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NATIONAL PRESIDENT'S REPORT

Deer Industry Association of Australia Annual Reports

By Andrew Hansen

A REVIEW OF SOME OF THE MAJOR ISSUES OF THE PAST YEAR.

Restructuring of the DIAA.

At the 2012 AGM, it was decided that the Board would examine alternative business structures for the DIAA to possibly replace the present limited liability company. An incorporated association registered in Victoria, was suggested as an alternative. The aim was to reduce costs and to limit the liability of directors. Members were to be informed of the result of this study prior to the 2013 AGM in order that it could be discussed.

Our secretary, Marika McKinnon, carried out an exhaustive study, including consultation with legal and accounting experts. The Board examined this report and concluded that there would be no advantages in changing our present structure.

It is, however, up to the membership to decide on the format of the DIAA's future structure. In brief-

- There would be no tax implications as long as the DIAA remains a not for profit organisation and the ATO was notified and ASIC regulations met.
- The cost of directors' liability insurance would remain the same. Our current public liability insurance provides national cover for meetings and events, however, if we were to become an incorporated association each state would require a separate PI policy costing about \$750.00 pa.
- Changeover costs would be about \$1,000.00
- Annual financial statements would need to be submitted and general administrative requirements would not change.
- Constitutional changes are easier with corporations. An association incorporated in one state, to represent branches in other states, would have to register with ASIC as a Registered Australian Body.
- Changing a corporate structure does not negate a director's duties, nor will it dilute a director's obligations or liabilities.

Further information will be available to members at the AGM.

Levies

In November, I received a letter from the Department of Agriculture, Fisheries and Forestry (DAFF) informing us that DAFF Levies will be transitioning to a new cost recovery model commencing in the 2012-13 year. They claim that the major industries have been covering the levy collection costs for small industries such as ours. The initial levy collection cost estimate for the deer industry was, wait for it, \$29,329 which would be almost equal to the total collected.

I have consulted with DAFF levies and they are revising this estimate. Unfortunately this estimate was not available at the time of writing this report.

We, as an industry, may have to consider our options. There is no point in having a compulsory levy system if collection costs near the total collected. The levies are collected under acts of parliament passed in 1992, which were enacted at the request of the deer farming industry. To repeal these acts would be an expensive and prolonged process. It may be a simpler option to have the levy amount reduced to zero by regulation. This could then be varied in the future if the industry was more buoyant.

We have several hundred thousand in our R and D account which will tide us over for the foreseeable future. The major problem as I see it is how to continue our participation in the National Residue Survey (NRS). In the view of many, it is essential to maintain export markets, not just to the EU. The current estimate for our 2012-13 NRS participation is \$7,300. Processors themselves may have to impose a levy.

More information will be available at the AGM. Please give the situation some thought.

RIRDC

RIRDC are concerned with DAFF's new cost recovery model. They have written to the secretary of DAFF voicing their concerns, especially how it will impact small industries such as ours.

Following representations by the DIAA and other rural industries, the government are to make changes to the *Primary Industries and Energy Research and Development Act 1989* (PIERD Act) to allow rural research and development corporations to undertake marketing where this is requested by industry, and the industry votes for a marketing levy. This levy would not be eligible for matching government funding, as is the case with the current R&D levy. Our current funds held by RIRDC cannot be used for marketing, only research and development. Once the amendment has been made to the PIERD Act the deer industry can then decide if we wish to have a marketing levy imposed on our production.

Food Standards Australia and New Zealand is still working on their meat standards proposal for major species (P1005) and minor species and wild game (P014). They plan a meeting of the Minor Species and Wild Game working group in late April 2013 followed by a second call for submissions from involved industries. Animal welfare in abattoirs is a major consideration.

Australian Animal Welfare Standards and Guidelines, Land Transport of Livestock,

Edition One, Version 1.1, 21st September 2012, have now been endorsed by the Primary Industries Ministerial Committee for legislation and are being regulated by law in each state and territory from 1st July 2013. We must all be familiar with, and observe, these standards and regulations where they relate to deer. The Guidelines and Standards are available on the web.

The future of **Australian Deer Horn and Co-products P/L** was discussed at the last AGM resulting in a "new look" velvet pool. Chairman Nigel Barry's report is contained in this magazine and I shall leave it to him to comment on the pools and velvet returns.

Last year the **Therapeutic Goods Administration** (TGA) approved deer velvet slices and powder as active ingredients in listed medicines and they could be included in the Australian Register of Therapeutic Goods. As yet the products are not on shelves in Australia. Past President Jim Moir is consulting with the New Zealanders. We have requested that they allow us to use information they provided to the TGA in their application to be

included in an Australian request for velvet listing in the Register.

DIAA Membership has shown a small decline down to 79 (from 86) members at the time of writing. Once again I urge all levy payers to join, especially as we may have some important decisions to make regarding the futures of levies. The DIAA can make presentations to government but they will only listen and act to us if our association is seen to be representative of the whole deer farming industry.

We may not have a marketing arm but all farmers can play a part in promoting our products and deer farming. Local venison promotions, perhaps in collaboration with a processor, can do much to increase demand. Give it a try.

I thank Marika for her marvelous work throughout the year and the help and gentle prodding she has afforded me. I also thank the directors for their continued contribution to our industry.

And lastly thanks to Australian Deer Farmer Editor-for-Life, Andy Cowan, for the very competent, ever cheerful and uncomplaining way he carries out the production of our magazine.

Andrew Hansen
President, DIAA