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SUBMISSION

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Mr Paul Maisey
Assistant Secretary – Levies, Innovation and Livestock
Agricultural Policy Division
Department of Agriculture, Fisheries and Forestry
Via email: animalproducts@aff.gov.au

Dear Paul

Re: Submission to Wool Levy Poll Policy Settings Consultation

Livestock SA is the peak industry organisation for South Australia's red meat and wool producers. Representing over 5,200 sheep producers, 2,700 beef cattle producers and several hundred goat producers across the state, we work to secure a strong and sustainable livestock industry. South Australia's \$4.3 billion livestock industry is a key economic contributor to the state and supports 21,000 South Australian jobs across the red meat and wool supply chains.

South Australia produces 57 million kilograms of wool every year. We welcome and appreciate this opportunity to contribute Wool Levy Poll policy settings consultation. The ability for woolgrowers to set the rate of compulsory levy for research, development and marketing is important to and valued by industry.

1. Timing of the Wool Levy Poll cycle

- ***Should a three-year Wool Levy Poll cycle be re-established or should a different cycle, such as a five-year cycle, be considered?***

Position

Livestock SA supports a move to a five-year Wool Levy Poll cycle, contingent upon:

- Alignment with Meat & Livestock Australia's (MLA) five-year strategic planning cycle; and
- Safeguards to maintain producer oversight and responsiveness – this should be designed with further input from industry.

Rationale

Many South Australian sheep enterprises are dual-purpose operations. Greater alignment between Australian Wool Innovation (AWI) and MLA planning cycles would improve:

- Genetic progress coordination
- Animal health and biosecurity strategy
- Traceability investment alignment

- Extension efficiency at the regional level.

For SA producers, who often operate across mixed farming systems and large geographic areas, greater RDC coordination would reduce duplication and improve return on levy investment.

SA Consideration

While a five-year cycle supports strategic certainty, South Australian producers operate in highly variable climatic and market conditions – South Australia is the driest state on the driest inhabited continent¹. A longer cycle must not reduce producer capacity to respond if levy confidence declines.

Further consideration

The inclusion of a producer-triggered out-of-cycle poll mechanism should be examined if moving to a five-year cycle.

2. Alternative voting systems

- ***Which voting system should be used for the conduct of the Wool Levy Poll?***

Position

Livestock SA supports retention of the optional preferential voting system.

Rationale

Preferential voting ensures that the final levy rate is supported by a majority of voting levy payers. In a geographically dispersed industry such as South Australia's, this system protects against minority supported outcomes.

A shift to first-past-the-post would risk undermining confidence in the result and would not reflect majority industry preference.

3. Operation of the Wool Poll Panel

- ***Do you have any suggestions about how to improve the operation of the Wool Poll Panel?***

Position

Livestock SA supports reforms to strengthen the independence and authority of the Wool Poll Panel. This includes:

- Removal of AWI board representation from the Panel selection process
- Removal of AWI observer roles on the Panel
- Clear separation between AWI operational input and Panel decision-making.

Rationale

For South Australian producers, confidence in the integrity of levy governance is fundamental. The perception of beneficiary influence over levy settings diminishes trust, regardless of actual process compliance. Livestock SA is in a unique position where we play a critical role in the administration and management of state-based socialised funding structures for the sheep and cattle industries². This requires considerable transparency and accountability to industry and government.

¹ <https://www.environment.sa.gov.au/topics/water-and-river-murray/projects-plans-security-and-legislation/water-security/water-and-dry-conditions>

² <https://livestocksa.com.au/industry-funds>

Strengthening Panel independence will improve:

- Legitimacy of levy outcomes
- Producer participation
- Long-term confidence in the levy mechanism.

4. Other policy settings

- ***Voting eligibility***

Livestock SA recognises the efficiency arguments presented in DAFF's supplementary modelling. However, this issue requires careful consideration from a South Australian perspective.

SA considerations

South Australia has:

- A significant number of small to medium wool-producing enterprises
- Mixed-enterprise businesses where wool may not be the dominant revenue stream
- Geographic regions where enterprise scale varies significantly (e.g. pastoral north vs mixed farming south-east).

An increase in eligibility thresholds may:

- Exclude smaller commercial producers
- Reduce regional diversity in voting participation
- Concentrate voting influence in larger enterprises.

Further consideration required

- SA-specific modelling of how many wool levy payers would fall below revised thresholds
- Analysis of turnout patterns by enterprise size
- Assessment of five-year cycle interaction with eligibility thresholds.

- ***Voting entitlement***

The current weighted voting system broadly reflects levy contribution and is generally understood by producers. However, if eligibility thresholds change, voting entitlement settings must also be reviewed in combination.

From an SA perspective, any change should maintain proportional fairness, avoid disenfranchising moderate-scale producers, and be supported by clear modelling of impacts.

We suggest further analysis is required before endorsing structural change.

- ***Prescribed levy rates for the ballot paper***

Livestock SA supports:

- Capping ballot options at four:
 - 0%
 - Status quo
 - + or – a set percentage.
- Removal of optional additional levy rates.
- Removal of requirement for AWI to recommend a preferred levy rate – that should be the role of industry, not the service provider. The service provider should provide the

information industry needs to make an informed decision on any adjustments to the levy rate.

This improves ballot neutrality and reduces politicisation of the process.

- ***Minister to approve forms***

Livestock SA supports continued government oversight of the ballot process under the new legislative framework, provided that:

- The role remains procedural
- Ministerial approval does not compromise Panel independence.

Oversight is important to maintain integrity under the new levies legislation.

Conclusion

Livestock SA supports modernisation of the Wool Levy Poll framework under the new legislative regime, provided reforms strengthen:

- Democratic legitimacy
- Governance independence
- Strategic coordination across the sheep value chain (i.e. with the other sheep RDC, MLA).

However, policy changes that narrow voting eligibility or reduce representation of smaller and mixed-enterprise producers must be carefully evaluated in a South Australian context before endorsement.

Please contact the Livestock SA office on (08) 8297 2299 or via email at admin@livestocksa.com.au if you would like to discuss this submission further.

Yours sincerely

Travis Tobin
Chief Executive Officer