RICEGROWERS' ASSOCIATION
OF AUSTRALIA

Productivity Commission Inquiry
Impacts of Native Vegetation and Biodiversity Regulations

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1. Introduction

Over the past decade, there have been a number of reforms to legislation resulting in higher compliance requirements for various State and Federal Acts and Regulations for Native Vegetation and Biodiversity. As a result farmers are incurring increased impacts to their farm businesses.

The RGA notes the range of issues raised in the Issues Paper[1]. Whilst RGA acknowledge that there is a broad range of impacts to landholders, other submissions will deal with this in more detail. In lieu, RGA will address ways forward which will reduce the legislated compliance aspect of regulations and in its place landholder initiated and accepted management for environmental sustainability.

This submission will briefly summarise both the rice industry and the Ricegrowers Association of Australia Inc ("RGA") before discussing a better method of natural resource management via the RGA's Environmental Flagship Programs.

2. The Rice Industry

The rice industry encompasses the Murray Valley of NSW and Victoria and the Murrumbidgee Valley of NSW. Typically, around 150 000 – 160 000 hectares are sown to rice in October of each year across this region producing an average of around 1.2 million tonnes of rice annually. The industry has a farm gate value of around $350 million and total value (export earnings, value-added) of over $800 million. Including flow-on effects, it is estimated that the industry generates over $4 billion annually to regional communities and the Australian economy.

Rice growers have individually invested over $2.5 billion in land, water, plant and equipment and collectively invested around $400 million in mill storage and infrastructure through the Ricegrowers' Cooperative Limited (SunRice) and the Rice Marketing Board of NSW. The industry is the backbone for our regional communities generating around 21% of total regional income and 18% of total regional employment[2].

The rice industry has also invested significantly in environmental improvement and impact reduction as part of its efforts towards better natural resource management and environmental stewardship.

3. The RGA

The RGA is the collective voice of rice growers in Australia. RGA represents over 1700 voluntary members in NSW and Victoria on a wide range of issues.

As much of the Riverina region has been built upon rice, and rice is still the mainstay of many towns today, it is important that RGA members have strong and effective representation. RGA fulfils this role by representing and leading growers on issues affecting the viability of their businesses and communities. Importantly, the RGA also looks to lead its members through a process of improved environmental management.

4. Ways Forward

As a means of endeavouring to assist RGA's members to cope with the raft of legislative compliance in the area of environmental management, the industry has developed four programs as a viable option for effecting change management in farming practices.

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[1] Productivity Commission 2003, *Impacts of Native Vegetation and Biodiversity Regulations*, Issues Paper, May 2003.

2 Leslie, D.G., Keyworth, S.W., Lynn, F.L., Magill, A.F. 1992, *Rice 2000 Project*.

The RGA recognises that the top down approach applied by Governments will not work with farmers. The programs that do work are those focussed on peer development of initiatives which leads to broad peer acceptance. Irrigators have long accepted local development of programs as these have historically lead to positive outcomes accepted by and acceptable to them.

A good example is the Land and Water Management Plans. The first of these, the Murray LWMP's, took five years to develop and resulted in a partnership between State and Federal Governments and irrigators to ensure a better outcome for their landscape. The Environmental Champions Program is such a program and builds on the work of the LWMP's by incorporating the requirements of the various LWMP's into the program.

The Biodiversity Strategy and Plan and the Greenhouse Challenge are also programs developed with industry input and acceptance. These two programs are recognised as firsts for Australian agricultural industries. The implementation platform – The Environmental Champions Program – has recently been awarded significant AFFA funding to implement pilots for this key environmental management system. This testifies to the importance of this program to not only the rice industry but to other stakeholders as a better option of natural resource management.

5. Rice Environmental Flagship Programs

The rice industry has initiated a process resulting in the development of an industry-wide Rice Environmental Policy (REP). This policy now forms the basis of environmental improvement in the Rice Industry.

The primary driver of change was the growers' themselves who recognised the need for environmental responsibility and improvement but did not necessarily have the expertise or access to resources to undertake meaningful change.

At the time of the REP development, the industry believed that the range of policies and actions already in place were not well coordinated and required the structure and direction provided by one over-arching policy and action plan. In addition community expectations in the area of environmental performance were also changing. The industry recognised this change and identified a current and future link between industry performance and access to natural resources and markets.

As a result, a core group of growers came together with representatives from the Ricegrowers' Association of Australia Inc., Ricegrowers Co-operative and the CRC for Sustainable Rice Production to form the Rice Environmental Working Group who has developed the Rice Environmental Policy.

Within the Environmental Policy, the document sets out an Action Plan and identifies flagship programs – areas in which the industry will implement real change by taking part in specifically designed programs. The Rice Industry Environmental Flagship Program was launched in 2001.

The Flagship program focuses on three key areas of Biodiversity, Greenhouse and Environmental Champions Program.

Restoring the Balance for Biodiversity

RGA has developed a Biodiversity Strategy & Plan (BS&P) for the rice-growing region. The program to develop a BS&P was motivated by the desire by the rice industry to engage its farmers in a credible and meaningful plan of improvement of biodiversity on farm and in the region. The aim of the industry is to implement a biodiversity program that not only was credible, but engages the appropriate organizations and partnerships to deliver environmental improvement effectively across the region.

The rice industry supports a broad-based cooperative approach where there is close coordination between all relevant organisations, and as such, this project has included the involvement of several other stakeholders including NSW Agriculture, Murray Irrigation Limited, Coleambally Irrigation, Landcare, University of Canberra, NSW Department of Land and Water Conservation, Nature Conservation Council, National Parks & Wildlife Service and other regional bodies.

This document forms part of a project being conducted by the RGA with joint funding from the Murray Darling Basin Commission. The project also receives financial and in-kind support from Environment Australia, Murrumbidgee Irrigation and the Cooperative Research Centre for Sustainable Rice Production. This project is a first for Australian agriculture and the framework that has been developed will be used as a model for other irrigation industries within the Murray Darling Basin.

A key outcome for all organizations involved is the realization that biodiversity conservation is primarily about participation and willing recruitment to change, that is it not an academic issue but a community issue, although science is an essential backdrop. For this reason, the Environmental Champions Program will be the delivery mechanism for the BS&P, for the practical guidelines farmers will implement on farm to improve biodiversity on their farm and in the region.

The BS&P will be supported by a number of parallel processes. An example includes a baseline study of vertebrate fauna that exists on rice farms that aims to assess the level of change that has occurred and to identify the opportunities to recover and enhance biodiversity at an on-farm and regional level. This study is being undertaken by the University of Canberra.

The Greenhouse Challenge

The Australian Rice Industry leads the way in reducing greenhouse emissions from the agricultural sector.

The Ricegrowers' Association of Australia is a member of the Commonwealth Government's Greenhouse Challenge and is committed to implementing a strategy that will reduce the industry's contribution to the global warming effect.

The Australian rice industry, in conjunction with the Snowy Mountains Engineering Corporation (Environmental) has developed a comprehensive Greenhouse Strategy, with practical tools and actions to assist rice farmers in identifying the sources of greenhouse gas emissions on their farms.

An innovative electronic scorecard has been designed, allowing farmers to input their production data and calculate their emissions in a typical year. Measures can then be implemented to reduce these emissions, while achieving real cost savings on their farms.

The processing side of the rice industry has also implemented measures to reduce the greenhouse gases produced in the milling and packaging processes.

The rice industry again demonstrates its innovation and proactive approach in leading the way in Australian agriculture with the development of the scorecard and strategy.

The Environmental Champions Program will be the delivery mechanism for the Greenhouse Challenge program.

Healthy Rivers and Landscapes

This project concentrates on ensuring the quality of water and soils on and around farms is maintained, ensuring a sustainable future for our environment. The aim of this program is to improve the health of the landscape and river systems that are influenced by rice growing. The program will integrate efforts within the rice farming community with LWMP's, catchment management and river management programs and will utilise the strengths of the industry in communication, education,

research, innovation and product development. The program is important as it will develop an industry wide approach to improving conditions that affect the landscape and river health. Specifically:

- Maintain water tables at current levels and reduce where possible.
- Manage salt within the landscape to prevent further salinisation within rice areas or in downstream areas of rice growing regions
- Prevent water quality decline - particularly in terms of pesticide residue and salt loads.

Industry Performance and Innovation

The milling and processing sector of the industry have put in place strategies designed to minimise environmental impact and wastage. Such strategies include a greenhouse monitoring scheme to evaluate & reduce energy usage, package design to minimise waste and technology to convert waste rice hulls into value added products. These products range from cat litter to building materials and silicon production for use in manufacturing processes.

6. Environmental Champions Program - The platform for delivery of change

The voluntary Environmental Champions (EC) Program is a five level achievement program which aims to reward growers for their environmental stewardship at a farm and regional level.

The EC Program is designed to bring together into one program all the activities and initiatives that are expected of, or are available for, farmers in the region including the Flagship Programs outlined above and government legislation.

'Champions' has been designed to act as a 'one-stop shop' for encouraging environmental stewardship and improvement across a multiple of scales. Under a system of tiered improvement and progression, farmers will gain assistance in improving their capacity to deal with change while at the same time gaining recognition for their efforts. The program aims to demonstrate the link between environmental stewardship and improved business productivity, as well as links with farm economics, trade and market opportunities.

The Environmental Champions Program, designed for rice based farming systems, is unique in the degree of cooperation it has had in its development. Every element within the program has the collective approval by all irrigation bodies within the rice growing regions, government agencies (i.e. those managing natural resources, wildlife conservation, agricultural extension), rice systems research, catchment management, non-government bodies, RGA and most importantly – farmers!

The development of the program has been driven by rice growers. Three major reasons behind this drive are:

- The desire to leave a legacy for future generations at a farm and industry level.
- To change the perception of the industry to one of environmental leadership, through demonstrated environmental change and recognition for environmental stewardship already in place.
- To streamline the ever increasing complex demands of environmental policy and legislation to a more simplified and achievable process.

The Program Structure

In brief, each level outlined below contains different actions to be undertaken to gain credit for that level.

Level 1: Compliance

Entry level involves compliance with certain targets and most farmers will find they are already undertaking some of the actions. Activities will include chemical training & storage, irrigation

education, meeting SunRice QA standards and meeting irrigation licence requirements and no net loss of vegetation.

Level 2: Beyond Compliance

The second level is about planning and establishing strategies that will enable responsible environmental management. Activities will include identifying risks on farm, better water use efficiency, ground monitoring, off farm drainage, planning, improved stubble management and undertaking a whole farm plan.

Level 3: Stewardship

The third level is about putting those plans developed in Level 2 into practice. A large focus of Level 3 is on biodiversity activities. Activities will include farm planning, biodiversity recovery, addressing salinity and soils issues and undertaking some greenhouse reduction activities (which will lead to cost savings on farm).

Level 4: Eco-efficiencies

This level will incorporate activities that provide a financial return to the grower as well as an environmental return. Activities will include energy efficiency, renewable use and generation, addressing waste and water and reducing greenhouse gases.

Level 5: Regional Sustainability

This level will involve farmers partnering or working in conjunction with others to achieve environmental outcomes for the whole region, not just on farm. Activities may include looking at land use options on a regional scale, engaging in carbon & salinity trade and addressing other landscape and river issues.

There are many potential benefits to participating in the program, with examples including;

- More efficient practices leading to real cost savings on farm
- Accessing natural resources in the future
- To be recognised as part of a leading commodity industry
- Building your capacity to improve your legacy on farm and within the region
- Improve the standing of the industry and your livelihood in the eyes of the public and in the international market place
- Being proactive in meeting the challenges of increasing environmental demands being placed on all agricultural commodities.

Implementation of the Environmental Champions Program

The Environmental Champions program has been in development over the last two years. RGA are now at a stage of trialling the first three levels of the program.

Over the next year we are asking number of growers to volunteer to participate in cluster trial groups (seven to ten farmers in each) across each rice-growing region. Trial participants will have the opportunity to 'fine tune' the program through feedback, to ensure the program is adaptable, realistic and relevant to all growers within the rice growing industry.

It is anticipated the eight cluster groups will begin the first levels of the program shortly. Our aim is to roll the program out industry wider early next year, giving all rice growers an opportunity to become involved in the program. Our target, set by growers at the Ricegrowers' Association Annual Conference last year in Renmark, is that 50% of growers have achieved Level 1 of the program by the end of 2004.

7. Environmental Policy Conclusion

The environmental policy is part of an overall industry sustainability policy that includes two other key areas – social and economic. This overall policy seeks to ensure the industry minimises its ecological footprint as a recognised modified landscape, assist growers to be productive, profitable and eco-efficient and to support the social fabric of rice growing regions.

8. Partnership Approaches

Potential for Regulation to Hinder Successful Implementation

RGA notes that one area of interest for RGA's members is that existing programs are not hindered or hampered by policies coming in "over the top". Usually, these existing programs are specifically developed by landholders (eg Land and Water Management Plans) and as such have a large degree of acceptance by landholders. This points to the bottom up approach to environmental management and has been enormously successful in allowing farmers to manage the change process.

An issue of importance for consideration in this matter is the behaviour of landholders and their rejection of advice from those they deem to not understand agriculture, including academics and bureaucrats. Landholders abhor being "told" what to do by those who they believe have no understanding of the practical issues of farming. The respect of landholders needs to be earned by those wishing to change farming practices. This is why programs developed with input from landholders is readily accepted, i.e. it is because landholders have been part of the development that these programs have jumped a major hurdle in gaining acceptance.

Regulations potentially hinder the ability for landholders to comply with such voluntary programs. For example, listings under the threatened species may impact on the ability for farmers to develop better and more efficient irrigation systems on farms. The success of the Environmental Champions Program will depend on the ability for farmers to voluntarily undertake the program. Should regulations significantly impact on the program, then its success is jeopardised.

Partnerships are the Future

RGA have developed the Flagship programs in partnerships with Governments and landholders. To this end consultation has revealed the desired outcomes for the industry and for governments. The partnership approach then allows the stakeholders to develop a joint outcome in which the requirements of all parties is realised.

This approach resolves the "command and control" typical of past government approaches to deliver not only an agreed partnership with appropriately developed outcomes but reduces the necessity for compliance regulations. This has been successfully implemented and is the preferred framework that RGA chooses to adopt in management of natural resources.

9. Conclusion

The RGA notes the high cost of impacts of a raft of regulations on natural resource management for its members. As a means of addressing these compliance concerns, the RGA has developed in conjunction with industry stakeholders and members a highly acceptable program to implement change in natural resource management by our members.

Successful programs for changed natural resource management, such as the RGA's Environmental Flagship Programs, can only occur with significant input from those most affected, i.e. the landholders themselves in partnership with governments. An outcome of such programs will be the reduced requirements by Governments to legislate a forced compliance on landholders. The future

will be industry developed partnership programs that will negate the need for compliance aspects of regulations for Native Vegetation, Biodiversity and other natural resource management fields.