

Dear Committee Members,

I speak as a Wool, Sheep and Cattle producer with 40+ years experience on a family property for the last 92 years. Having spent the last decade trying to improve our terms of "trade" via much needed reforms-I am very familiar with the internal workings of the existing levy collection arrangements in the meat and Livestock sector. Recently I have become a member of EVERY livestock Producer body in this country to try and push through RRAT senate recommendations from some 5yrs ago that are still lapsed.

Just yesterday -I filed a question for a senator of Qld to ask the ANAO on behalf of cattle producers. I realise that there are 17 approx Levies in Ag and that wool and one other are the only ones with an automated data retrieval to give \$'s paid which =votes in AWI govenence. Grains and Red meat are by far the largest Ag Industries and collect \$half a B- in levies and taxpayer top up I would have no problem if the red meat/cattle Cattle Transaction Levy(CTL) COULD be automated simply- I realise that this amendment may be a tiny step in getting a registerof Levy payers. Apparently the nationalised NLIS tag system can identify every beast that they own but the Business owners can't be identified nor the amounts of levies that each contributes per year. It is just grouped up totals sent to the Levies Collection Unit in Canberra -monthly A complete "church plate" manner in which to handle \$160M of consolidated revenue.

While this sloppy situation has been in place for 20 yrs- the alarming fact is that multi national PROCESSORS are the top 3 levy payers -apparently by votes declared for MLA govenence. The AA Co – Australias largest breeding company was #4 when I had to pay MLA \$500 for the voting register of the MLA/Agm from 2011. I believe that the answers to my ANAO question could well require a complete REFORM of the Beef Levy Act and that Processors will be exited out of the producer Fund as their Grainfed Levies via their own feedlots will be deemed- non compliant with the ACT. There were 2 RRAT inquiries re Levies -2014 brief timeline-

2014

On the 09 September 2014 (some 4 years ago) the senate committee, released a final report regarding "*Industry structures and systems governing levies on grass-fed cattle*"

This report included #07 very clear recommendations for action to address the findings of this inquiry

Amongst these #07 recommendations one was a specific recommendation for the ANAO to carry out an audit of the Cattle Transaction Levy system and the outcome of two other recommendations would have been a beneficiary of that audit or in fact may have required an audit to allow effective implementation

Recommendation 4

Recc #02

Recommendation 2

Recc #03

Recommendation 3

[illegible]

1: My view is that they are **expanding the definition** of “Intermediaries” to include farmers – not currently defined and prescribed as an ‘Intermediary’ - that sell to other farmers that might not be paying the allocated commodity levy.

2: Also, they are expanding compliance reporting on not only 'Levies' but also prescribed additional information mandatorily supplied to the department under this expanded reporting system.

3: Also, they are making additional rules that will apply to “3rd Parties” that request information about levy payers including information about what levy payers have reported, thru

intermediaries or otherwise and how this information can be used by the 3rd party. They have already amended the 'Privacy Act' to accommodate what amounts to a clear breach of our privacy in regards to our personal and corporate data.

Summary: They, the dept, are going after more of what they think is their money by clamping down on what they perceive as some sort of tax/levy evasion by farmers and others then allowing expanded data analysis by 3rd parties for the purposes of compliance with the Levies Act.

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This looks more like a money grab -rather than addressing those senate #recs above. My ANAO effort will address#rec3-7.35 BUT after nearly 5 years of govt neglect of the findings- this amendment is a real "red herring" on the path to a clumsy undemocratic smoke screen to maintain the Status Quo!

So with my broad understanding on how all this should work- rather than be negative- Allow me to offer a simple solution-

#A levy is a "Tax" by another name The ATO has all the security & authority to handle such matters.

To try and set up a parallel system that clumsily tries to make lists (only to ensure compliance to the church plate) BUT not to give voting nor address the other concerns of the #7 Recommendations from 6 years ago

Is bordering on infantile incompetence !Are producers such second class citizens that our overseeing LEADERS think that we deserve such treatment?????

#We are all familiar with the Fuel "off road " Levy rebate & the Medicare Levy! It would be a simple setup to add a label to everyones BAS return where each diff levy paid would be recorded with a code (ie Beef B,potatoes P, sheepS ,woolW etc. These could go on file at the ATO & each years total would give pro rata say in each separate Industries Governance!

As with the Fuel Rebate – there could be a worksheet to list the sales in that quarter There could be several different levies to be paid – the person filling out the BAS groups up the totals+ codes them and the payment submitted along with the BAS net repayment or credit.

The ATO would then have the various Industry codes give a total collection amount for each Levy + each levy paying business will have quantum for pro rata votes or say in the sector that they are in

Then EACH industry could appoint delegates to an oversight group-call it Cattle Council ,Cattle Australia, Cattlecorp- it doesn't matter.....They would make policy to disseminate the levy pool!(a whole different debate) Foundations need to be sound -right now - for the future!.....

After a change over period- only levy payers could volunteer for a new oversight board & the votes to elect would be provided to each business (like the wool) as a result of \$'s contributed.

This would be completely fair transparent and the ATO could keep this simple as opposed to this amendment.

This model would work for EVERY primary Industry with a levy .

This is LONG but please consider this as I have devoted 10yrs to all this & I fear for our future IF reform doesn't come very soon. (Only new Abottor in many years -belly up in a bit over a

year- backed by Australias largest cattle holding. Just what is THAT telling the discerning investor???

Thankyou,

Rob Moore