

Senators,

Regarding the inquiry into the collection and disbursement of the compulsory \$5/head Transaction Levy.

Having received numerous submissions to the above inquiry, and after the meeting in Canberra on March 7<sup>th</sup>, you will know, without any doubt, that the current system completely disenfranchises the vast majority of the producers of grass fed cattle.

Following is a proposal for a completely new structure.

- 1) A new Board to be elected, by postal ballot, by levy paying producers of grass fed cattle.
- 2) The new board will replace the Cattle Council of Australia.
- 3) MLA will continue as a Service Provider without any funds from the \$5/head grass fed Transaction Levy.
- 4) The new Board will use MLA as a Service Provider as it sees fit.
- 5) A two tiered voting system to be used.
  - a) One vote per PIC
  - b) One vote per transaction levy paid – on a sliding scale similar to that used by MLA at present.

A candidate for a seat on the Board or a proposal put to levy payers would have to attract over 50% of the vote in each register to be accepted.
- 6) By paying the \$5/head transaction levy on grass fed cattle, a producer automatically becomes a member of the new organization run by the newly elected Board and automatically receives voting entitlement and papers in the mail.
- 7) One Board member to be elected from each State except where there are more than 3 million cattle in a State, when there will be one board member per every 3 million cattle. e.g. Vic – 1, Tas – 1, SA – 1, NT – 1, WA – 1, NSW – 2, QLD – 4.
- 8) The new Board to receive the total amount collected by DAFF from the Transaction Levy on grass fed cattle. If this requires a change to legislation, then so be it.

DAFF has the different amounts raised by the two different classes of cattle ( grass fed and grain fed) from the returns forwarded by stock agents and abattoirs with the levies they collect.

For your information: For the 2012/13 financial year DAFF received the \$5/head transaction levy from 11,775,000 grass fed cattle and 1,828,000 grain fed cattle. (source – DAFF)

- 9) There are to be no appointments to the new board or seats allocated to various organizations or individuals.

It has been suggested that a “skills based board” also be set up to work with the newly elected Board.

This would be unnecessary.

We run million dollar businesses. We access expert advice from a number of sources e.g. accountants, lawyers, government departments, to name a few, on an as needs basis.

The newly elected Board can do likewise without the necessity for such advisors to be permanent members of the Board.

Trusting this will help you with the decisions you have to make.

John Andison