



WEST WIMMERA SHIRE COUNCIL

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Regulation of Australian Agriculture

Productivity Commission

Locked Bag 2, Collins St East PO

Melbourne Vic 8003

Via email: agriculture@pc.gov.au

To whom it may concern

Please find following a submission to the Regulation of Australian Agriculture Issues Paper. Responses were collated from representatives in the agricultural sector of the West Wimmera area. Unfortunately time restricted extensive consultation, however we hope to undertake further consultation over the coming months and once the draft paper is released.

Yours sincerely

Kellie Jordan

Manager of Economic and Business Development

Considering the collective burden of regulation

- Are there systemic problems with government regulatory processes and institutions which create unnecessary regulatory burdens on farm businesses?

It was identified through several examples that the regulatory process more often than not takes a 'top down' approach and is created as a reaction to a situation. This reactive approach limits opportunities for input by those who will be most affected by the imposition, thereby creating burdensome regulation without due consideration for the full impact. Producers would like more consultation and to be involved from the outset, rather than have regulation placed on them without due consideration. Widespread consultation could moderate the formation of new regulation as it would involve a measured, thoughtful process to develop the best solution and it would ensure that any new regulation is conclusively formulated through extensive debate.

Given that over half of Australia's farms had an estimated value off agricultural operations of less than \$100,000 in 2010-11 (ABS 2012), there seems to be an impractical approach towards Australia's export potential; more so with the excess of regulation. Many small business owners (including farmers) do not have the time, skills or level of persistence to seize export opportunities.

- What reform options might improve these processes and institutions?

Consideration could be given to reform on the basis of business size. For example, if Australia is going to rely on export from small farming businesses, targeted and practical business support could assist those producers to work through the necessary processes and upskill them with the required knowledge to continue independently. Also, regard could be given to the extent of regulation based on business size. Commercial enterprises should be required to meet higher regulatory measures compared to small farming business, niche markets etc.

Environmental protection

- What excessive and unnecessary costs do environmental protection regulations impose on farm businesses?
- Do environmental protection regulations particularly affect certain businesses or business in certain locations?
- Can the burden imposed by environmental protection regulations be reduced by changing the regulations or the way they are administered?

West Wimmera Shire Council has the Red-tailed Black Cockatoo overlay which affects all rural land (south of the Western Highway) and it does trigger planning permit requirements. The overlay imposes a requirement to apply for a planning permit for farm businesses wanting to remove trees on their property to maximise use of their land and reduce wastage and costs. Costs to businesses include damage to machinery, reduction in cropping area and therefore yield and chemical wastage. If a farm business seeks a planning permit for the removal of trees that fall within the overlay category and that permit is opposed, costs are imposed on that business to argue their case. Further, for a farm business to contest a finding against them, they are

required to provide an array of environmental reports further increasing the financial burden on farm businesses.

Access to technologies and chemicals

A. Technologies

- What are the benefits and costs of some jurisdictions specialising in GM free products relative to widespread cultivation of GM crops?

If consumers are wanting to procure GM-free and organically grown foods, farmers should have the ability to grow it. One of the constraints farmers face in West Wimmera around this matter is the low importance placed on the state boundary. For example, GM crops are grown in South Australian paddocks that literally adjoin Victorian paddocks, and as the GM debate is state-based, no consideration is given for this situation and the implications it could have.

- Is there scope for Australian regulators of agvet chemicals to recognise the tests and standards developed by their overseas counterparts?

There is scope for Australian regulators of agvet chemicals to strengthen relationships with international research on certain tests and standards, to ensure continual advancement in Australian guidelines.

Water

- What aspects of water regulation are having a material effect on the competitiveness of farm businesses and the productivity of Australian agriculture?

Unallocated licenses for underground water are required to be placed on the market through a competitive bidding process, whereby there is no baseline figure for bidders to base their expressions of interest on. Although underground water is a valuable commodity in this area, the current process to purchase it is potentially creating a situation where the water market, and the land, are overvalued.

Transport

- How could access decision-making by road managers be improved to allow freer movement of agricultural produce?

Transport linkages that allow for access to the nearest deep water port if so desired, could contribute to the freer movement of agricultural produce. Corresponding to this decision there would need to be a determination made to appropriately maintain those connecting road networks. For example, the nearest deep water port and cost-effective channel for many West Wimmera farmers is the Port of Portland, however the road network is in poor condition with no commitment to supporting this route.

Compliance with moving farm machinery between properties is onerous and ambiguous. In particular, the measurements are unclear causing confusion for farmers.

The cost of truck registration is excessive for a farmer to own their own truck to undertake farm activities. The alternative is to use a contractor to complete the works, which can be a logistical challenge in remote areas.

Animal welfare

- How do variations between state and territory animal welfare regulations affect livestock businesses and/or consumers?

There is concern amongst some farmers in the area that regulations enforcing electronic ear tags will be introduced, which will be a high costs to farmers but also may not be the best quality tags. It was suggested that tags need to be reusable and have the ability to be rewritten by the farmer, as well as not be able to be removed from the animal so as to prevent stock theft.

Consumer-related regulation

A. Food safety

- Are food safety standards proportionate to the risks they are designed to address?
- Are there unnecessary differences between state and territory food safety standards and the Australia New Zealand Food Standards Code?
- Do differing state and territory arrangements create unnecessary burdens on farming businesses operating across borders?

Regulation around yabby farming provides a good example off unnecessary differences between state and territory food safety standards. Victoria is the only state or territory to require licensing for the sale of live yabbies destined for human consumption markets. PrimeSafe's purging regulations had an unprecedented impact on this industry across Victoria. What was set to be a multi-million dollar industry in the state is all but shut down now.

Other issues

- Are there any other government regulations that reduce the competitiveness of farm businesses and/or the productivity of the agriculture sector? In what way are farm businesses affected?
- Are there other significant regulatory issues affecting farm businesses not directly addressed in this issues paper?

Worksafe regulation is proving to be quite onerous on small farmers. For example, the average farmer would require approximately 13 different licences ie. forklift, truck, loader. Consideration could be given to combining licence regulation.

Fuel producer regulations are excessive for the average farmer and restrict them from participating in the energy market. Every farmer has an opportunity to generate energy. The production of biodiesel is defined in legislation as 'fuel manufactured by chemically altering vegetable oils or animal fats (including recycled oils from these sources) to form mono-alkyl esters. Biodiesel is excisable whether or not it meets the fuel quality standard for biodiesel. To make biodiesel, you must be licensed as an excise manufacturer. There is no threshold, or own use exemption from this requirement.

When the grain deregulation took place, farmers paid levies to build the silos and the government would guarantee money to the wheat board to market the grain, however due to a change in government policy that limited borrowings, Graincorp was privatised. One of the biggest negative impacts out of this is that if a grain buyer is liquidated, farmers are unsecured creditors and end up out of pocket.

Costs associated with meeting the Goods and Services Tax requirements are disproportionate for a small farmer. The average farmer does not have the time or skills to accurately complete their reporting requirements and therefore must engage accounting experts to undertake this work. That fee is inequitable for a farming business whose value of agricultural operations of less than \$100,000.

The regulatory environment for activists needs to be strengthened, particularly around the biosecurity risks for those travelling between farms without telling anyone. Further, activists entering individual properties through misrepresentation and covertly filming farmers and farming businesses impact the agricultural industry and how it is viewed in Australia.