

Levies Review NTCA comments Sept 2014

The NTCA **welcomes the release** of the Senate report into grass fed levies and is pleased that many of its comments and recommendations have been considered.

The detail and its implications will **need to be closely considered** however on the face of it, appears to be a **step in the right direction**.

The important thing is to now **move on progressing reform** and not be further delayed by the recent announcement of a Senate inquiry into Industry structures and systems governing the imposition of and disbursement of marketing and research and development (R&D) levies in the agricultural sector.

Recommendation 1-

Closely aligns with the NTCA position and reiterate that reforming the Cattle Council of Australia to achieve these outcomes should be examined as part of this process. **It is imperative that the body is better resourced in order to improve capability to deliver better outcomes**. The NTCA believes it critical that **Industry and producers maintain independence from government control**, enabling an open and full representation of industry to government and other key sectors.

Recommendation 2

NTCA supports this provided is it cost effective and practically achievable however further investigation is required to investigate the **benefits for our members**

Recommendation 3

The NTCA agrees that **greater transparency** and level of understanding is required around the origin of levy money and its distribution, including a greater level of understanding about the cost benefit relationship between the **levy payer and the benefit gained**.

The detail would need to be understood to further investigate the benefits. The NTCA agree that utilisation of levies collected **from producers** by processors (namely slaughter levies) now held in RMAC, whether it be for preservation or dispersal, align with and service the industry from which it was paid.

Recommendation 4-

While the NTCA seeks improved transparency, the **value of a detailed and costly audit of historic activity is not clear**, given the annual reporting requirements which have been in operation. This does should not however preclude a **review of the reporting and arrangements for future activities** which would **focus on productivity and profitability** delivered to the industry and producers.

Recommendation 5-

The NTCA is of the view that the **role and relevance and RMAC needs major adjustment**. The preservation or dispersal of the funds **must accurately reflect the original contributors such as levies paid by producers which have been collected by processors**.

Recommendation 6

The NTCA is aware that the MLA Donor Company has been instrumental in attracting \$13m of private investment which may not have otherwise been available to industry for R&D. **It would be unwise to remove this vehicle before looking at its rules of engagement and how the funds it attracts are employed**.

Recommendation 7

The NTCA agrees with this recommendation and understands that work is already underway to address it.