

Beef Levy Review 2009 Report to the Minister

Report to The Hon. Tony Burke
Minister for Agriculture, Fisheries and Forestry

from Cattle Council of Australia, Australian Lot Feeders' Association,
Beef Marketing Funding Committee and
Meat & Livestock Australia



Beef Levy Review 2009 – Minister's report

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1) Summary

Background

In 2005, the Federal Government – through the Minister for Agriculture, Fisheries and Forestry – accepted recommendations from industry to increase the cattle transaction levy from \$3.50 to \$5, with the additional \$1.50 to be channelled into marketing Australian beef.

The increased levy was implemented in January 2006 with a sunset clause stipulating that an independent review of the increased levy be conducted and communicated to producers and Government; and that the levy would return to \$3.50 in January 2011 without demonstrated industry support for continuing the \$5.

Beef Levy Review 2009

In 2008-09, an independent committee was formed under the chairmanship of Queensland cattle producer Peter Hughes, to review the effectiveness of the increased marketing component of the cattle transaction levy, and to determine the appropriate level of funding required for beef marketing and trade development.

On completion of their review, the Beef Marketing Funding Committee released the following recommendations to industry:

1. That the current \$5 per head cattle transaction levy rate be retained.
2. That a minimum return on investment to producers be set at three times the overall marketing levy as the performance yardstick in future reviews.
3. That future reviews of the levy be undertaken as a result of industry need, triggered by the peak councils, and not according to a pre-determined timeframe.

Creating awareness and encouraging participation in the vote

Following the launch, the committee instructed MLA to commence a 28-week communication campaign (through industry events, rural media, online communication and advertising) to ensure levy payers across the country were made aware of the review, the committee's recommendations and their opportunity to participate in the debate, either as an MLA member at the MLA AGM or via the non-member poll.

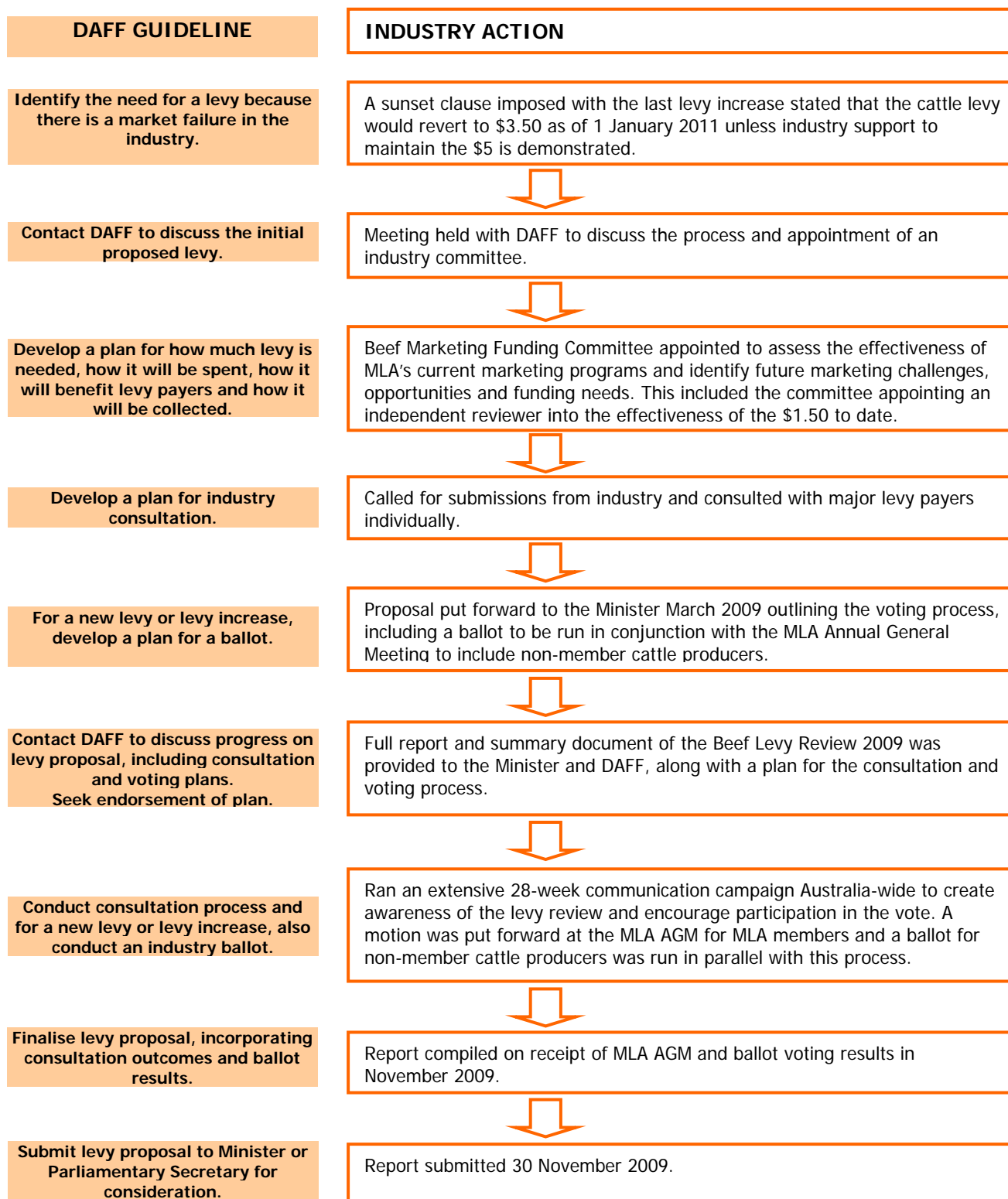
- Over 6,000 people attended 71 events across all states
- 24 media releases helped generate almost 1,000 stories in press and broadcast media
- As at 30 September 2009, MLA had 46,785 members (of which approx 39,700 had cattle)
- 10,091 members returned their levies notice to take up their full voting entitlements
- 5,085 cattle producer members cast their vote, representing 12.5% of MLA members and 25% of Australian cattle production
- 58 cattle producers registered in the non-member poll, of which 25 returned their levies notice and 14 cast their vote

Results

72.5% of votes cast were in support of retaining the \$5 levy.

2) Alignment of Beef Levy Review 2009 process and the Australian Government Levies Principles and Guidelines

The process for the *Beef Levy Review 2009* was aligned with the structure outlined in the *Levies Principles and Guidelines (January 2009 DAFF)*. These guidelines provide a formal structure for industries to follow when submitting a levy proposal, and the following flow-chart illustrates how the *Beef Levy Review 2009* process followed these guidelines.



3) Beef Marketing Funding Committee – review and recommendations

3.1 Purpose

The review was conducted to evaluate the effectiveness of the marketing component of the cattle transaction levy since its increase in 2006, and to determine the appropriate level of funding required for beef marketing and trade development in order to ensure Australia's beef industry is competitively positioned for the future.

In 2005, the beef industry conducted a review to determine its position in the market, and assess the challenges ahead for marketing Australia's beef both domestically and internationally. Following this, a recommendation was made to increase the existing levy from \$3.50 to \$5, with the additional \$1.50 to be channelled into marketing Australian beef. Support for this recommendation was determined by polling of levy payers, and endorsement by the Minister for Agriculture, Fisheries and Forestry.

In January 2006, the \$5 cattle levy commenced, with a condition being that the effectiveness of the \$1.50 increased marketing component be evaluated by the end of 2010, to determine and demonstrate whether this increase is appropriate and beneficial for industry.

3.2 Process

The review was conducted by an independent levy-paying committee of 14 cattle industry representatives, formed under the chairmanship of Queensland cattle producer Peter Hughes.

Independent committee representatives	
Mr Peter Hughes (Chair), cattle producer, North Queensland	Mr Ian McCamley , cattle producer, Central Queensland
Mr Don Heatley , cattle producer, North Queensland and Chairman, Meat & Livestock Australia	Mr Warren Barnett , grain-fed cattle producer, southern New South Wales and Vice President, Australian Lot Feeders' Association
Mr Jim Cudmore , grain-fed cattle producer, south-east Queensland and President, Australian Lot Feeders' Association	Mr Brad Teys , CEO, Teys Bros Pty Ltd
Mr Peter Hall , cattle producer, North Queensland and member of the Cattle Council of Australia	Mr Terry Nolan , Director, Nolan Meats Pty Ltd and Chair, Australian Meat Industry Council
Mr Bill Bray , cattle producer, Victoria and Immediate Past President, Cattle Council of Australia	Mr Michael Carroll , cattle producer, western Victoria and Director, Meat & Livestock Australia
Mr Mike Introvigne , cattle producer, southern Western Australia	Mr Don McDonald AM, OBE, cattle producer, North Queensland
Ms Jen Munro , cattle producer, north-west New South Wales	Mr Gary Tapscott , Commercial Manager Sheep & Cattle Operations, Elders and Director, Australian Livestock Exporters Council and President, Australian Livestock & Property Agents

The Committee commissioned independent analyses of the benefits to industry from previous marketing expenditure.

The analyses were conducted by:

- Warwick Yates & Associates report – Independent Review of the Effectiveness of the Additional \$1.50 Beef Marketing Levy
- Centre for International Economics (CIE) report – Drivers of Australian Cattle Prices

The Committee also sought submissions from MLA and the industry. Responses were received from peak industry bodies and small, medium and large cattle producers from around Australia.

3.3 Committee findings

The Committee concluded that:

- The additional marketing levy has delivered five times the investment back to producers.
- The major impacts on livestock prices since 2006 have been high exchange rates and high grain prices until late 2008, and now credit restrictions on global trade and the collapse in demand for co-products. Without these impacts, livestock prices would be near record levels.
- Our industry faces critical challenges, such as mounting attacks on our environmental integrity and increased competition in our major markets; as well as valuable opportunities, such as our world leading systems in product quality, safety and industry integrity, which stands us in good stead to grow existing and capture new markets.
- The industry must continue to invest in a broad range of programs to consolidate its position in beef markets and address the challenges and opportunities that lie before it.
- The \$5 levy is a modest but appropriate investment in the future of the industry.

3.4 Committee recommendations

1. That the current \$5 per head cattle transaction levy rate be retained.
2. That a minimum return on investment to producers be set at three times the overall marketing levy as the performance yardstick in future reviews.
3. That future reviews of the levy be undertaken as a result of industry need, triggered by the peak councils, and not according to a pre-determined timeframe.

4) Seeking industry engagement in the Beef Levy Review 2009

Extensive industry consultation was undertaken during determination of the levy requirements and in the communication of the recommendations to inform all levy payers of the opportunity to comment and or vote on the proposed levy.

This process was conducted by gaining support by industry bodies and reaching levy payers wherever possible to inform all relevant parties of the proposal.

4.1 Creating awareness

The committee's findings and recommendations were launched to the industry at 'Beef Australia' in May 2009. Following the launch, the committee commenced a 28-week campaign using a wide range of communication channels to ensure that levy payers across the country were made aware of the review, the recommendations and an opportunity for all cattle levy payers to participate in the debate.

The campaign extended from May to November 2009 and included the following activities:

- Launch of the report
- Industry events
- Partnership activities with industry bodies
- Media
- Online communication
- Advertising
- Events

At the same time MLA continued to demonstrate to levy payers the marketing activities that have been funded by industry through its regular communication channels.

4.2 Encouraging participation

All Australian cattle levy payers were encouraged to have their say in the Beef Levy Review 2009, by either participating as an MLA member in the MLA AGM or by registering to participate in the poll.

Since the 2005 levy review, membership of MLA has grown from 34,561 as at 30 September 2005 (of which 26,856 had cattle) to 46,785 (of which approx 39,700 had cattle) at 30 September 2009. During the 2009 levy campaign, the Beef Marketing Funding Committee and MLA encouraged levy payers to participate in the levy process by either becoming an MLA member or registering to participate in the poll. During this campaign membership continued to grow by approximately 700 additional cattle producers and 58 registered to participate in the poll.

Throughout the entire campaign participation was encouraged through industry events, partnership activities with industry bodies, media, online communication and advertising.

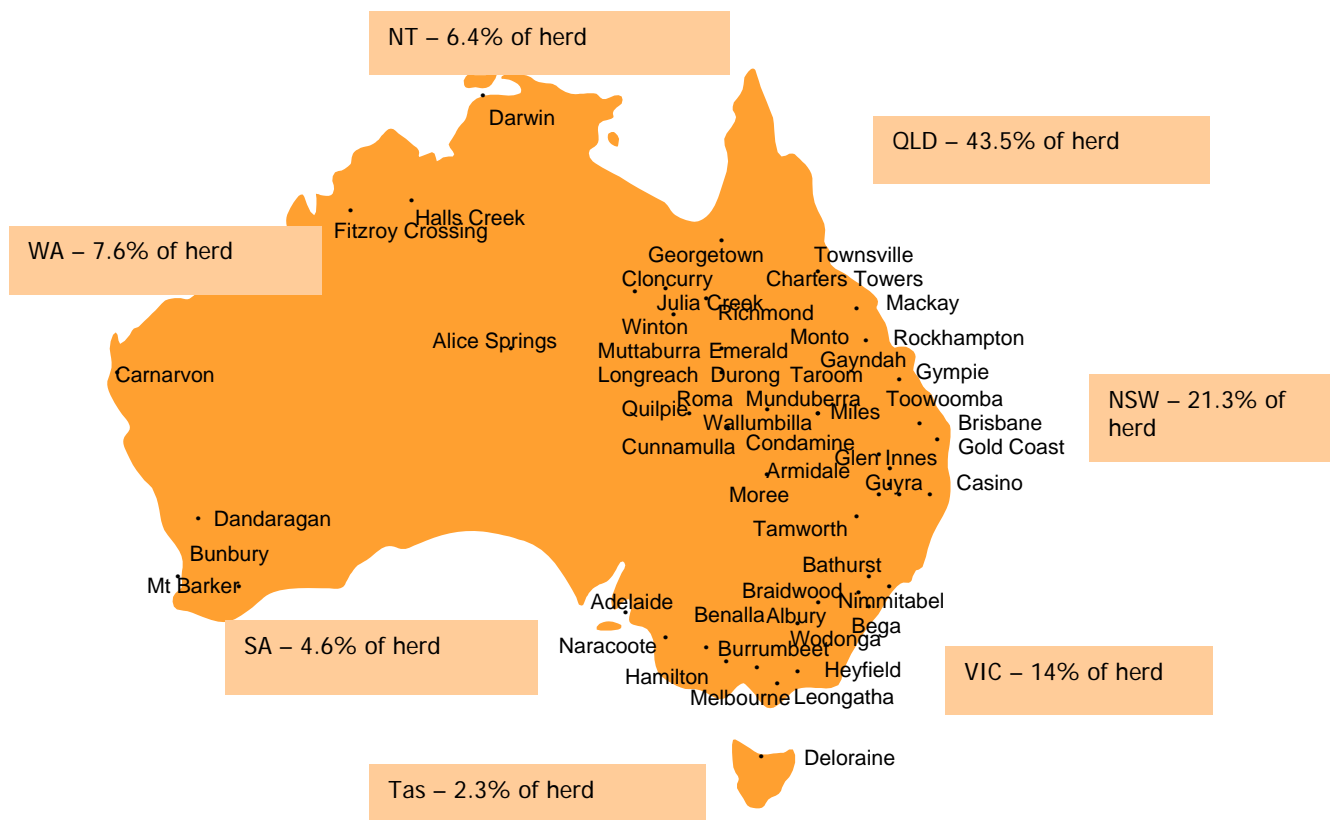
4.3 Event overview

Over the course of the campaign 71 events were held in cattle producing areas, reaching a cumulative audience of over 6,000 people. The committee attended over 50 events throughout the *Beef Levy Review* period.

These events ensured levy payers were given the opportunity to raise questions and gain a broader understanding of beef marketing requirements, the committee's recommendations, and their chance to participate in the levy vote.

Events were held across all Australian states to ensure information was available to all sectors as demonstrated on the map below.

Event locations and distribution of Australia's cattle herd



Source: ABS; MLA membership data.

4.4 Event participant feedback

Participants were invited to submit their 'key learning' from attendance at these events via event evaluation forms. These forms provide a balanced measure of participants' views on the *Beef Levy Review 2009* and an indication of the state of the industry as a whole.

Perceptions of levy value:

- "More understanding of MLA research and promotion I believe our levies are well spent."
- Bunbury producer July 2009
- "Very encouraged by the positive campaigns on behalf of the meat industries."
- Naracoorte producer forum September 2009
- "I think beef levies should be a percentage of the value of the beast – NOT one set figure MLA needs to feel the same pain as we do."
- Boyup Brook. WA July 2009
- "Levy is well spent. Carbon story/cost unknown."
- Bunbury producer July 2009
- I don't support the cancellation of cattle futures; therefore I don't support the levy."
- Bathurst producer October 2009

The future of the industry:

- "That as a producer, we need to promote our product more."
- Victorian producer August 2009
- "Keep looking to the future – many changes on the horizon."
- Naracoorte producer forum September 2009
- "We as a group need to work together and not sit on our hands."
- Bunbury producer July 2009
- "Keep the industry going be prepared to speak up for your product."
- Bunbury producer July 2009
- "The future of beef is in good hands."
- Dandaragan producer July 2009
- "There is a long way to go in educating both consumer and live export critics."
- Dandaragan producer July 2009

4.5 Media overview

The media strategy aimed to generate country-wide coverage to create awareness of the levy review and the committee's recommendations and encourage all cattle levy payers, country-wide, to participate in the vote.

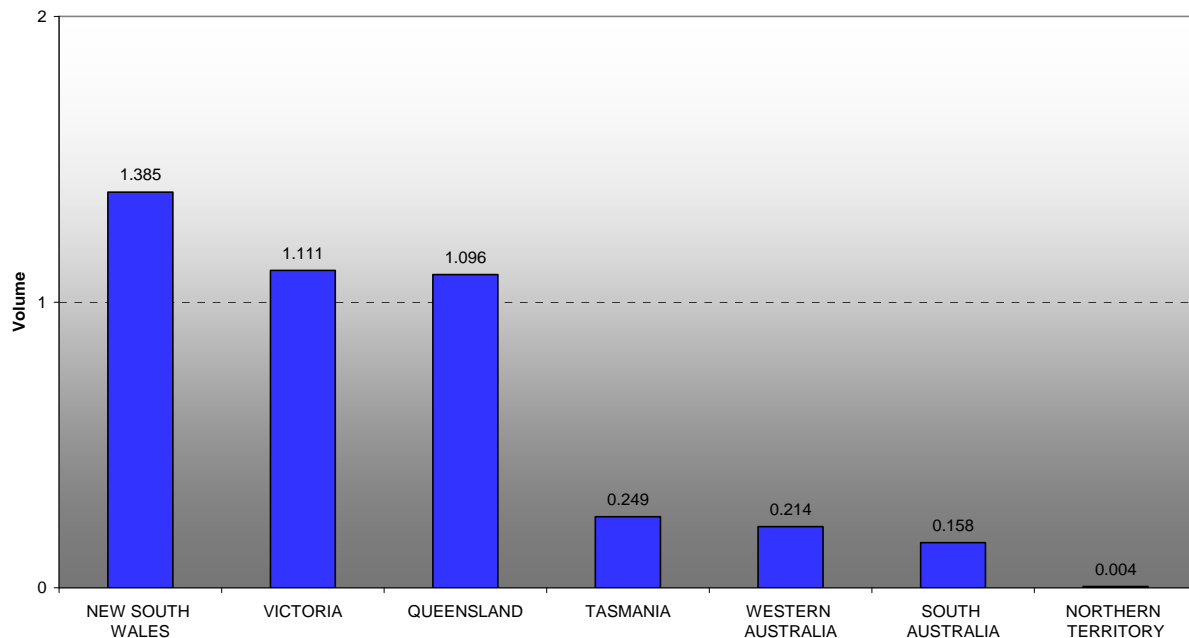
Date	Media releases to create awareness of the levy review
13/10/2008	Cattle marketing levy kicks off
13/11/2008	Call for public submissions of the beef levy funding review
20/4/2009	Forum – 'Beef Australia' 2009
5/5/2009	Beef Marketing Funding Committee recommends retention of \$5 levy
7/7/2009	MLA forums to explore beef market prospects for WA
26/8/2009	Victorian beef producers get firsthand international marketing updates for red meat industry
1/9/2009	South Australian beef producers get first-hand international marketing updates
3/9/2009	Deloraine beef producers get firsthand international marketing updates for red meat industry

Date	Media releases regarding beef marketing investment
3/2/2009	Laurie Lawrence urges Aussies to go for gold in new beef campaign
1/4/2009	Integrity on Show – more than 250,000 expected to visit Food Farm
27/3/2009	Australian red meat producers – Our environment. Our commitment.
2/6/2009	More than 730 families participated in FarmDay
29/5/2009	Every day is environment day for Australia's livestock producers
29/5/2009	Seoul team to encourage consumers to dive into casserole cooking
22/5/2009	MLA releases the 'Tomahawk' – a cut that hits you right between the ribeye
3/8/2009	Australia's beef producers – your \$5, your beef, your vote
7/7/2009	Five essential nutrients one amazing food campaign
27/10/2009	Duncan swaps his togs for tongs in new beef promotion
10/11/2009	Can red meat be green? Experts debate sustainable food production.

Date	Media releases to encourage participation in the vote
26/10/2009	Beef levy review 2009 – time to vote – Peter Hughes (Northern Australia)
23/10/2009	Beef levy review 2009 – time to vote – Mike Introvigne (SW Western Australia)
26/10/2009	Beef levy review 2009 – Our beef won't sell itself – Warren Barnett
2/11/2009	Time to act as US stalks Australian market share – Jim Cudmore
9/11/2009	Last chance to vote on the beef levy on \$5 cattle levy

Impressions

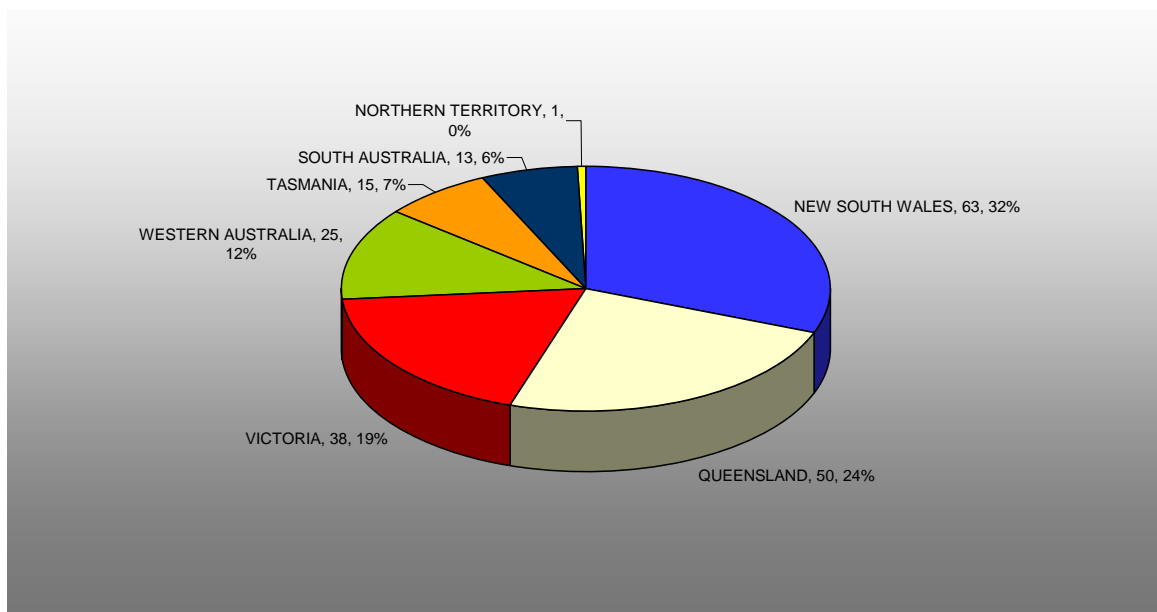
Impressions (circulation multiplied by volume) are a measure of the potential total audience reached by the media coverage achieved across Australia. The impressions shown below are in millions. Please note that the circulation/audience figures do not include broadcast media and are not available for some press publications.



Media Monitors – Cattle transaction levy May – Nov 2009

Breakdown of media state by state

Press summaries



Media Monitors – Cattle transaction levy May – Nov 2009

4.6 Advertising overview

The advertising schedule used to support awareness of the beef marketing levy campaign was run Australia wide, through a diverse range of mediums, such as:

- Commercial rural newspapers
- Rural radio
- MLA publications
- Industry newsletters
- Updates distributed by state farm body organisations, Australian Livestock and Property Agents, and breed societies
- Online

Advertisement 1 – Submission

The committee requested submissions from the industry on the use of the levy via advertisements placed in nine rural newspapers around Australia.

The aim was to help the committee understand the needs and views of the industry by enabling all interested parties to provide input.

A number of submissions were received representing a wide spectrum of opinions, from small-scale producers to large industry bodies, from a range of locations in the country.

Submissions on the beef marketing levy

The marketing levy increased by \$1.50 on 1 January 2006 after cattle producers voted in a nation-wide poll in 2005 to increase the amount needed for beef marketing. This took the overall Cattle Transaction levy to \$5.00 per head.

In approving the increase the then Minister for Agriculture, Hon Peter McGauran, required that an independent review of the use of the \$1.50 is required to be completed and the findings communicated to government and levy payers prior to the end of 2010. Further, the levy would revert to the previous amount unless an alternative proposal is put to the Federal Minister for Agriculture before then.

The Beef Marketing Funding Committee has been established to make recommendations on the levy rates for beef marketing beyond 2010. To ensure it undertakes a comprehensive analysis considering the needs of all levy payers, the committee is inviting submissions from all cattle levy payers and other industry stakeholders on:

1. Issues, challenges and opportunities for marketing Australian beef and live exports;
2. The supply outlook for Australian beef and cattle including herd size, location and composition, age of turnoff, production methods, carcass attributes and weights (size);
3. Priority areas for industry marketing strategies.

The Committee will be looking at the challenges and priorities for the marketing of Australian beef and the threats and opportunities these may present.

Further information on current beef marketing activities managed on behalf of the industry by Meat and Livestock Australia can be found at www.mla.com.au

Submissions must be made in writing, and include the name, address and signature of the submitter, with a recommended word count of no more than 2000 words and will be treated as confidential.

Submissions should be made to:
The Chairman
Beef Marketing Funding Committee
Locked Bag 991
North Sydney NSW 2059

Submissions close Monday 15 December 2008


Beef Marketing Funding Committee

Advertisement 2 – Launch – Come along to the MLA forums at Beef Australia

Advertisements were placed in a diverse range of publications in northern Australia to raise awareness of the MLA forums to be held at Beef Australia 2009.

This coverage included northern print media, Beef Australia 2009 promotional material, and MLA publications, and promoted awareness of the launch of the committee's findings and recommendations.

The launch was held at the premier beef industry event in Australia in Rockhampton, a major beef producing region, and approximately 300 levy payers attended the information forums held at the event.



**Come along to the
MLA forums at Beef Australia!**

Wednesday 6 May – 1.30 pm – 5.30 pm
Thursday 7 May – 8.30 am – 12.30 pm
at James Lawrence Pavilion, Rockhampton Showground

(The same forum will be repeated.)
Both will be followed by a BBQ.

The forum will provide cattle producers with an insight into global trends and the prospects for future red meat demand. It will include presentations from the independent Beef Marketing Funding Committee who will outline their recommendations on future marketing levy needs and from MLA staff who will provide an insight into the marketing strategies that the industry will undertake.

Key research and development projects will also be covered including improved pasture utilisation in extension grazing systems and tips for attracting and retaining staff.

Cost: \$10 (includes BBQ)

Speakers presenting will include:
Peter Hughes – North Queensland cattle producer and chairman of Beef Marketing Funding Committee
Peter Barnard – General Manager, International Markets and Economic Services, MLA
Warwick Yates, Warwick Yates and Associates Pty Ltd – Independent reviewer of the additional \$1.50 marketing levy introduced in 2006
David Thomason, General Manager Marketing, MLA
Glen Feist, Regional Manager Korea, MLA
David Palmer, Managing Director, MLA
Don Heatley, Chairman, MLA
Dr Steve Petty, Northern Development Company
Nandi Herholdt, The Ryder Self Group

Advertisement 3 – An important decision for all beef producers – Your \$5, Your Beef, Your Vote

This campaign ran for two weeks following the release of voting packs. Advertisements were placed in nine rural newspapers and MLA publications; placed on rural websites; inserted into a Teys Bros mailout; featured on ACE radio regional radio across Victoria; and included in industry newsletters.

These advertisements encouraged all cattle levy payers to read the committee's findings and recommendations and take their part in an important industry decision by encouraging the return of levies notices for MLA members, and the registration for the beef ballot for non members.

AN IMPORTANT DECISION FOR ALL BEEF PRODUCERS

Your \$5 Your Beef Your Vote

All beef producers need to make a very important decision about the beef marketing levy.

An independent levy payer committee has undertaken a review of all aspects of the marketing levy and what it delivers to producers and the industry. They concluded that the additional \$1.50 marketing levy has returned about five times the value of investments through a range of programs in Australia and around the world.

They unanimously recommended retaining the levy at the current level of \$5 per head. Now it is time to have your say. Read the committee's report and make sure you participate in the Beef Levy Review 2009.

Peter Hughes, Beef Marketing Funding Committee Chair, said the recommendations of the 14 person independent Committee were unanimous.

"It was a very robust and comprehensive process," he said.

The Committee's key findings were:

- The additional \$1.50/head marketing levy has delivered five times the investment back to producers.
- The major impacts on livestock prices since 2006 have been high exchange rates and high grain prices until late 2008, and more recently credit restrictions on global trade and the collapse in demand for co-products. Without these impacts, livestock prices would continue to be at or near record levels.
- The Australian beef industry faces critical challenges, such as mounting attacks on our environmental integrity and increased competition in our major markets, as well as valuable opportunities, such as our world leading systems in product quality, safety and industry integrity, which stand in good stead to grow existing markets and capture new markets.
- The industry must continue to invest in a broad range of programs to consolidate its position in beef markets and address the challenges and opportunities that lie before it.
- The \$5 levy is a modest but appropriate investment in the future of the industry.

Jon Moore - Producer, North-Western NSW and Beef Marketing Funding Committee member

"We've fought hard to expand our markets in Australia and overseas. The \$5 levy is a relatively small investment in keeping them. Have your vote - don't leave it to others to decide the future of your beef marketing."

Brad Teys, CEO Teys Bros Pty Ltd and Beef Marketing Funding Committee member

"There's plenty of challenges ahead. Throw away lives about the environment get stuck in people's heads and they think beef must be bad for them and the planet - they need to know the whole story and that's part of what this additional marketing money addresses."

A full copy of the Beef Marketing Funding Committee findings, recommendations and related reports are available online at: www.mla.com.au/beeflevyreview or call MLA on 1800 675 717. Levy payers who are non-members of MLA can also vote but must register by 18 September by calling MLA on 1800 675 717 then selecting option 1 or visiting www.mla.com.au/beeflevyreview. MLA members will automatically receive voting information and must return their levies notice to take up full voting entitlements.

Beef Marketing Funding Committee

BEEF LEVY REVIEW 2009 - It's your \$5, have your say.

Advertisement 4 – VOTE NOW! There's a lot at stake...

Encouraging levy payers to vote was a key component of the advertising strategy. This campaign was a direct call to action encouraging all levy payers to vote on the levy, clearly demonstrating the importance of the issue to cattle producers.

The advertisement achieved this by highlighting the importance of programs support by the \$1.50 marketing component, with the campaign directly following the release of voting packs.

These advertisements were placed in nine rural newspapers, rural websites, MLA publications and industry newsletters. Banner advertisements were also included on the *farmonline* newsletter over a week long period.

VOTE NOW!

Your \$5 Your Beef Your Vote

There's a lot at stake...

Without producer support, the levy will revert to \$3.50 and \$20 million will be cut from beef and livestock export marketing programs putting at risk:

- \$1.5 million in livestock export marketing funding
- Sales to key markets like Korea and Japan and opportunities to reach emerging markets like Russia, the Middle East, Indonesia and China
- Our share of the domestic market compared to white meat, seafood and vegetarian foods
- Our fight against environmental and welfare activists who are undermining our industry

All cattle producer members of MLA or levy payers that registered in the beef ballot must vote by proxy by 17 November or in person at the AGM on 19 November.

If you have questions call MLA on 1800 675 717 or visit www.mla.com.au/beeflevyreview

Beef Marketing Funding Committee

CATTLE PRODUCERS VOTE NOW!

Your \$5 Your Beef Your Vote

Click here to find out what's at stake...

Beef Marketing Funding Committee

4.7 Online overview

Online communication was used to enhance campaign reach while minimising costs.

Online messages focused on driving individuals to educate themselves on the levy review process, entitlements and key issues, through accessing the full report, and reading the supporting material.

The online communication mix included use of databases of industry organisations; advertising on key industry sites; and cross promotion of the website in promotional material, presentations and media releases.

Beef levy review page

1,642 unique visitors since 6 May 2009

MLA home page stories

Ten items referencing the beef levy were posted on the MLA home page during the course of the campaign, during which time 77,107 unique visitors viewed the page.

Email campaigns

Twenty three 'e-campaigns' were distributed, with a cumulative reach of 99,387 producers and journalists. These campaigns had an average open rate of 20%.

Online advertising results

Online advertising on the *farmonline* and *Weekly Times* websites was run in conjunction with print advertising in associated press, helping to maximise the exposure that levy payers had to the process. The advertising aimed to increase the ease of access to the full details of the process and recommendations with the provision of links to the levy page.

Website	Description	Page impressions *
<i>farmonline</i>	Beef Levy Ad across all farmonline sites	498,415
<i>Weekly Times</i>	Beef Levy Ad	19,447
<i>farmonline newsletter</i>	Beef Levy Ad	40,443

* Note – Rural press and Weekly Times sites do not measure unique visitor statistics for reporting purposes.

5) Industry response

5.1 Industry response

Under the *Primary Industries (Excise) Levies Act 1999* and the *Primary Industries (Customs) Charges Act 1999*, the Minister has declared Cattle Council of Australia and Australian Lot Feeders' Association to be bodies whose recommendations must be taken into consideration in determining levy amounts. MLA's constitution reflects this and stipulates that Peak Councils have the exclusive right to propose resolutions in relation to levy amounts. To enable all levy payers the opportunity to vote in the ballot, it was decided to put the motion to retain the \$5 levy to MLA's Annual General Meeting, and to run a non-member ballot in parallel with this process. This enabled MLA to meet its corporate requirements while following the Levy Principles and Guidelines (January 2009) to best ensure access and efficiency, both for cattle producers and industry.

Industry organisations

The campaign involved all sectors of the industry including state farm organisations, agents, livestock exporters and peak councils.

Public support for the levy was provided by:

- AgForce Queensland
- NSW Farmers
- Northern Territory Cattlemen's Association
- Tasmanian Farmers and Graziers Association
- South Australian Farmers Federation
- Victorian Farmers Federation
- Western Australian Farmers Federation
- Cattle Council of Australia
- Australian Lot Feeders' Association
- Australian Livestock Property Agents Association

"That the VFF strongly supports the retention of the \$1.50 component of the Beef Marketing Levy – This resolution was carried unanimously, demonstrating from our members for the continuation of the Beef Marketing Levy."

Chris Nixon – President VFF Livestock, September 2009

"Our Members voted in favour of a \$5 per head cattle transaction levy at our Annual Conference four years ago, and today the results are the same."

Richard Chamen – NSW Farmers' Association Cattle Committee Chair, July 2009

Regular updates have been provided to the MLA membership of these industry groups to encourage participation and endorse the process and recommendations.

Concerns surrounding the levy mechanism, flat rate versus ad valorem, were raised by the Pastoralists' and Graziers' Association of WA. In keeping with their usual policy they provided information to their members on the committee's recommendation to maintain the levy at \$5 per head but did not form a view for or against its retention.

The Australian Beef Association was an active critic of the retention of the \$5 and received considerable media coverage.

Voting register

Of the total 46,785 MLA members, 10,091 returned their levies notice to take up their full voting entitlements. Of the 58 cattle producers who registered in the non-member poll, 25 returned their levies notice (with four of these identified as existing MLA members and participating as MLA members in the vote).

Management of the voting/ballot process

The voting process was conducted and the results of the resolutions declared by Computershare. The entitlement process was audited in accordance with MLA's procedures. This year Ernst & Young was requested to overview this process.

Voting entitlements

To accurately reflect the level of investment by producers in the company, the allocation of votes (for both the member vote and non-member ballot) is based on a declaration of the amount of levies paid.

As with previous years and in accordance with MLA's constitution and the ballot terms cattle producers were allocated votes based on levies paid during the 2008-09 financial year. Producers received one vote for every dollar paid in transaction levies to MLA up to \$25,464.

As per MLA's constitution and the ballot terms, for producers paying more than this in transaction levies, their voting entitlement decreases on a sliding scale set out below.

Voting entitlement scale

Levies paid	Votes
\$NIL - \$25,464	One vote for each \$1.00 received by MLA
\$25,465 - \$76,390	25,464 votes + 0.75 votes for each \$1.00 received in excess of \$25,464
\$76,391 or more	63,659 votes + 0.5 votes for each \$1.00 received in excess of \$76,390

5.2 Results

Cattle producers – ballot results

	Grass	Grain	Combined total
Yes	70.7%	75.8%	72.5%
No	29.3%	24.2%	27.5%

The total votes cast represent approximately 25% of cattle production

Note there is a 0.01% increase in the vote against if the non-member poll is included

6) Table of activities: 2005 ballot and 2009 review

A thorough review of the beef marketing levy, with industry input, was followed by a comprehensive communications campaign using multiple channels to involve the industry in the debate. Whereas the ballot run in 2005 required producers to vote on a potential increase to the levy, the 2009 vote was a maintenance question, meaning a greater effort was required to achieve industry engagement. The results below show the relative activities in 2005 and 2009.

	2005	2009
Length of campaign	17 weeks	28 weeks
Media releases	11	24
Media hits*	675	993
Number of events held	20	71
Number of people that attended events	800	Over 6,000
MLA membership (approximate cattle members)	26,856	39,700
Number of producers who voted	9,810	5,099
Votes supporting		
Grass	55% (4,924,296 votes)	70.7% (4,909,758 votes)
Grain	66% (1,982,658 votes)	75.8% (2,869,051 votes)
Total	58%	72.5%
Votes against		
Grass	45% (4,040,665 votes)	29.3%(2,028,608 votes)
Grain	34% (1,023,594 votes)	24.2% (918,237 votes)
Total	42%	27.5%

Note there is a 0.01% increase in the vote against if the non-member poll is included. Refer to page 18 - Voting entitlement scale for explanation of voting calculation

**As at 27 November 2009*

72.5% of votes cast were in support of retaining the \$5 levy. The total votes cast represent 12.5 % of MLA members and approximately 25% of cattle production.

7) Costs

Direct costs

Estimated (finalised costs not complete at time of printing)

Total budget - \$341,205

Event and meeting costs for 71 forums and committee meetings including hire of facilities, catering and travel costs for committee members and independent reviewers - \$107,461

Advertising - \$109,144

Beef Funding Marketing Committee Report - \$34,256

Levies notice mailout (increase in standard pack size to accommodate levy information) - \$22,500

Evaluation costs - \$67,100

Indirect costs of committee

The committee attended six face to face meetings for which sitting fees were not provided. Each member of the committee also attended numerous events to communicate their findings and recommendations.

In total a modest estimate of approximately 20 days per committee member was spent on the beef levy review (note that this excludes any MLA staff time involved in the process).

Total \$341,205 + conservatively 280 (14 members x average 20 days) industry committee days in-kind