must be able to demonstrate that there is agreement by a majority on the levy imposition/collection mechanism or that, despite objections, the proposed mechanism is equitable under the circumstances.*

The Dairy Cattle Export Charge will be collected at the point of export. This collection mechanism ensures that the charge is payable by the person who owns the cattle at the point of export, i.e. the exporter, and payable on the amount of cattle exported.

This mechanism is consistent with the collection of other export charges for livestock and reflects the most economic mechanism for dairy cattle exporters to pay the charge.

## 8. Levy Imposition:

*Principle 6: The levy imposition must be equitable between levy payers.*

The Dairy Cattle Export Charge is collected at a set rate on a per head basis, ensuring that it is equitable between levy payers and that all beneficiaries contribute to the Dairy Cattle Export Program. The Charge will ensure that overall contributions are based on the quantity of dairy cattle exported and that participants in the industry will make use of the benefits to be generated by the levy.

*Principle 7: The imposition of the levy must be related to the inputs, outputs or units of value of production of the industry or some other equitable arrangements linked to the rationale for the levy.*

The Dairy Cattle Export Charge is to be imposed at the point of export, paid by the exporter, per head of the exported product. Further, it is clearly imposed as an output of the industry (i.e. the exported product being live dairy cattle). Imposing the levy is also directly linked to the reason for the levy (to support the R&D and marketing needs of the dairy cattle export industry and support market access).

In addition, the statutory arraignment ensures that all beneficiaries contribute to the Dairy Cattle Export Program and have the ability to influence levy investment.

## 9. Cost of Collection and Administration:

*Principle 8: The levy collection system must be efficient and practical. It must impose the lowest possible 'red tape' impact on business and must satisfy transparency and accountability requirements.*

The proposed Dairy Cattle Export Charge will be collected at the point of export. The person who owns the dairy cattle at the time of export from Australia will be liable to pay the export charge and submit return forms to DAWR.

Dairy cattle exporters will be required to submit returns and make payments to DAWR. Returns are proposed to be due monthly, 28 days after the end of the month that an export occurred.

DAWR has advised that the expected cost of implementing the Dairy Cattle Export Charge in its first year would be approximately \$41,143, reducing to approximately \$4,393 to administer in the forward years.

This collection and administration arrangement is consistent with existing statutory export charges applied to the export of beef cattle and other livestock.

## 10. Levy Recipient Body:

*Principle 9: Unless new structures are proposed, the organisation/s that will manage expenditure of levy monies must be consulted prior to introduction of the levy.*

ALEC has engaged LiveCorp about the proposed statutory Dairy Cattle Export Charge on several occasions across many years. This engagement is demonstrated by LiveCorp's contribution to the levy proposal process, such as preparing a consultative operational budget and program expenditure.

*Principle 10: The body managing expenditure of levy monies must be accountable to levy payers and to the Commonwealth.*

LiveCorp receives statutory levy funds in accordance with a Funding Agreement with the Commonwealth of Australia, through DAWR, which sets out LiveCorp's governance and reporting obligations to levy payers and the commonwealth, including the development of annual operating plans, strategic plans and annual reports.

Payers of the Dairy Cattle Export Charge will be provided considerable ability to influence levy investment through; the LiveCorp company and membership structure; strategic and operational planning; operational approval and consultation processes and Annual General Meetings.

## 11. Levy Review:

*Principle 11: After a specified time period, levies must be reviewed against these Principles in the manner determined by the Government and the industry when the levy was first imposed.*

ALEC recommends that the Dairy Cattle Export Charge be reviewed 7 years following its implementation. This will enable the industry sufficient time to review outcomes from its research and development and marketing investment to ensure that it still meets the needs of industry.

### **Attachment A: Dairy Cattle Export Program Overview**

The Dairy Cattle Export Program is funded by voluntary levies on exported dairy cattle.

Under the program, LiveCorp provides advice and support for market access through the Livestock Export Protocol Committee, conducts R&D for dairy cattle exports and actively participates on and provides funding to the National Arbovirus Monitoring Program (NAMP) to underpin market access opportunities.

The program's priorities include animal health and welfare, supply chain efficiency and regulatory performance and market access. In delivering against these in recent years, LiveCorp commenced a review and update of the Guide to Dairy Herd Management, provided technical advice to the DAWR on operational breeding cattle market access issues and coordinated regular meetings of the Breeding Livestock Committee, providing dairy cattle exporters an opportunity to discuss issues relating to market access, export certification, pedigree arrangements and RD&E priorities. Program highlights have included preparing advice on exports of breeding cattle to China, assistance in finalising a breeder cattle protocol with Mexico, and refining the productive cattle breeder protocol with Indonesia which reduces costs and removes unnecessary requirements for exporters.

Additionally, through the Dairy Cattle Export Program LiveCorp continued to direct investment to R&D, including a partnership with Dairy Australia to document the state of the dairy cattle export industry. This review found that current industry resourcing arrangements for dairy cattle export programs is inadequate and recommended that in order to enhance animal welfare for exported Australian dairy cattle, LiveCorp needs a larger and more reliable income stream from dairy cattle exports.

**Attachment B - Stakeholder Consultation and Engagement Activities:**

Date	Organisation/s	What	Comments
29 May 2017	ALEC issues Media Statement <i>'Process to implement statutory Dairy Cattle Export Charge commences'</i>	ALEC issues media statement and undertakes some media interviews plus receives coverage for its commitment to the process of a desired future statutory Dairy Cattle export charge.	ALEC media statement and public commentary is well received by industry and stakeholders.  The statement is on the ALEC website.
31 May 2017	Australasian Global Exports Arrow Exports Austrex Breedex Capricorn* Cluny Edwards livestock Elders Emanuel Frontier Halleen International Livestock Exporters Landmark Lembiru Livestock Shipping Services North Australian Cattle CO. Otway Phoenix Purcell Rural Export and Trading - WA South East Asian Livestock Services Sugarbag Total Livestock Genetics Vic-Stock Wellard Rural Exports	ALEC wrote directly to each exporter member, detailing the charge proposal, the proposed Dairy Cattle Export Program budget for R&D and marketing activities, and details for participating in the industry-wide ballot	*Since the consultation period Capricorn is no longer a member of ALEC.
31 May 2017	Corral Line Consolidated Pastoral Co. Great Giant Livestock Company Holstein Australia	ALEC wrote directly to each industry member, detailing the charge proposal, the proposed	Holstein Australia wrote to ALEC expressing support for the levy on 19



Date	Organisation/s	What	Comments
	LiveAir LiveShip	Dairy Cattle Export Program budget for R&D and marketing activities, and details for participating in the industry-wide ballot	September 2017.
31 May 2017	NTLEA QLEA SEALEA WALEA	ALEC wrote directly to each state chapter member, detailing the charge proposal, the proposed Dairy Cattle Export Program budget for R&D and marketing activities, and details for participating in the industry-wide ballot	No comments applicable.
31 May 2017	LiveCorp	ALEC wrote directly to LiveCorp, detailing the charge proposal, the proposed Dairy Cattle Export Program budget for R&D and marketing activities, and details for participating in the industry-wide ballot.	No comments applicable.
31 May 2017	Australian Dairy Farmers Cattle Council Dairy Australia Dairy Connect National Farmers Federation NSW Farmers Queensland Dairy Farmers	ALEC wrote directly to Representative bodies detailing the charge proposal, the proposed Dairy Cattle Export Program budget for R&D and	Through this engagement Australian Dairy Farmers provided collaborative, streamlined engagement across each state dairy

Date	Organisation/s	What	Comments
	South Australian Dairy Farmers Tasmanian Farmers United Dairy Farmers of Victoria Victoria Farmers Western Australian Famers	marketing activities, and details for participating in the industry-wide ballot	farming organisation.  Australian Dairy Farmers provided a letter of support on 15 August 2017.
19 June 2017	National Farmers Federation (NFF)	ALEC met with Mr Scott Kompo-Harms – General Manager, Trade and Economics Mr Tony Maher – CEO in Canberra.	NFF agreed to engage with the NFF Trade Committee to seek endorsement for providing ALEC with a letter of support.  NFF wrote to ALEC expressing support for the levy on 15 August 2017.
5 July 2017	Dairy Australia	ALEC CEO and Policy Advisor met with Group Manage, Charlie McElhone and executives from Dairy Australia in Melbourne	Dairy Australia were appraised and verbally endorsed the approach with the formal endorsement advised to come from Australian Dairy Farmers
2 August 2017	Australian Dairy Farmers	ALEC CEO met with ADF Ag/CEO David Losberg to discuss the Dairy Cattle Export Charge proposal.	ADF wrote to ALEC expressing support for the levy on 15 August.
7 September 2017	Landmark	ALEC CEO met with Landmark to discuss the Dairy Cattle Export Charge.	Landmark requested a teleconference with other exporters and likely charge payers to

Date		Organisation/s	What	Comments
				discuss the rate of the charge and the structure of the charge and that the public consultation period be extended.
12 September 2017		ALEC issues Media Statement <i>'ALEC welcomes industry support for Dairy Cattle Export Charge'</i>	ALEC issues media statement and undertakes some media interviews plus receives coverage around the progress of its consultation process with industry / stakeholders.	ALEC media statement and public commentary is well received by industry and stakeholders.  The statement is on the ALEC website.
22 September 2017		Landmark Austrex Australasian Global Exports Harmony Ag. & Food Co.	ALEC hosted a teleconference at the request of the largest (by volume) exporters of dairy cattle to discuss the dairy cattle export charge proposal.	Teleconference sought advice on reducing the rate of the proposed levy and amending the proposal to a 'breeder cattle' levy proposal.
19 October 2017	Livestock Protocol Committee	ALEC attended the livestock protocol committee meeting in Brisbane and addressed questions relating to the dairy cattle export charge proposal.	No comments applicable.	
24 October 2017	Breeder Livestock Committee	Breeder Livestock committee met via teleconference to discuss the levy proposal.	Committee expressed support to proceed with a statutory export charge on dairy cattle.	
14 November 2017	ALEC members	ALEC members meeting discussed the levy proposal	ALEC members endorsed a resolution to recommit to the implementation of a statutory Dairy Cattle Export Charge at a rate of \$6 per head and requested that ALEC undertake an industry-wide ballot to formally determine support for the	

Date	Organisation/s	What	Comments
			proposed charge, as required under the Government's Levy Principles and Guidelines.
19 December 2017	ALEC	ALEC issues Media Statement <i>'Livestock exporters vote in support of voluntary statutory dairy cattle export charge'</i>	ALEC issues media statement and undertakes some media interviews plus receives positive coverage for exporters' commitment to a future statutory Dairy Cattle export charge.  The statement is on the ALEC website.



15 August 2017

Mr Simon Westaway  
Chief Executive Officer  
Australian Livestock Exporters' Council

Via email: [ceo@livexcouncil.com.au](mailto:ceo@livexcouncil.com.au)

Australian Dairy Farmers Limited  
Level 2, Swann House  
22 William Street  
Melbourne Victoria 3000

Phone +61 3 8621 4200  
Fax +61 3 8621 4280

[www.australiandairyfarmers.com.au](http://www.australiandairyfarmers.com.au)

ABN 76 060 549 653

Dear Mr Westaway,

I am writing following discussions between ALEC and ADF regarding the proposed implementation of a statutory Dairy Cattle Export Charge of \$6 per head to allow sector specific RD&E, Marketing Services, biosecurity management and emergency response and preparedness.

As you are aware, dairy cattle are currently exempt from paying a statutory export charge and there is currently no statutory funding collected on dairy cattle exported from Australia for the use of RD&E and marketing activities, although a voluntary charge is paid on some cattle.

ADF understands the charge will be paid to LiveCorp, prescribed under the *Australian Meat and Live-stock Industry Regulations (1998)* as the levy recipient body for Australia's livestock export industry and directed towards LiveCorp's key strategic objectives, which include improving animal health and welfare outcomes throughout the supply chain.

ADF has been following the progress of the development, and now implementation of this industry levy, and has consulted widely with farmers and dairy industry stakeholders, such as State Dairy Farmer Organisations around the country, as has ALEC.

ADF appreciates the extensive consultation from ALEC on the introduction of the statutory levy, and other matters, and will continue to engage with ALEC on the implementation of the levy and the spending of funds raised in a coordinated ongoing effort to facilitate improvements in the dairy cattle export trade.

ADF supports the introduction of the statutory levy and I look forward to working with you on this to deliver benefits to the entire industry.

I will continue to liaise with ALEC and LiveCorp, and other stakeholders, during the remainder of the consultation period and whilst ADF is not a licensed livestock exporter, I will be awaiting the outcome of the ballot of Australian Government licensed livestock exporters with keen interest.

Please do not hesitate to contact me on (03) 8621 4200 if you wish to discuss this matter or require further information and once again, thank you for your extensive consultation on this important issue.

Yours Sincerely,

**David Inall**

Chief Executive Officer

*ALEC - Levy - letter of support - 15 August 17.docx*

**Attachment D – Dairy Cattle Export Program Budget**

Program Area	Estimated M\$	Estimated R\$	Estimated Total
<p><b>Animal Health and Welfare (including R&amp;D)</b></p> <ul style="list-style-type: none"> <li>• Developing RD&amp;E projects to improve animal health and welfare through the supply chain;</li> <li>• Providing technical advice on supply chain infrastructure, systems and procedures;</li> <li>• Participating, presenting and sponsoring training and extension seminars with local industry, associations and government departments;</li> <li>• Providing practical skills training within dairy operations;</li> <li>• Providing access to experts in specific technical fields to further improve efficiencies, productivity and animal handling skills within supply chains, breeding centres etc.</li> </ul>	\$49,500	\$60,500	\$110,000
<p><b>Supply Chain Efficiency &amp; Regulatory Performance</b></p> <ul style="list-style-type: none"> <li>• conducting supply chain gap analyses and providing advice on animal welfare and system gaps and improvements;</li> <li>• providing technical advice on supply chain infrastructure, systems and procedures;</li> <li>• conducting training programs that increase the animal welfare and handling skills, capacity and awareness of workers in overseas supply chains;</li> <li>• Providing support on export certification issues and technical advice regarding Department of Agriculture and Water Resources policy development;</li> <li>• Coordinate breeder and dairy exporter meetings to identify issues and develop work programs.</li> <li>• Regulatory review and efficiency projects (ASEL, ESCAS, etc.);</li> <li>• Review of regulations (ASEL, EAN's, etc.);</li> <li>• Regular consultation with DA, ADF and ALEC on industry issues, planning and policy direction and implementation; and</li> <li>• Coordinate meetings to provide operational and industry updates as well as identify or resolve any service delivery issues.</li> </ul>	\$45,000	-	\$45,000
<p><b>Market Access</b></p> <ul style="list-style-type: none"> <li>• Facilitating the meeting of industry and government officials through the livestock</li> </ul>	\$165,000	-	\$165,000



Program Area	Estimated M\$	Estimated R\$	Estimated Total
<p>protocol committee to prioritise and resolve protocol related market access issues;</p> <ul style="list-style-type: none"> <li>• Coordinating the provision of out-of-session advice from the Protocol Committee to the Australian Government;</li> <li>• Working with exporters and the department to deliver against Protocol Committee priorities;</li> <li>• Undertaking technical market access reviews including;                             <ul style="list-style-type: none"> <li>○ Drafting health protocols and import permits;</li> <li>○ Preparation of technical papers to support negotiations;</li> <li>○ Development of materials to support operational implementation of market access decisions (e.g. SOPs);</li> </ul> </li> <li>• Identifying key emerging sensitivities and issues for market access (e.g. Residency / BTV), development of related projects and communication/liaison with relevant domestic authorities;</li> <li>• Communicating with the local industry and government departments to identify developing issues and market access priorities;</li> <li>• Continuing to monitor market access conditions in potential markets and provide technical support to progress protocol negotiations;</li> <li>• Liaising with exporters and the Australian Government to progress market access / operational activities in support of the Chinese dairy heifer trade;</li> <li>• Providing funding, representation and advice on the ongoing management of the National Arbovirus Monitoring Program (NAMP) to support market access (50/50 split between dairy and exporter program; and</li> <li>• Promoting NAMP to exporters, importing country governments/officials and funding partners.</li> </ul>			
<p><b>Stakeholder Communications</b></p> <ul style="list-style-type: none"> <li>• Regular consultation with ALEC as the peak industry council on industry issues, planning and policy direction and implementation;</li> <li>• Providing regular market updates and statistical information to exporters;</li> </ul>	\$33,000	-	\$33,000

Program Area	Estimated M\$	Estimated R\$	Estimated Total
<ul style="list-style-type: none"> <li>• Conducting annual exporter briefings on the Dairy Program activities (e.g. AOP taskforce);</li> <li>• Meeting regularly with the Australian Federal Government to inform them of livestock export issues and activities;</li> <li>• Presenting livestock export information Australian stakeholders (e.g. government, producers, industry groups and interest groups) at industry functions and attend producer forums, including state Livestock Export Association meetings; and</li> <li>• Developing R&amp;D extensions and adoption materials to assist in cross sector awareness.</li> </ul>			
<p><b>Corporate Governance</b></p> <ul style="list-style-type: none"> <li>• Providing oversight of company operations having due regard for its strategic plan, constitution and the requirements under the Company’s code and the Statutory Funding Agreement.</li> <li>• Managing the expenditure and operation of the company in line with good governance practices:               <ul style="list-style-type: none"> <li>○ Ensuring the company maintains operations as per the constitution;</li> <li>○ Ensuring the company maintains SFA funding;</li> <li>○ Communicating with Government on proposed industry activities.</li> </ul> </li> <li>• Providing administrative and technical support to the Board of Directors</li> <li>• Providing administrative support to programs, operations and staff.</li> <li>• Compliance and governance management including;               <ul style="list-style-type: none"> <li>○ Preparation and finalisation of LiveCorp AOP</li> <li>○ Preparation and finalisation of LiveCorp Annual Report</li> </ul> </li> </ul>	\$10,000	-	\$10,000
<b>Total</b>	<b>\$302,500</b>	<b>\$60,500</b>	<b>\$363,000</b>