



Australian Government

Australian Government response to the
Senate Rural and Regional Affairs and Transport Legislation
Committee report:

Primary Industries (Customs) Charges Amendment (Dairy Cattle
Export Charge) Bill 2020 [Provisions]

DECEMBER 2020

Introduction

On 12 June 2020, the Selection of Bills Committee referred the *Primary Industries (Customs) Charges Amendment (Dairy Cattle Export Charge) Bill 2020* to the Senate Rural and Regional Affairs and Transport Legislation Committee (the committee). The reasons for referral/principal issues for consideration were:

- To investigate the effectiveness of the bill with regards to funding the Dairy Cattle Export Program
- Investigate including breeder cattle into the Export Supply Chain Assurance System (ESCAS)
- How effective has the Morrison Government been at influencing animal welfare conditions in importing countries outside of ESCAS
- Is it in Australia's national interest for the Morrison government to make available funding for marketing and R&D activities to developed countries such as Japan?
- Any other related matters.¹

On 17 June 2020, the Secretary of the Department of Agriculture, Water and the Environment was invited to make a submission to the inquiry. A departmental submission was lodged on 30 June 2020. Key points made by the Department included:

- *The Primary Industries (Customs) Charges Amendment (Dairy Cattle Export Charge) Bill 2020* is the result of the dairy livestock export industry requesting that government impose a mandatory statutory charge on dairy cattle exports at a rate of \$6 per head of exported dairy cattle.
- The dairy cattle export industry has followed the Levies Principles and Guidelines in consulting with and seeking the agreement of industry to impose a mandatory charge, and in describing the market failure that warrants the charge.
- The mandatory charge would replace the current voluntary charge on exported dairy cattle which industry has identified is under-collected and insufficient to meet the needs of the sector or fund the Dairy Cattle Export Program.
- The dairy cattle export industry is valued at \$200 million per annum and is an important alternate source of income for many Australian dairy farmers, which has positive flow on effects for rural and regional economies and communities.

On 30 July 2020, the committee released its final report. The committee noted the need for the dairy cattle export charge, as the previous voluntary levy scheme faced problems with under-collection, leaving the dairy cattle export industry without sufficient funds for research and development and marketing activities. The committee noted the wide consultation undertaken by the Australian Livestock Exporters' Council (ALEC) on the imposition of the charge and the industry support for the charge.

¹ Selection of Bills Committee, Report No. 5 of 2020, Appendix 2. (12 June 2020)

The committee noted that ALEC needs to ensure that the major dairy farming industry bodies, including the Victorian body, have an ongoing say in how the levy funds are spent. The department notes that primary industries drive all aspects of their levy. As such, a request for a levy (or a proposal for levy changes), must be supported by industry bodies representing, wherever possible, all existing and/or potential levy payers, the relevant levy beneficiaries and other interested parties.

The department acknowledges the levy review timeframe of seven years proposed by ALEC in its levy submission², and the committee's comment that the department consider the merits of this proposal. As agricultural levies and their review are industry driven, the department will work with ALEC at the time industry considers a review of the dairy cattle export charge is warranted. The publication *Levy Guidelines: how to establish or amend agricultural levies*³, provides guidance to industries on how to review a levy and key points to consider when thinking about a levy review. The department has drawn this publication to ALEC's attention.

The Australian Government thanks the committee for the time and effort put into considering the impact of the *Primary Industries (Customs) Charges Amendment (Dairy Cattle Export Charge) Bill 2020*.

² *Dairy Cattle Export Charge Industry Proposal*, May 2018

³ *Levy guidelines: how to establish or amend agricultural levies*; Department of Agriculture 2020.
agriculture.gov.au/ag-farm-food/levies/publications

Response

Recommendation 1

The committee recommends the Senate pass the bill.

Response

The Government notes the committee's recommendation.

The bill was passed by both houses of Parliament and received Royal Assent on 17 September 2020.

Additional comments from the Greens

- 1.1 The Greens have significant and ongoing concerns about the cruelty inherent to the live export trade, including the well-documented impacts of heat stress on sheep and cattle during voyages from Australia, and experiences in destination countries. Australians have been shocked by revelations of thousands of animals dying from heat stress and overcrowding on ships and overwhelmingly want this cruelty to end. Animals continue to die on live export ships. The live export industry should be shut down.
- 1.2 For any charge on the export of dairy cattle, all funds raised, including co-contributions from the government should be allocated directly to animal health and welfare initiatives, and not for marketing and profitability. All animal health and welfare initiatives, including research, should be undertaken transparently, with regular public reporting and appropriate oversight.

Recommendation 1

- 1.3 Recommendation: That all funds raised by the dairy cattle export charge, including co-contributions from the government, be allocated directly to animal health and welfare initiatives, to be undertaken transparently, with regular public reporting and appropriate oversight.

Response

The Australian Government notes the preference of the Greens for the entirety of the export charge to be directed to animal health and welfare initiatives. The export charge is a request by industry, supported by industry, to fund the program of works under the Dairy Cattle Export program for its benefit. At industry's request, the Dairy Cattle Export Program focusses on a number of key priorities including animal health and welfare, supply chain efficiency, regulatory performance, and market access for the dairy cattle export sector.