

DISCUSSION PAPER:

The Principles Guiding the Review of
the Grassfed Cattle Transaction Levy

DISCLAIMER

This paper has been prepared with the intention of outlining the current approach of the CTL Review Committee to the review and the guiding principles that have been developed to assist with this. It should be read as a starting point and not an end as the structure of the review has been deliberately designed to incorporate the feedback received from industry and industry stakeholders throughout the Review process. While every effort has been made to ensure the accuracy of what is included herein, caution should be exercised in the utilisation of this information for purposes other than what it has been developed for.

1. INTRODUCTION

In March 2025, Cattle Australia announced its intention to review the grass-fed aspect of the Cattle Transaction Levy (CTL)¹. The CTL has not undergone a comprehensive review since 2006, despite major changes in production systems, market conditions, biosecurity risks, and industry expectations. A dedicated CTL Review Committee has been established to guide this process and gather industry views.

This discussion paper serves as the first in a suite of forums for public engagement during the review period and will focus on the background to and rationale for the review as well as the principles Cattle Australia have identified to guide and shape the review moving forward. The feedback received will assist the independent review committee in scoping further works and engagement for the remainder of the review period.

This paper has been distributed for public comment as well as to supply-chain participants, associated industry organisations and other stakeholders to the functions of the Cattle Transaction Levy (CTL).

This paper outlines:

- Review structure and forward workplan
- The current levy structure
- The rationale and principles guiding the review and key questions for feedback regarding these
- Pathways for feedback

2. REVIEW STRUCTURE AND FORWARD WORKPLAN

The work of Cattle Australia (CA) in conducting this review has been informed by the requirements outlined by the Department of Agriculture, Forestry and Fisheries (DAFF) (herein 'the Department') in their *Levy Review Guidelines* (herein 'Guidelines').² CA elected to establish a review committee to oversee this process, the membership of which can be found [here](#).

As required by the Guidelines, the review will proceed through several stages. Currently, there are two concurrent streams of work being undertaken.

- The first is an independent analysis of the economic performance of the levy historically and an assessment of whether the levy is currently facing functional challenges due to limitations of funding or other systemic issues. This economic analysis is currently underway and is expected to be completed in early June.
- The second is preliminary engagement with industry regarding their views on the levy, its effectiveness and areas in which it could be improved. To facilitate this discussion, this paper offers the principles developed by the independent committee for industry consideration. These principles stand as some of the more obvious functional challenges of the current levy structure. Collation of feedback on the principles is scheduled to be completed by early June.

The penultimate stage of the review will involve extensive face-to-face and online consultation with industry which is intended to be undertaken through June, July and August.

The final stages of the review involve the presentation of industry feedback to all stakeholders, along with any recommendations for reform to be put forward for grassfed levy payers to vote on these at the Meat and Livestock Australia AGM in November 2026.

Much of the work the Committee and Cattle Australia will be undertaking during this review period will not just assess what, if any, changes need to be made to the levy quantum currently but will also seek to further examine the overall health of the structures that exist within this system and assess whether structural changes may be required in order to better service the needs of the grassfed beef industry. These structures are complex and inter-related, and it has been some time since an extensive assessment of their overall health has been undertaken. This Review will, at least in part, seek to undertake this work.

It should be noted that agri-political activities and any related funding structures are intentionally excluded from this review and are not funded by the Cattle Transaction Levy.³

3. THE CURRENT LEVY STRUCTURE

3.1 THE LEVY ECO-SYSTEM IN AUSTRALIAN AGRICULTURE

The Australian agricultural levy system covers 110 different charges levied across more than 70 agricultural commodities across the agriculture, forestry and fisheries sectors.⁴ These charges produce in excess of \$1 billion of funding annually across agriculture, which is then allocated to Levy Recipient Bodies (LRBs) for their legislated purposes.

Levies are established in the Australian Agricultural sector around the foundational principle of ‘market failure’, the definition for which can be considered as follows:

Market failure describes a situation where the free market does not produce the socially optimal level of investment in services that benefit the whole industry. This is especially common in agriculture because many benefits are public good—they are shared, non-exclusive, and difficult for any single producer to fund alone.

This principle is a foundational according to DAFF for the establishment of a levy stream, under their *Levy Principles*. Historically, the areas agreed upon to meet the definition for market failure are broken up into the following streams,

- Research and development
- Industry Marketing
- Biosecurity Activities
- Biosecurity Responses
- Residue Testing

There are currently 18 LRBs, being the 15 Research and Development Corporations (RDCs) as well as Animal Health Australia, Plant Health Australia and the National Residue Service (within DAFF). These 15 RDCs are delineated by either being industry owned or statutory authorities as follows:

INDUSTRY OWNED	STATUTORY AUTHORITIES
Meat and Livestock Australia	Grains Research and Development Corporation
Australian Pork Limited	Wine Australia
Australian Livestock Exporters’ Corporation	Cotton Research and Development Corporation
Australian Wool Innovation	Fisheries Research and Development Corporation
Australian Egg Corporation	Rural Industries Research and Development Corporation (operating as Agrifutures Australia)
Australian Meat Processors Corporation	
Dairy Australia	
Forrest and Wood Products Australia	
Horticultural Innovation Australia	
Sugar Research Australia Limited	

3.2 THE GRASSFED CATTLE INDUSTRY'S LRBS

For the sector, there are three main bodies to which the levy is allocated. Their functions are prescribed in several legislative instruments, principally the *Primary Industries Levies and Charges Disbursement Act 2024* (herein the 'Act').

- **MEAT AND LIVESTOCK AUSTRALIA**

Meat & Livestock Australia is the red meat industry's service provider responsible for delivering research, development, and marketing programs that improve the profitability, sustainability, and global competitiveness of Australia's cattle, sheep, and goat industries.

- **ANIMAL HEALTH AUSTRALIA**

Animal Health Australia's core function is to protect and strengthen Australia's livestock industries by coordinating national animal health and biosecurity programs in partnership with government and industry. This includes managing more than 50 national programs that support disease preparedness, surveillance, emergency response, market access, livestock welfare, and food safety.

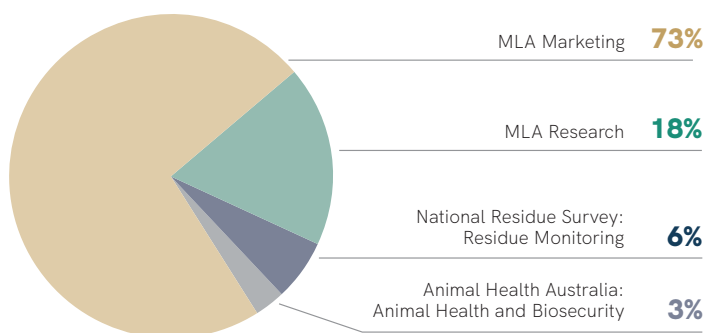
- **THE NATIONAL RESIDUE SURVEY (NRS)**

The National Residue Survey (NRS) is Australia's national program for monitoring chemical residues and environmental contaminants in animal and plant products, ensuring they meet domestic and export food-safety standards. Its core function is to verify good agricultural practice and protect market access for Australian commodities.

3.3 THE CATTLE INDUSTRY AND THE CTL

The CTL is a \$5 per head statutory levy applied to all cattle transactions in Australia. It is collected at the point of sale by the Department of Agriculture, Fisheries and Forestry and distributed to the following for their associated purposes:

LRB AND PURPOSE	PER LEVY FEE
Meat and Livestock Australia – Research	\$0.92
Meat and Livestock Australia – Marketing	\$3.66
Nation Residue Survey – Residue Monitoring	\$0.29
Animal Health Australia – Animal Health and Biosecurity	\$0.13
Emergency Disease Response ⁵	\$0.00



For the 2024-25 Financial year MLA received \$121.3m in levy funding from the grassfed and grainfed cattle, sheep and mutton and goat industry sectors, of which \$61.6m was from the grassfed CTL. AHA received \$8.7m from 14 animal production-based industry sectors, of which ~\$1.2m was from the grassfed CTL and NRS received ~\$5.1m directly from the grassfed CTL. Overall, more than \$75m was collected from Australia's grassfed cattle sector in a year that the beef industry as whole had a gross value of production of \$17.7 billion.

3.4 WHY A REVIEW IS NEEDED

Since Cattle Australia's formation in late 2022, the organisation has been assessing the overall health of the CTL. During this time, a number of trends have been noted that have informed the reasoning behind this review. Of primary concern has been the downward trend in real income for some of the critical services provided by LRBS, while costs have consistently increased. As the levy has not increased since 2006 (for MLA) and 1998 (for AHA and NRS) much of this is reflective of changes in real dollar value over time.

This is not to suggest an increase in the levy is necessarily required. After all, this eco-system generates ~\$70m annually from the grassfed sector, and there are identifiable leverage points that have been inconsistently realised that are of primary focus of the committee. However, some cost pressures require addressing in order to ensure that the critical services that underpin the industry's functions are maintained in prudent balance. Equally, there are activities today that have emerged over time that may need additional resourcing in order to evolve to genuinely benefit industry.

Different to 2009, this review is not looking at one aspect of the levy to be maintained or increased. Rather, this review is seeking to undertake a holistic assessment as to the health of the operating environment provided for by the levy and to look to areas in which this can be optimised to ensure maximum return for industry. While changes may be recommended by the committee, these are unlikely to be limited to the funds collected but are also likely to include recommendations for systemic reform, within the parameters set out in the *guidelines* and enabled through regulation and legislation.

4. LEVY REVIEW PRINCIPLE STATEMENTS

Through the preliminary stages of the levy review to date, the committee has recommended to the Cattle Australia board that the review should focus on the following principles. This has subsequently been ratified by the board and now forms the basis of this paper.

4.1 THERE IS UNREALISED VALUE WITHIN THE LEVY SYSTEM CURRENTLY THAT IS A PRIORITY TO UNLOCK AND SECURE

While the total value of the levy is important, it is not the key determining factor of value for levy payers. Most critical is the strategic allocation and effective investment of the levy funds. There has been a significant volume of research funding (\$R) available from the Government that is essentially forgone each year as industry levy funds are not fully leveraged to secure matched investment. It is therefore clear that the maximum value of the current levy is not being realised.

While it is well understood that levies are collected from and invested on behalf of the grassfed cattle producers, the facilities made available by the Government to Meat and Livestock Australia offer significant additional leverage for investment in research and development.

It is a foundational principle of \$R investment that these funds are matched by the Federal Government on a 1:1 basis. The practical effect of this is that every transaction collected generates \$1.84 in overall \$R (instead of the \$0.92 collected) - ultimately meaning that while the \$5 is collected, this levy value generated from this is not \$5 but instead \$5.92. However, there is both a top and bottom-line limit to these matched funds for investment. Functionally, the bottom-line limit is set by the amount of \$R funding collected.

EXAMPLE 1: Determining the Bottom and Top-Line for \$R

If in a typical year there was 13 million transactions that were recorded and levied, they would produce ~\$12m in \$R income.⁶ This would then be matched by the Government creating ~\$24m in funds available to be spent on research activities. This would effectively create the bottom-line investment of \$R for that year.⁷ The top-line investment, that is the maximum amount of \$R that could potentially be spent is calculated through an equation that is annually updated by the Department.

This top-line investment is determined as a percentage of the Gross Value of Production (GVP) for the sector - as it is across all agricultural sectors. For each sector, up to 0.5% of their GVP is available for matching \$R from the Government.

With the high GVP value of the red meat industry (approximately \$19b), this creates a top-line figure of \$70-80m in eligible for matched funding each year⁸. In the Red Meat Sector, as levies have historically never reached this point (due to \$R historically sitting around the \$10m each year in the grassfed sector) a facility has been created called the MLA Donor Company (MDC).

The MDC allows for commercial and research partners to bring their own funds to MLA and receive a matching portion of \$R in return - historically this has been at a 50:50 rate. This facility has, over time, become a substantive means by which research projects are funded due to the relatively high top-line figure available and the relatively low amount of \$R received through the levy. In FY25 for instance, almost \$40m of funds were leveraged through the MDC across all red meat sectors.

COMMITTEE CONSIDERATION: CHALLENGES

The challenges identified by the Committee are twofold. Firstly, the advantage of straight \$R investments through levies collected is that they can be fully funded projects that are recognised through industry processes as being of the highest value for return for the industry as a whole – eventually. These projects may further the industry’s collective knowledge in an area and may not deliver an immediate commercial return nor immediately identify a definitive solution to the problem presented.

These projects do not require a matching initial investment and primarily are allocated to universities and other research institutions to conduct specific activities. Research in this area is often seen as contributing to the broader good, that is, working toward solutions to some of industry’s biggest challenges, as opposed to immediately producing returns.⁹

For MDC projects, as proponents are required to utilise their own funds to receive the matching contribution, often research projects in this area are specifically targeted at issues, the resolution of which would be/are able to be commercialised quickly. As these projects receive the matching \$R from the Government, their results are required to be published and shared. However, the advantage of conducting the activity and being the first to market with a solution is seen as attractive by many commercial and research entities, as evidenced by the high volume of projects funded through this facility.

While this function is undoubtedly good for industry, it does provide challenges, including the onus on funding partners to raise capital to invest in these projects and high level of surety needed that a commercial return can be achieved from this investment. Further, the obligation this places on MLA to resource, identify and bring in these investments can be considerable, as well as ensuring these projects are supported in line with industry strategic priorities. This requires closer industry consideration, given non-levy income for MLA has grown from being 38% of revenue in FY12 to 58% today.

The second challenge presented to the Committee in this aspect of the review, is that even with this facility available to industry, there are frequently years in which the total funds available up to the \$R cap are not realised, in effect meaning the industry is not achieving the maximum investment possible in research and development activities. This under-realisation of value has been identified by the committee as a target area for further work as it clearly indicates there is additional value currently available within the \$R aspect of the levy, the realisation of which is not currently structurally secured.

QUESTIONS FOR RESPONSE

- Has the \$R investment to date offered good value for industry?
- How much of the Committee’s focus should be on ensuring the maximum value of the \$R spend should be realised?
- Are there additional benefits to purely \$R funded projects over that of projects to be funded through the MDC?
- Is the balance of pure \$R projects v MDC projects correct and would increasing the portion of the \$R levy provide a measurable industry good?

4.2 THERE IS NOT ENOUGH FLEXIBILITY WITHIN THE EXISTING SYSTEM TO ALLOW FOR NEEDS-BASED CHANGES TO BE MADE BETWEEN EXISTING INDUSTRY LRBS WITHOUT PROTRACTED AND EXPENSIVE CONSULTATION TAKING PLACE

The Committee’s consideration here is formulated around the Department’s *Levy Review Principles and Guidelines*, as well as Federal Government regulatory change requirements, and the processes included therein to establish new or alter existing levy streams – specifically, in this instance, the latter.

There have been historical instances in which events have occurred in the industry that have presented structural challenges within the current operating environment of the red meat sector, with industry’s ability to deal with them being severely limited by the onus of these regulatory and policy requirements. One example being the detection of LSD and FMD in Indonesia.

Government and industry responses to the detection, while laudable to a large degree, were hampered by the inflexibility of the current levy framework. While AHA is the body upon whom industry relies on for biosecurity preparedness activities, the detection occurred outside of budgetary planning cycles, and due to the inflexibility of the current system to vary levy streams, the capacity to adjust to an increased demand for preparedness services was substantively hindered and ultimately became reliant on additional Government investment in their programs, instead of industry funds.

If, in this instance, industry had been able to transfer an additional \$0.1 of the existing levy to AHA during this period, an additional \$1.3m could have been effectively allocated to more rapidly undertake industry directed and funded biosecurity preparedness tasks.

To have achieved this outcome under the current regime, substantial consultation and economic modelling, in line with the *Levy Guidelines*, would have had to have been undertaken. This is both an expensive and time-consuming approach to amending levies and is something that has presented as a potential area for improvement. The Committee is requesting industry feedback as to whether increased flexibility for making changes *within* the levy structure, without altering the overall transaction amount (that is the \$5), would be desirable under certain circumstances.¹⁰

QUESTIONS FOR RESPONSE

- Would increased flexibility *within* the existing levy streams provide greater value for industry?
- Under what circumstances would this be of value?
- Are there any foreseeable negative effects from having this flexibility embedded within the levy system for the grassfed cattle industry?

4.3 THERE MAY BE ADDITIONAL LEVY STREAMS REQUIRED THAT HAVE NOT BEEN FUNDED HISTORICALLY

The Committee is open to suggestions from industry as to what, if any, additional industry good practices could be funded through the existing CTL. Two examples that have been raised with the industry as being something of potential value have been Integrity Systems and Biosecurity. However, both functions have both strengths and weaknesses that will be closely considered by the Committee and are provided here not as recommendations for consideration, but as examples of what could be considered by industry.

EXAMPLE: A POTENTIAL ADDITIONAL BIOSECURITY STREAM

Currently, biosecurity preparedness and responses at a national level fall within the purview of Animal Health Australia (AHA) which houses industry-intergovernmental agreements that outline what is to occur in an emergency animal disease response scenario. AHA does also facilitate some proactive biosecurity work through the management of some vector monitoring programs. This has been funded at the same level since the incorporation of the current levy model in 1998. Whether or not the lack of increase or indexing of funds has had a detrimental impact on the effectiveness of AHA will be further explored separately to this discussion paper. This principle is being considered separately to any AHA funding discussion.

Worthy of consideration here is whether an additional stream should/could be established, with a separate Levy Recipient Body (LRB) determined to undertake additional biosecurity works. This may be as a separate R&D stream to attract government funding or a separate fund to leverage income from other biosecurity system participants.

However, one of the main challenges associated with funding biosecurity preparedness activities on the ground and is a key part of the committee's consideration, is that legislative responsibilities and activities as they relate to biosecurity fall largely with the States and Territory jurisdictions to exercise, with differing regulatory and legislative requirements between these.

This overlap between jurisdictions has both strengths and weaknesses at a practical level. What may seem, on the one hand, to be a convoluted system with inconsistencies between regions that create potential pitfalls within Australia's biosecurity regime, could equally be seen as a system built with regional characteristics in mind reflective of each jurisdiction's differing needs. Certainly, modelling and scenarios run at a national level with the involvement of jurisdictions underscore the robustness of Australia's current biosecurity response ability within the agricultural sector.

What is clear though, is that the jurisdictions do not have equal capacity to fund these activities, have different views on how high-priority these activities are and suffer from both unique and common issues in addressing these challenges. In making this observation, the committee is interested in hearing the views of industry around whether additional industry funds in this area something should be explored further.

There are also reasonable questions to be asked about to what extent industry should be undertaking investment in biosecurity. Producers across the country collectively spend tens of millions of dollars managing pests, diseases and invasive plant species. All producers¹¹ are required to comply with the biosecurity requirements within the Livestock Production Assurance biosecurity module. Further, biosecurity investments, and the protection these afford Australian's agricultural sector and natural ecosystems, are undoubtedly a public good into which Government and

public funds should be the primary means of investment. Further direct investment by the agricultural sector should be closely considered against ongoing government challenges and variable commitment to maintaining the necessary levels of investment to ensure the robustness of this system.

EXAMPLE: A POTENTIAL INTEGRITY SYSTEMS STREAM

Currently the Integrity Systems Company (ISC) is housed as a separate entity within MLA's operating structure with a separate board and CEO. There are many reasons for this, though notably the ISC has a quasi-regulatory role within industry and therefore having separate governance has been seen to be of value in the past given the inherent conflict this can cause for MLA. AUSMEAT is another example of this within the processing sector.

The notion of having a separate funding stream for integrity systems could allow for the full transference of the ISC out of MLA operating structures to become a truly stand-alone entity. There are differing views on whether this is required and there are strengths in having the ISC operate as it does currently and without the limitations that could be created from setting its income rate within the rigidity of the current levy structure. The Committee is eager to hear the views presented by industry on whether further consideration of this as a potential stream should be made.

QUESTIONS FOR RESPONSE

- Should funding for additional biosecurity activities be further investigated by the Committee and if so, to achieve what ends?
- How would industry determine the success of investment in this area, and does it meet the definitions of market failure outlined above?
- Should stand alone funding for integrity systems be further investigated by the Committee and if so, to achieve what ends?
- How would industry determine the success of investment in this area, and does it meet the definitions of market failure outlined above?
- Are there any additional funding streams that should be further considered by the Committee that meet the necessary definitions and regulatory and legislative requirements as set out above, that would be of benefit to the grassfed beef industry?

4.4 FIXED REVIEW PERIODS ARE APPROPRIATE AND SHOULD BE ENSHRINED IN INDUSTRY GOVERNANCE AND PRACTICE INTO THE FUTURE

Despite agricultural levies generating more than \$1b a year from industry activities, it remains characteristic of the sector that these are mostly infrequently reviewed for their overall effectiveness and appropriateness. While overly frequent reviews would likely have a detrimental impact both upon industry members constantly required to participate, as well as on the financial planning and resulting uncertainty this would create for red meat industry LRBs, a fixed review period is being considered by the Committee.

The reality is that the interceding period between the last review of the CTL and today has been too long and that entrusting organisations such as AHA and NRS with functions critical to the overall industry and not even assessing their funding arrangements since they were last set in 1998, is a practice with which the industry should not continue. Further, there are existing review functions and practices within the red meat sector with which this activity could be aligned that would ensure these functions are better provided for.

Within the red meat sector, the Red Meat Memorandum of Understanding binds the respective bodies together and dictates the relationship these have with each other and, to a certain extent, with the Government for the purposes of these activities. This empowers Cattle Australia to undertake this current review and make, if any, recommendations for amendment to the current structures. Equally, it is the MoU that establishes the strategic vision for the red meat sector which governs how levy funds collected across the red meat sector can be invested.

Every 10 years, the industry undertakes the development of a collective plan to create this structure - with the current plan being *Red Meat 2030*.¹² All investment of levy funds by the sector is required to align with this plan, with each of the respective bodies required to report progress against achieving these targets on an annual basis. A further requirement to this is that LRBs undertake five-year, or midterm, reviews of progress against these plans to report to the Minister of the day. This could provide an opportunity for industry to 'health check' the way in which the levy is being allocated and reallocate against areas that require greater emphasis in order to achieve the strategic objectives in the 10-year plan.

These are examples of current industry processes and timeframes to which the review of the CTL could be attached. This would enable the industry to both determine the priorities for investment for the coming decade and undertake a review to ensure that these same priorities can be adequately supported by funding streams as well as establish a period in which to assess the success of this investment and make changes as required.

This may not be the only mechanism by which a review period could be determined, and the Committee would welcome suggestions as to what others may be available to the industry.

QUESTIONS FOR RESPONSE

- How frequently should the CTL be reviewed?
- What are the benefits or costs from undertaking this on a fixed schedule?
- Are there other mechanisms or planning cycles that should be considered to attach the review to?

4.5 ALL ASPECTS OF INDUSTRY FUNCTION NEED TO BE ADEQUATELY SUPPORTED AND FUNDED.

Since the last full review of the levy in 2006, there has been a significant shift in the industry's operating environment. This reflects rapid pace of change and the increasingly dynamic nature of global relations, market influences and emerging trends.

This has placed an increasing obligation on industry to engage more rapidly and effectively across a growing number of national and international forums. This is necessary to inform, shape and respond to new and changing demands that may ultimately be placed on our production systems and land management practices.

This requires critical industry representation functions that are currently out of the scope of activities able to be funded by the CTL, as they are not core industry marketing or research and development activities.

These functions include high-level, industry-specific representation across multiple sectors and jurisdictions, and across multiple platforms to build, maintain and monitor effective industry frameworks and programs. At the same time, it requires ongoing vigilance to identify emerging external risks that require early engagement to influence outcomes and minimise negative impacts on the industry.

As stated previously in this paper, these functions are clearly distinct from activities that are defined as *agri-political activities* - which are not funded by levies and are intentionally excluded from this review.

KEY CONSIDERATIONS

Industry Programs and Standards

Effective representation and strong technical expertise is essential to ensure grassfed producer interests are effectively articulated and considered, and both intended and unintended consequences are identified and addressed throughout the development, implementation and monitoring of proposed industry programs and standards.

This is particularly critical in relation to externally proposed programs and standards that may impose direct operational compliance or cost impacts on producers.

Key areas for industry representation include:

- Industry-led programs, including self-regulatory integrity systems and associated accreditation programs
- Industry standards and guidelines relating to livestock handling and animal welfare
- Supply chain and brand accreditation and certification programs
- Sustainability and land management programs and initiatives

Biosecurity Preparedness and Response Planning

The increasing biosecurity challenges and related threats to our industry require sustained and coordinated industry representation across multiple sectors and jurisdictions. This is particularly important across the Australian agriculture industry as the sector engages in capacity building, preparedness and response activity.

In addition, in the event of an emergency animal disease outbreak, or biosecurity emergency, grassfed producers require a single, authoritative voice of representation to support Governments and the broader industry to respond effectively and ensure clear communication to producers and the community. This must be supported by a substantial number of trained industry members across the sector, and across Australia, who are able to step forward to facilitate industry responses. This is a separate function to those discussed in section 4.3. Whereas previous mass biosecurity

programs (BTEC as an example) were substantively Government led, or led in cooperation between Government and industry, today regional Government resources are far less available. Industry needs to be substantially better equipped to undertake these responses and have a professionalised approach to doing so.

Community engagement

Industry representation is critically important when it comes to community engagement, in order to accurately communicate the practices of industry and ensure both consumers and the broader community are equipped to make informed decisions about the sector and its products. As an example, there are non-scientific product requirements that are imposed on the industry that limit productivity and feed use efficiency. While consumer concerns regarding these products are front of mind to industry, with many beef producers aligning practices to ensure compliance with these requirements, it remains a fact they are not concerns supported by scientific evidence.

Providing opportunities for grassfed producers to directly engage with the community to demonstrate world-leading production systems is and will continue to be a priority for industry into the future. While a proportion of community engagement activity sits within the scope of the marketing component of the CTL, there is an opportunity to strengthen proactive and responsive engagement to address misinformed or negative campaigns that threaten to undermine community trust or confidence in the industry.

Responding to a Changing Operating Environment

Within the grass-fed cattle industry, there has long been a culture of volunteerism by beef producers who participate in and facilitate the delivery of vital industry services and functions. While the contributions by many over the years should be lauded, and indeed the standard of their service has contributed greatly to the prosperity of the industry we have, it is debatable whether the operating environment in which the industry now sits will continue to enable this into the future..

The levy system does not only fund activities, it relies on people across the industry to help make those programs work. As stated, to date much of this contribution has been voluntary and includes such far-reaching activities as contributing to research priorities, supporting the adoption of new practices, participating in biosecurity responses and integrity systems improvements, to providing feedback on how levy investments are performing and making recommendations for future strategic industry needs.

To reiterate, the Committee is not proposing the use of levy funds for agri-political purposes. Rather, the focus is on whether the current system is adequately supporting the capability required to design, govern, deliver and adopt levy-funded activities effectively, consistent with the legislated purposes of the levy.

As the industry has evolved, these roles have become more complex, more technical, and more time intensive. This raises a practical question about whether the current model, largely reliant on voluntary contributions, is sustainable or equitable over the long term, and whether it enables the industry to fully realise the value of levy-funded activities.

EXAMPLE: NEEDS OF GOVERNMENT, STAKEHOLDERS AND LRBS

Under legislation and agreements established through industry governing documents (i.e. the Red Meat Memorandum of Understanding), Government is required to consult with 'industry' on specific matters relating to the levy. Equally, on a needs basis, the views and input of industry are needed today more than ever in an environment with changing workforce requirements and specialisations within Government.

This is reflected in the functions of LRBS and across supply chains, where the views of grassfed cattle producers remain central to much of the decision making within the sector and yet this decision making is increasingly complex and time consuming. As this requirement has increased on industry, commensurate capacity has not. In practice what has occurred is that the few positions supported to provide input and advice into avenue A, are now servicing avenue B, C and much of the rest of the alphabet as well.¹³

In agriculture today, while there are formal capacity development pathways designed specifically to service industry representation generally, not to mention the areas of substantial specialisation required (i.e. integrity systems) to monitor or make improvements to critical industry functions, these are experiencing substantial stress.

While industry bodies are required to facilitate this process, the demands placed on individual producers in these roles are considerable and ongoing, leading to challenges in maintaining and building sufficient capacity. With increasing costs to operate within the sector, it is becoming an increasing financial burden on individuals to participate in these structures without commensurate recognition of the value of this contribution or the costs to their businesses to maintain such.

For a \$17b sector, this exists as an extant risk to the ongoing growth and health of the industry into the future and simply cannot remain the status quo.

The Committee is interested in hearing the views on how industry members can best be supported to undertake these activities and how and which industry bodies should be tasked with ensuring this occurs. It cannot be denied that one of the irrefutable strengths of the current levy structure remains that at its heart it is still producers who are relied upon to make many of the significant decisions that affect the industry. However, the current inequity of this system is that only those able to take time away from their own businesses can participate.

QUESTIONS FOR RESPONSE

- How important is appropriate industry representation to the sector?
- Should producers remain decision makers on how industry and government programs are designed and delivered?
- How should industry fund its representation functions?
- Which industry bodies should be tasked with ensuring this occurs?

5 PATHWAYS FOR FEEDBACK

For those interested in responding to this discussion paper, please submit by 12 June 2026 via ctl.secretariat@cattleaustralia.com.au. Please note that all responses will be treated as confidential and will not be distributed outside of the Review Committee.

For those who wish to participate through other mechanisms, please sign up to the Cattle Australia mailing list to be notified of opportunities to do so, or follow us on facebook.com/CattleAus or Instagram @cattleaus for regular updates.

References

- 1 For clarity, herein references to the CTL refer to the grassfed aspect of the cattle transaction levy alone unless otherwise stated.
- 2 <https://www.agriculture.gov.au/agriculture-land/farm-food-drought/levies/about-levies/levy-guidelines>
- 3 *Agri-Political Activity is defined as activities that involve engaging in, or financing with Levy Funds or Matching Payments, any form of external or internal political campaigning, including: encouraging or supporting a campaign for the election of a candidate, person or party for public office or for the adoption of particular policies of political parties; promoting a particular political party's policy over another political party's policy; Government; or advocating that the Commonwealth or a State or Territory Government adopt a particular policy.
- 4 <https://www.agriculture.gov.au/agriculture-land/farm-food-drought/levies/about-levies#daif-page-main>
- 5 While not widely known, there is a fifth levy stream, being the emergency animal disease response stream. Only triggered following a disease incursion event as a cost sharing mechanism between the Australian Government, all state and territory governments, and 14 livestock industry groups. This levy stream is not included within the remit of the current review.
- 6 In FT 2025 there was approximately 13.6m grassfed cattle transactions recorded and levied.
- 7 The equivalent number of transactions would produce \$47.6m in \$M for investment - meaning that the total funds available for expenditure for MLA (minus the cost recovery measures of the Department to collect the levy funds) would be \$69.6m.
- 8 This number does fluctuate in line with industry performance and is issued periodically by ABARES.
- 9 An example of this kind of project is ongoing research into a single point injection for the castration of heifers/cows.
- 10 "Certain Circumstances" here is used to reference the need to develop a framework through which these kinds of changes could be facilitated. Given the implications for funding allocations across multiple bodies, the need to carefully and clearly articulate what these circumstances should be is something that needs to be carried out diligently and in consultation with these bodies. It is not necessarily something the Committee is seeking feedback on at this point in time as this work will likely need to be extensive.
- 11 Or rather all producers who are LPA accredited - being in excess of 95% of producers nationally.
- 12 <https://www.rmac.com.au/red-meat-2030>
- 13 'Avenue A' utilised here to illustrate an industry/government committee or the like.



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