

**Sheep and Goat Duty Review  
Additional Information for  
Consultation**

August 2019

**AGRICULTURE VICTORIA**

The logo for Agriculture Victoria, featuring a white inverted triangle pointing downwards, positioned to the right of the text 'AGRICULTURE VICTORIA'.

## Contents

Purpose .....	3
Sheep and Goat Compensation Fund .....	3
Options to increase the duty amount .....	4
Consultation questions.....	7
Consultation period.....	7

---

### Accessibility

If you would like to receive this publication in an accessible format, please contact the Animal Biosecurity policy team at [animal.biosecurity@agriculture.vic.gov.au](mailto:animal.biosecurity@agriculture.vic.gov.au)

This document is also available in PDF and Word format at [engage.vic.gov.au/sheep-and-goat-duty-review](http://engage.vic.gov.au/sheep-and-goat-duty-review)

---

## PURPOSE

Agriculture Victoria is currently reviewing the duty amount charged on the sale of sheep and goats. The aim of the review is to ensure that the duty is set at an appropriate level to deliver and support programs that are of most benefit to the industry.

The consultation is occurring via the Engage Victoria website, closing at 5pm on Thursday 31 October 2019. This document should be read in conjunction with the text on the Engage Victoria website.

## SHEEP AND GOAT COMPENSATION FUND

Producers selling sheep and goats in Victoria currently pay a duty set at 12 cents per head.

Funds collected are paid into the SGCF, expenditure from the fund is overseen by the Sheep and Goat Compensation Advisory Committee (SGCAC) comprising representatives from industry. Expenditure requires approval from the Minister for Agriculture.

The Sheep and Goat Compensation Fund (SGCF) is established under the *Livestock Disease Control Act 1994* (LDC Act).

The purposes of the SGCF are to provide a means -

- for compensation to be paid to producers for sheep and goats affected by a declared (under the LDC Act) endemic disease that are covered by coordinated disease control programs. There currently are no declared endemic diseases for which compensation can be paid, but it remains as an important tool should there be a future need. For example, the fund previously provided compensation for losses associated with ovine Johne's disease. Compensation in the event of a declared exotic disease would be paid from a separate fund.
- for financial support to programs and projects that benefit the sheep and goat industries. The SGCAC considers proposals for funding and then makes recommendations to the Minister regarding suitable projects. Recent examples include:
  - supporting the Victorian Farmers Federation's Livestock Health and Biosecurity Victoria extension program to raise awareness of biosecurity and improve practices of peri-urban livestock producers.
  - supporting research into the development of a rapid field test for anthrax infected sheep and methods to destroy anthrax spores in the environment.
  - improving disease surveillance capability, including a project to provide feedback to producers about disease detected at abattoirs.
  - educating producers about biosecurity, welfare and traceability, for example through the publication of the Sheep Notes newsletter and VFF livestock extension activities.

NOTE – in the event of need for compensation for an exotic disease outbreak a fund separate to the SGCF would be utilised.

Figure 1 represents the SGCF, its income and its expenditure.

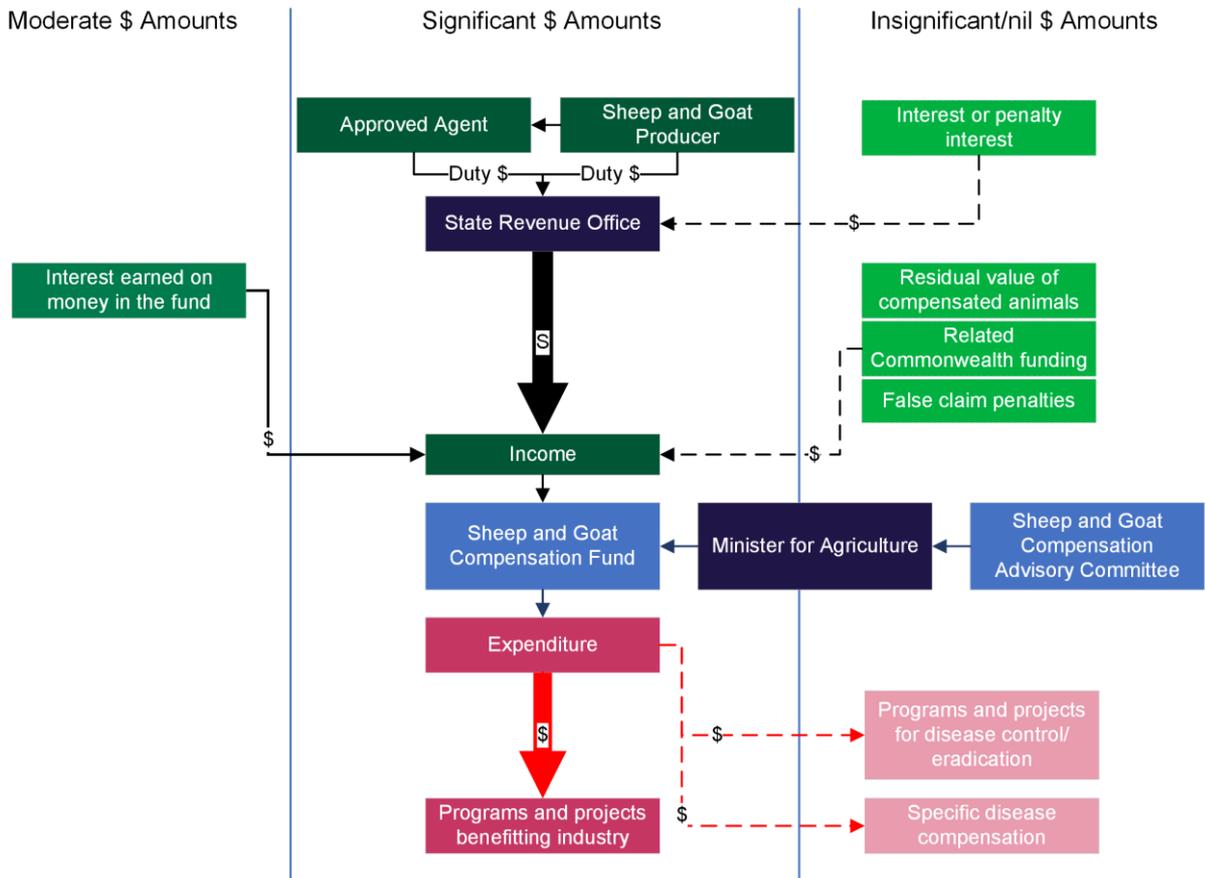


Figure 1 SGF income and expenditure

## OPTIONS TO INCREASE THE DUTY AMOUNT

This consultation paper seeks feedback on whether or not to increase the duty as set out in Figure 2 and summarised in Table 1.

### 1. Should the duty amount be increased to pay for more programs and projects?

If agreed, additional funds could be allocated to substantially more programs and projects that benefit industry. Proposals for funding would continue to be considered annually by the SGCAC.

If not agreed, the annual funding available for these programs and projects would remain at current levels.

### 2. Should the duty amount be increased to continue to subsidise the EID program beyond 2021?

If agreed, the cost to producers of EID tags would remain similar to now due to a subsidy applied to EID tag prices. EID tag prices have been subsidised to facilitate the implementation of EID and have risen as the subsidies have been progressively wound back. It is expected that in 2021 the cheapest EID tag will be available to producers for approximately 76 cents each.

If not agreed, EID tag prices would increase subject to market supply and demand. It is not possible to provide an indication of how much due to the nature of commercial drivers.

The options provided allow for a combination of answers with either a staggered increase or a single increase, or no increase. Any increase is not proposed to commence before 1 July 2020.

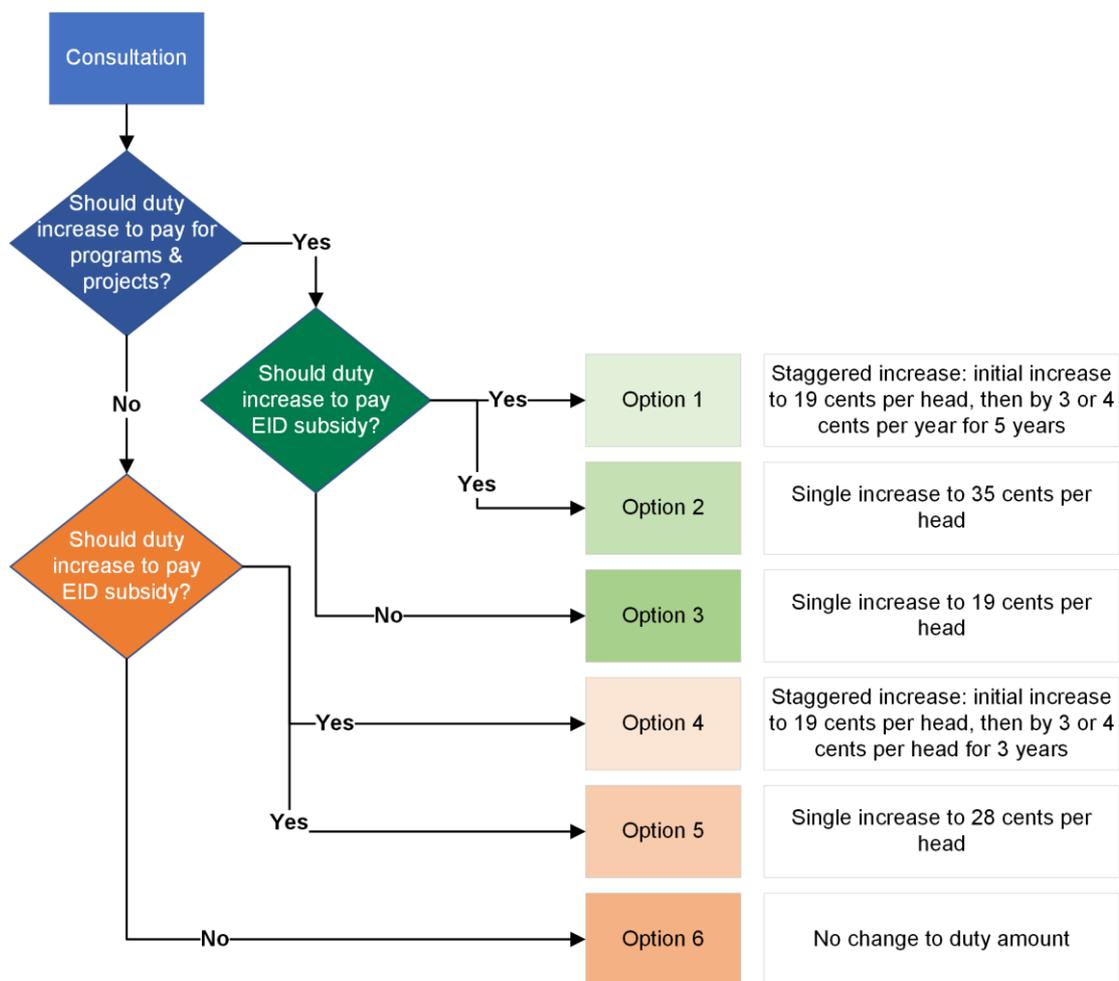


Figure 2 Consultation options flowchart

Table 1 Consultation options summary

Duty Amount for Each Option (cents per head)						
Date (1 Jul)	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
2020	19	35	19	19	28	12
2021	22	35	19	22	28	12
2022	25	35	19	25	28	12
2023	28	35	19	28	28	12
2024	31	35	19	28	28	12
2025	35	35	19	28	28	12

## **Option 1**

Option 1 provides for the SGCF to be able to fund additional programs and projects as well as subsidise the EID program beyond 2021.

The increase in the duty would be staggered over five years from 19 cents in 2020 to 35 cents by 2025. The increase would apply from July 1<sup>st</sup> each year.

## **Option 2**

Option 2 provides for the SGCF to be able to fund additional programs and projects as well as subsidise the EID program beyond 2021.

The increase in the duty would rise from the current 12 cents to 35 cents in the first year, 2020.

## **Option 3**

Option 3 provides for the SGCF to be able to fund additional programs and projects but not an ongoing subsidised EID program.

The increase to duty to fund this will be a single increase to 19 cents per head (from the current 12 cents per head). The initial increase would occur on 1 July 2020. EID tag prices would be expected to increase after 2021, dependent upon market forces.

## **Option 4**

Option 4 provides for the SGCF to be able to fund an ongoing subsidised EID program, with programs and projects funding remaining at current levels.

The increase in the duty would be increased in year 2020 to 19 cents per head (as per had indexation been applied), then increase incrementally until 2023 then remain at 28 cents per head.

## **Option 5**

Option 5 provides for the SGCF to be able to fund an ongoing subsidised EID program, with programs and projects funding remaining at current levels.

The increase to duty to fund this will be a single increase to 28 cents per head (from the current 12 cents per head). The initial increase would occur on 1 July 2020.

## **Option 6**

Option 6 is no change to the current duty paid.

This will result in the cessation of the subsidised EID program beyond 2021 and no additional funds for more programs and projects that benefit industry.

## CONSULTATION QUESTIONS

Agriculture Victoria wants to hear your views and welcomes your response to the following questions as part of the consultation.

1. Do you agree industry benefitting programs and projects should be funded from collected duties from sheep and goat sales? Why or why not?
2. What do you see are the strengths of the SGCF investing in programs and projects to benefit the industry? Are there weaknesses?
3. Do you agree that SGCF should fund the continuation of the subsidised EID program into 2022 and beyond? What reasons do you have for your view?
4. What do you see are the strengths of the industry subsidising the EID program?
5. What do you see are the weaknesses of the industry subsidising the EID program?
6. Which of the six options do you prefer and why?
7. Do you have any additional comments?

## CONSULTATION PERIOD

Consultation is via the Engage Victoria website ([engage.vic.gov.au/sheep-and-goat-duty-review](https://engage.vic.gov.au/sheep-and-goat-duty-review)) **closing at 5pm on Thursday 31 October 2019.**

To make a submission visit the Engage Victoria website and complete the form, or alternatively on that site you may upload a submission that addresses the above questions.