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Media Release

Increase in levy recommended for the future of the dairy industry

The independent committee reviewing the dairy service levy, the Levy Poll Advisory Committee, determined an increase in the service levy is in the best long-term interests of the dairy industry. Their decision included setting the options for the levy poll and recommending a 20% increase in the levy.

In July, the Levy Poll Advisory Committee (LPAC) recommended a poll be conducted of all dairy farmers to determine the future level of the dairy service levy. Following this recommendation, LPAC was required to determine the voting options which will go on the ballot to be voted on in March 2022.

The four (4) levy options to be presented in the levy poll are:

- no change to the levy (status quo)
- an increase of 15%
- an increase of 20% (recommended by LPAC)
- an increase of 25%

The levy option which LPAC recommends is an increase of 20%.

In making its decision LPAC took into consideration many factors including that there has been no change to the levy since 2012, CPI increases in that time, financial projections of a continuing decline in reserves, future commitments required for the dairy industry to succeed, as well as analysis of the benefits of the levy investment for dairy farmers. LPAC has taken into account these insights and data, as well as many views on the dairy service levy from industry stakeholders and farmers.

LPAC Chair, Ron Storey: “After detailed consideration of these factors and farmer feedback, the Committee determined that a levy increase of 20% is in the best long-term interests of the dairy industry. LPAC agreed that while an increase to the levy is recommended, farmers will make the final choice, and therefore an option of no increase is included on the ballot paper.

“Throughout the process, LPAC heard from many farmers, some of whom advocated for no levy or no increase, and others who supported a larger levy for increased investment in research, development and extension and other dairy industry services to secure their future.

“LPAC has considered these views, and on balance, believes farmers have been provided with a choice in the poll to select from the ‘increase’ options, or to choose ‘no change’ to the levy.

“I would like to thank all farmers who contributed and the LPAC members for their dedication and contribution and their commitment to acting in the best long-term interest of the dairy industry.”

To view LPAC’s full report on determining the Dairy Levy Poll options visit: dairylevyreview.com.au

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