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SUBMISSION

12 June 2026

CTL Review Committee
Cattle Australia Limited
Level 2, Burns Centre
28 National Circuit
FORREST ACT 2603
Via email: ctl.secretariat@cattleaustralia.com.au

Dear Review Committee

Re: Submission to Discussion Paper 1: Principles guiding the review of the grassfed Cattle Transaction Levy

Livestock SA is the peak industry body representing South Australia's red meat and wool producers. We represent more than 5,200 sheep producers, 2,700 beef cattle producers and several hundred goat producers across the state. We advocate for policies and programs that strengthen the viability and sustainability of South Australia's livestock industry, which contributes approximately $4.3 billion annually to the state's economy and supports more than 21,000 jobs throughout the red meat and wool supply chains.

Livestock SA welcomes the opportunity to provide feedback on Discussion Paper 1 as part of the Cattle Transaction Levy (CTL) Review. We note that this is the first comprehensive review of the levy since 2006 and consider it an important and timely process. Our responses to the principles and questions raised in the Discussion Paper are set out below.

General Observations

Livestock SA considers any future levy reform should be guided by five principles:

1. Demonstrable producer benefit and return on investment.
2. Avoidance of unnecessary duplication across species and sectors.
3. Maximum leverage of existing industry structures before creating new entities or levy streams.
4. Clear accountability and performance measurement for levy-funded activities.
5. Simplicity and transparency for levy payers.

Access to economic data

The Discussion Paper notes that an independent economic analysis of the historical performance of the levy is currently underway. Livestock SA considers that access to this analysis is essential before we can provide informed responses to several questions seeking feedback. We note our responses accordingly throughout this submission and reserve the right to provide further comment once this data is made available to stakeholders.

It is difficult to understand how stakeholders are expected to provide meaningful feedback on levy adequacy, allocation or structural reform when the central economic analysis underpinning the review has not yet been released. Decisions regarding levy reform should be evidence-led, not assumption-led. The economic assessment should be published before stakeholders are asked to form positions on potential changes to levy structures or funding levels.

Given the economic analysis appears central to several of the principles proposed by the Review Committee, stakeholders are effectively being asked to comment on potential solutions before the underlying problem has been clearly defined and evidenced.

Agri-political activities and Cattle Australia funding

The Discussion Paper states that agri-political activities and any related funding structures are intentionally excluded from this review and are not funded by the CTL. Livestock SA seeks clarification as to whether this exclusion extends to any revised or new funding structures that may be proposed for Cattle Australia itself as part of the outcomes of this review. This is a matter of significant importance to our members, and we consider it warrants explicit clarification by the Review Committee.

Structural inefficiency across species and industries

Livestock SA holds a strong view that there are significant opportunities for more efficient levy expenditure for many functions currently performed across multiple levy streams, including research and development, industry marketing, biosecurity activities and responses, and *'other aspects of industry function that need to be adequately supported and funded'*. There are many co-benefits that should be more integrated as they are not unique to a single species or industry. The current fragmentation across cattle, sheep, goats, and wool is structurally inefficient and does not represent good value for producers or government.

Producers ultimately fund multiple organisations, multiple governance structures, multiple strategic plans, multiple consultation processes and multiple reviews that frequently seek to address the same underlying issues. Any proposal to create additional levy streams or entities should first demonstrate why existing structures cannot be rationalised or better coordinated. Livestock SA encourages the Review Committee to consider this systemic issue as part of its broader assessment, notwithstanding the limited scope of the current review.

Livestock SA's preference is to optimise and better coordinate existing arrangements before pursuing structural expansion through new levy streams, new recipient bodies or new funding mechanisms.

Section 4: Responses to Levy Review Principle Statements

Principle 4.1. Unrealised Value Within the Levy System

Has the $R investment to date offered good value for industry?

Livestock SA is not in a position to answer this question with confidence or accuracy in the absence of the independent economic analysis referenced in the Discussion Paper. We urge the Review

Committee to ensure this data is made available to stakeholders prior to the next stage of consultation so that meaningful and evidence-based responses can be provided.

How much of the Committee's focus should be on ensuring the maximum value of the $R spend is realised?

Livestock SA considers this to be primarily an operational matter for the responsible levy recipient body (LRB), Meat & Livestock Australia (MLA), and one that Cattle Australia already has capacity to influence through its existing engagement with MLA during operational review and consultation processes. We do not consider this requires structural change to the levy itself.

Are there additional benefits to purely $R funded projects over projects funded through the MDC?

Yes. Livestock SA strongly supports the value of purely levy-funded research projects, particularly those with broad industry benefit that are unlikely to attract commercial co-investment. We note that State Farming Organisations (SFOs) such as Livestock SA have a significant footprint in their respective states, with the capacity and established producer relationships to assist MLA in reaching the greatest number of producers with the adoption and application of research outcomes. There is an opportunity to better utilise SFOs in this role, and we encourage the Review Committee to consider how levy-funded projects could more systematically engage SFOs as delivery partners to realise greater levy expenditure impact and efficiencies.

Is the balance of pure $R projects versus MDC projects correct, and would increasing the portion of the $R levy provide a measurable industry good?

As noted above, answering this question with any confidence requires the independent economic report that has not yet been provided to stakeholders. Livestock SA reserves comment until this data is available.

Principle 4.2. Flexibility Within Existing Levy Streams

Would increased flexibility within the existing levy streams provide greater value for industry?

Yes. Livestock SA supports the principle of increased flexibility within existing levy streams.

Under what circumstances would this be of value?

Livestock SA considers that increased flexibility is most valuable and most defensible in the context of small, urgent or unforeseen situations where funds are uncommitted and a rapid response is required – the Lumpy Skin Disease (LSD) and Foot and Mouth Disease (FMD) detection scenario referenced in the Discussion Paper being a clear example. Beyond this, any reallocation of funds between existing levy streams would require careful planning and a lead-in period of three to five years that is commensurate with the amount of levy stream re-direction to avoid disruption to the operational planning of LRBs.

Are there any foreseeable negative effects from having this flexibility embedded within the levy system?

Livestock SA does not foresee significant negative effects, provided that the settings, triggers, and limits governing any such flexibility are clearly defined, transparent, and applied consistently.

Ambiguity in the framework would be the primary risk and must be addressed in any design of this mechanism.

Principle 4.3. Additional Levy Streams

Should funding for additional biosecurity activities be further investigated by the Committee?

Before Livestock SA can comment substantively on whether a new or separate levy steam or LRB for biosecurity (as suggested in the Discussion Paper) should be established, we require significantly more detail on what such a levy stream or body would do, how it would be structured, and how it would interact with existing state and federal biosecurity frameworks.

For example, there are well known opportunities for industry to improve the effectiveness of its role in the Emergency Animal Disease Response Agreement (EADRA) framework by adjusting our approach to implementing our responsibilities. The current arrangements do not effectively utilise existing state and regional level industry networks, which creates unnecessary risks in the system and weakens industry's ability to identify, contain, respond and eradicate emergency animal diseases. Industry can enhance the biosecurity system by developing better networks and communication models with SFOs – a relatively low-cost biosecurity system enhancement.

Livestock SA also considers that other elements of biosecurity funding are fundamentally inverted. Legislative responsibility for managing biosecurity activities within Australia rests primarily with state and territory governments. SFOs are the authorised bodies in their respective jurisdictions, with the member footprints, local and state government relationships, and deep understanding of jurisdiction-specific legislative and regulatory requirements to deliver biosecurity activities on the ground. Any revised funding model should reflect this reality by ensuring that SFOs receive appropriate and sufficient funding to fulfil their role on behalf of industry in Australia's biosecurity framework.

Livestock SA is not convinced that creating additional levy streams or LRBs will automatically improve outcomes. Industry should first demonstrate that existing structures cannot deliver the required outcomes before considering additional layers of governance, administration and overhead costs. The burden of proof should sit with proponents of any new levy stream or LRB. New structures should only be considered where there is clear evidence of market failure, demonstrable producer benefit, and an inability of existing structures, in either their current or augmented arrangements, to deliver the required outcomes.

Should stand-alone funding for integrity systems be further investigated by the Committee?

Livestock SA does not oppose further investigation of this question but notes that the Discussion Paper does not provide sufficient detail on what a standalone integrity systems funding stream would achieve or how it would improve on the current arrangements. We require more information before forming a firm view.

Principle 4.4. Fixed Review Periods

How frequently should the CTL be reviewed?

Livestock SA recommends a 10 year review cycle, consistent with the approach taken to statutory and regulatory reviews at a state level, and aligned with the existing 10 year strategic planning cycle for the red meat industry under Red Meat 2030 and its successors.

What are the benefits or costs of undertaking this on a fixed schedule?

Livestock SA strongly recommends that any future levy reviews be streamlined across the entire livestock industry rather than conducted on an ad hoc, species-specific basis. The current approach, in which separate reviews are being conducted for cattle, sheep and goats, is inefficient and represents poor use of levy funds. It places an unreasonable and disproportionate burden on stakeholders and representative organisations that operate across multiple species, requiring repeated engagement on what are often shared or overlapping issues. A coordinated, whole-of-red-meat-industry approach to levy reviews would be significantly more efficient and would produce better outcomes.

By way of example, Livestock SA recently completed a periodic review (10 year) of the SA Cattle and Sheep Industry Funds (state-based levy structures). A single independent review process, consultation process and voting arrangements realised significant efficiencies and helped producers better understand how various levy funds are collected, utilised, and deliver perceived value (or not). 66% of the grassfed beef cattle producers that voted on the proposed amendments to the Cattle Industry Fund were also sheep producers, so they also voted on the proposed amendments to the Sheep Industry Fund.

Are there other mechanisms or planning cycles that should be considered?

Livestock SA recommends that levy reviews be attached to red meat industry-wide strategic planning cycles. Funding, levies, and governance structures are inextricably linked across the red meat industry, and it is counterproductive to examine these in isolation. The industry has limited resources of time and money, and conducting small pieces of work in silos, particularly on issues that are not species-specific but are common to all red meat livestock producers, is not an effective or efficient use of those resources.

Principle 4.5. Adequately Funded Industry Functions

How important is appropriate industry representation to the sector?

Appropriate industry representation is vital. However, Livestock SA considers that the current model under which Cattle Australia operates is inefficient and lacks coherence on common cross-sector issues. All livestock peak industry bodies are currently operating independently, often in silos, despite the fact that many of the issues requiring advocacy or clear policy are not species-specific – they relate to livestock production broadly. This fragmentation wastes resources and reduces the collective effectiveness of the sector in achieving meaningful outcomes for producers.

Many of the challenges identified in the Discussion Paper – including biosecurity preparedness, integrity systems, market access, sustainability frameworks, community trust and producer capability – are not cattle-specific challenges. They are shared red meat industry challenges. Creating species-specific responses to cross-sector problems risks increasing duplication, fragmentation and administrative cost without improving outcomes.

Should producers remain decision makers on how industry and government programs are designed and delivered?

Yes. Producers must remain central to decision-making on industry and government programs. However, for this to be meaningful, producers need to be better informed about the purpose of policy and advocacy and the role of peak industry bodies. It is the responsibility of peak bodies such as Cattle Australia to ensure that the aspirations and goals for the industry are developed in genuine consultation with levy payers and are reflected transparently in strategic plans and annual operating plans. Livestock SA also considers that peak bodies have a responsibility to engage in more systematic forecasting and foresighting about future risks and opportunities, so that these can be addressed through properly researched policy positions supported by defensible evidence.

How should industry fund its representation functions?

Industry already has an established mechanism to support representative functions through the Red Meat Industry Fund (RMIF). The existence of RMIF removes the need to expand statutory levy arrangements into areas that have traditionally and appropriately been funded through separate industry representation mechanisms.

This arrangement recognises that peak industry bodies have some responsibilities that should not be solely borne by paying members, so the ‘industry’ provides an annual distribution to each red meat peak industry body for these purposes. Service level agreements negotiated with LRBs also enable other industry good functions to be funded – this is essentially indirect access to the CTL for approved purposes. We do not consider that direct access to the CTL is the appropriate mechanism for funding industry representation functions.

Livestock SA acknowledges the Discussion Paper’s observation that the current reliance on voluntary producer participation is inequitable and unsustainable, and we are not opposed in principle to supporting broader and more diverse producer participation. However, we do not consider that levy funds are the appropriate source of funding for this purpose.

Livestock SA does not support expanding the use of statutory levy funds into areas that blur the distinction between industry service delivery and industry representation. The existing separation between levy-funded activities and representative functions remains an important governance safeguard and should be maintained.

Which industry bodies should be tasked with ensuring this occurs?

Peak industry bodies, including Cattle Australia and relevant SFOs should be responsible for ensuring appropriate industry representation occurs. Livestock SA reiterates its view that SFOs play a critical and currently under recognised role in this system, and that any revised funding or representation model must adequately reflect and resource the contribution of SFOs.

Before considering changes to levy rates, allocation mechanisms or LRBs, the review should establish how success will be measured. Producers should be able to clearly understand the outcomes being sought, the performance measures that will be used, and how additional investment would demonstrably improve industry outcomes.

Conclusion

Livestock SA supports the review of the CTL and agrees that it is appropriate to periodically assess whether levy structures remain fit for purpose in a changing operating environment.

However, levy reform should be driven by evidence, demonstrated need and clear producer benefit. Before considering new levy streams, new LRBs or changes to funding arrangements, industry must first establish whether existing structures are delivering value, whether current funding is being optimally utilised, and whether identified issues can be addressed through improved governance, coordination and accountability.

Livestock SA considers there are substantial opportunities to improve efficiency across the broader red meat levy system, particularly where multiple species and industries are currently investing in similar functions. Greater coordination across red meat sectors, better utilisation of existing industry capability, including SFOs, and clearer performance measures should be prioritised before additional complexity is introduced into the levy framework.

We also reiterate the importance of making the independent economic analysis available to stakeholders before any recommendations on levy reform are finalised. Producers should be asked to consider changes based on transparent evidence rather than assumptions regarding funding adequacy or structural effectiveness.

Ultimately, levy reform should not be measured by how much additional funding can be collected or how many new structures can be created. It should be measured by whether producers receive greater value, stronger outcomes and better returns from every dollar already invested. That should remain the central test for any recommendation arising from this review.

Livestock SA looks forward to continuing to engage constructively throughout the review process and to working with Cattle Australia to ensure any future levy arrangements deliver measurable, efficient and enduring value for grassfed cattle producers.

Yours sincerely

Travis Tobin
Chief Executive Officer