

301-16

12 February 2016

Regulation of Australian Agriculture
Issues Paper – Submission

Dear Sir/Madam,

Wimmera Development Association (WDA) provides economic and community development across the region, including the municipalities of Hindmarsh, Horsham, Northern Grampians, Yarriambiack and West Wimmera. We welcome the opportunity to provide a regional perspective for the Animal Industries Advisory Committee discussion paper.

As the key Regional Economic Development organisation representing the Wimmera Southern Mallee, WDA works closely with many organisations and individuals within the region Agricultural sector.

Please find following the submission from WDA.

The Commission is seeking data and information on unnecessarily burdensome regulations that materially affect the competitiveness of farm businesses, including:

regulation that has a particular effect on certain types of farm businesses, or on businesses in certain locations

The lack of countries signed up to free trade agreements hamper expansion in the agricultural sector and is a major factor in the quantity of grains product that is exported in a containerised form for processing at the final destination.

effective regulatory approaches used overseas, or in parts of Australia, that could be adopted more broadly

Multi-peril crop insurance is largely used in America and Canada. These policies give farmers confidence that they will have a return for the season, even if this means covering costs. Multi-peril crop insurance is being increasingly seen as a risk mitigation strategy amongst farmers and further research and product development in this area is required.

Do different development assessment and approval processes result in unnecessary regulatory burdens?

In traditional farming areas, residential encroachment is beginning to impact multi-generational farmers and the 'right to farm' is being lost. In many places residential areas now abut farmland. These new developments are unfortunately encroaching and many times being built on highly productive cropping and grazing land, forcing farming enterprises to work less productive land.

Is there scope for zones to allow a broader range of complementary land uses, while still preserving agricultural interests and recognising essential land management or conservation purposes?

More conversations and reviews are required based on modern farming practices and relevant industry codes of practice. Eg Intensive Livestock.

Can the burden imposed by environmental protection regulations be reduced by changing the regulations or the way they are administered?

Yes, are the buffers zones too great? Should these regulations be administered by a national statutory authority?

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

GM affects the increase in productivity and value for farmers, however, further testing/study is required on the long term stability and safety of the product. From a food safety perspective, food safety testing is required to include 7 generations of testing where GM only requires 3 generations. This should be widened to guarantee no/minimal ill effects on health. There are also concerns that GM seeds are provided by single providers, suggesting a likely monopoly on future seed supplies which is not conducive to sound economic practice.

How do GM crop moratoria affect investment in Australian agriculture and the ability of domestic farmers to compete internationally?

The moratoria needs to be as productive as possible to assist in safe future production, reduced input costs and greater yields. Further research and development needs to continue to address chemical resistance and weakening of GM benefits as further generations are grown. Eg Farmers reporting that the first GM crops required minimal chemicals and with each new crop, additional chemicals are required.

Does the regulatory system for Agvet chemicals effectively align regulatory effort with risk? How can a better system be achieved?

Yes, however with the improvements in technology the levels of detection are constantly increasing, and regulations change to keep up. Needs to be a more standard approach. Are there international standards that could be adopted?

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

The Wimmera Mallee pipeline project has been a significant boost delivering water security to the Wimmera Southern Mallee agricultural producers and the region.

Do transport regulations impose unnecessary burdens on agricultural producers?

Regulations make it difficult for producers to transport their stock, equipment and produce. In many cases escort vehicles and specific route permits are required. If producers need to travel interstate, these regulations often differ, requiring additional approvals. A national standard would assist producers.

Increased axle loads for road and rail would assist with increasing efficiencies and would require significant investment to upgrade existing infrastructure. Currently containers are shipped at a weight suitable for logistics rather than being full. The cost of transporting a container is a 'container price', not weight relevant.

What are the costs and benefits of national animal welfare standards? Are there any barriers to implementing national standards?

Some areas of animal welfare are over regulated as the vast majority of producers see their livestock as income and look after them extremely well. This is of course open to perception.

Unfortunately, once livestock sold and sent off shore, it is very difficult to regulate what can happen once they arrive at the destination.

National standards for 'Pasture Certification' is required as currently there are differing standards from state to state.

Are requirements for biosecurity-related audit arrangements unnecessarily burdensome? Could audits be combined or streamlined?

Government Export Certification is an arduous process. Audits can always be streamlined and combined as part of continued improvement process.

Do risk assessments of imported agricultural inputs effectively balance the need to protect Australia from harmful pests and diseases with the need to minimise the burden on importers?

Yes, weaker standards for the importation of products increases the biosecurity risk for Australian agriculture as well as Australian native flora and fauna.

Do food labels provide information that is useful for consumers? What aspects of labelling are likely to be most important to consumers?

Consumers want to gain as much information about the product that they are buying as possible and currently GMO's are highlighted as an extremely complex area. Information is often confusing for the consumer. Eg GMO free mean that there is No GMO included, whereas Free from GMO means GMO's not detected.

Many producers don't understand how to comply with food labelling regulations and it can be a costly exercise for producers to engage professional help to assist and analyse products.

Do Australia's truth-in-labelling laws enable agricultural producers to differentiate their products for competitive advantage?

The biggest problem for truth in labelling is the man in the street is city based. Eg LuvaDuck were recently fined for misleading advertising stating 'Ducks grown on the Wimmera Plains'. Anyone in the Wimmera understands that the duck sheds are scattered across three shires on the Wimmera plains, however the perception of the city consumer is that the ducks are free range. Wording and perception are everything.

Food labelling is controlled by the ACCC with enforcement usually instigated by an opposition company blowing the whistle. Most aspects of labelling are mandatory which all are based on food safety. Other areas where consumers now expecting more information are GMO's, Dolphin Friendly and Palm Tree oil notifications all of which are currently voluntary.

Where are the restrictions on competition in the agricultural sector or its supply chains?

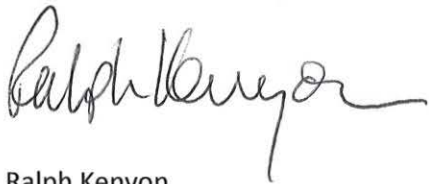
Regulations are currently different across all states with some not well resourced. Private and industry standards are often far more stringent than the required regulations in place. Supermarket standards are very onerous to producers both timewise and financially. International standards industry wide would be a great direction to head. The two major supermarket chains both have their own processes, both very challenging to achieve. Neither recognise international accreditations often higher levels than their own.

Is competition facilitated or reduced by regulations allowing small businesses to collectively bargain with a large business, or by industry codes of conduct authorised under the Competition and Consumer Act 2010 (Cwlth)?

As most producers are tied up with one of the two major supermarket chains, a collective approach is seen as a good way forward. This would require regulation rather than a code of conduct for the large players to work with the smaller businesses in a fair and equitable manner.

Thank you for the opportunity to have input to this review. Wimmera Development Association look forward to working with industry and government to assist and support the roll out of any changes brought by this review.

Regards



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