

Submission to “Regulation of Australian Agriculture”

Productivity Commission Issues Paper

Primary Producers SA (PPSA) thank you for the opportunity to both make a submission, and to have met with officers of the commission.

The Paper is certainly welcomed and we would envisage that it will result in productivity increases across Australian Agriculture.

We agree that regulation is essential in many ways. However, all levels of Government need to be “nimble” to ensure that regulation is updated quickly as technology and circumstances change.

Regulation also needs to be clear in intent, and not up for interpretation which varies between those responsible for compliance.

We will comment below on the major areas of regulation which we see as needing modernisation or change.

Transport

To PPSA, this is the major area in which reform can deliver the biggest benefit to Primary Producers. The costs of transport to Agriculture are huge, and international comparisons do not show us as competitive in this sector. While much of that may be put down to infrastructure issues, there is much that can be done through regulatory change.

Transport is a complex regulatory environment with Federal (NHVR), State and Local Government all having areas of responsibility. Whilst this is a big part of the problem we cannot afford for it to be an excuse for a lack of reform.

In South Australia, Primary Producers SA have entered in to an agreement with 2 State Government Agencies Primary Industries and Resources SA (PIRSA) and Department of Planning, Transport and Infrastructure (DPTI) to work together on a unique project to accurately identify the issues and measure the impacts to best inform the priorities for change.

This is a partnership approach, with PPSA taking responsibility for the identification of the issues and collecting data and survey feedback to drive the changes which will make the most difference.

The major categories are:

1. Freight Routes for bigger combinations.
2. First and Last Mile Issues (eg Access issues to silos and saleyards)
3. Agricultural Machinery movement on public roads
4. A range of Registration and diary issues.

We are seeing unprecedented co-operation of industry and Government. A steering Committee including industry and the CEO's of the 2 Government Departments is driving the project.

Industry are identifying tens of millions in savings, and we have seen a large extra value add investment made as a direct result of the project.

We would encourage the 3 levels of Government to nationally work with industry to bring our transport costs down. We need a modernisation and harmonisation of our regulatory systems.

In summary, Transport is the biggest issue in regards to our competitiveness. It strongly impacts on the productivity of nearly every agricultural business in Australia.

Environmental Regulation

The various States have different levels of environmental regulation.

In South Australia the major ones are Native Vegetation and Natural Resource Management (NRM), the latter been administered through a network of NRM Boards.

SA was an early mover in the area of Native Vegetation regulation. It has been regarded by the majority as expensive and bureaucratic. However, through much consultation over the last 2 years there has been regulatory change tabled in the

Parliament which we welcome. It is a move from any applicant to clear vegetation having to pay in to a fund which is seen as “over the top”, to a much more market driven system allowing farmers to benefit from credits for making environmental benefit.

NRM look after water, soils and weeds. Water is an ongoing hot issue, and one that consensus is hard to find on. A major issue in SA at the moment is in regards to the costs of water management been passed on to landholders – and the lack of transparency of what they are paying for. The costs of regulation of water resources is currently a major issue.

In SA the costs of the NRM boards are largely covered by land and water levies on landholders. These costs are predicted to rise enormously in 2016/2017 and this is a major concern to many land holders.

Land Use Planning

Planning is an issue which affects a section of the industry enormously. This is primarily in the more settled areas. Sometimes it may even be in conflict between primary production commodities.

Buffer zones is one particular issue, and it has seemed unfair that the new developer has not been responsible for the provision of the zone.

Mining and gas and their interaction with agriculture are big issues nationally. These issues tend to become emotional and science often ignored – stronger regulation re consultation, land holder engagement, compensation and environmental impact should be put in place.

Native Title

Has not been a big issue in SA in last couple of years. However, we must be mindful that fairness and co-operation are necessary. Conflict in this area can result in wasted cost and effort for everyone.

Pastoral Leases

Pastoral leases cover a vast area in SA. These people are not just Primary Producers, but also land managers, comfort for tourist safety and a unique brand for Australia. Their rights and ability to operate and be prosperous are integral to the way the Outback operates. As environmental and indigenous interests have taken control of

large areas in the pastoral regions regulations have not kept pace - in issues like Dog control pastoralists jobs have been made more difficult and costly!

Access to Technology and chemicals

Probably PPSA's biggest issue here is the ban on GMO in SA. Grain Producers SA (a member of PPSA) have a particular interest in this issue and we support their submission.

It is not only the lack of varieties and characteristics of crops, but also that SA farmers are missing out on techniques for weed resistance management. The costs over the next 5-10 years if this does not change are very significant to SA agriculture.

The argument that the ban is gaining SA producers premiums is not supported by any real evidence, and grain prices suggest otherwise.

Primary Producers should not be denied technology where there is no real evidence to support that ban.

There are also a range of issues with registration of chemicals, particularly for minor use. No doubt you have been given many examples from others, and PPSA would support a process to make these changes easier and cheaper.

Biosecurity

Certainly PPSA support strong regulation to protect our industries from foreign disease and pests.

Regarding exports, PPSA again defer to the issues raised by individual commodity organisations.

Animal Welfare

Animal Welfare has become a fertile ground for political activists. Intensive animal producers should not have to live in fear of activists raiding them and creating bio-security issues.

Again, the relevant groups will highlight the issues.

Food Labelling

It is still a major issue that shoppers wanting to support Australian and more local products find it hard to identify the true local product. This issue has been around for a long time, and producers are frustrated at the lack of progress.

Basically, we need a system where consumers wishing to support local producers have trust and ability to buy local produce without having to interrogate every label.

Food Safety

Primary producers totally understand the need for food safety, and this has been heightened with the media examples of otherwise. Regulations just need to make sense, and Australian producers need to know imports are meeting the same requirements.

Competition Regulation

There are significant issues raised by Grain Producers SA in this area in their submission. Also there would be no doubt the wine grape growers have raised issues.

Each commodity has issues in this area and we encourage the Productivity Commission to address this area.

Investment

Australian Agriculture and the food industry needs significant investment to achieve what it can do for the Australian economy.

Overseas investment is under attack from various quarters and some media areas. We realise that to do what agriculture wants we need significant investment. Unfortunately we are aware the major source of funds in Australia (superannuation funds) have no vision for food and wine, so foreign investment is needed.

We believe a register of overseas owned assets would be helpful from both a policy point of view, and also managing criticisms. There is an uninformed and loud view of the level of overseas ownership, and the profile there in.

Our ask here would be that investment be treated in a way which takes in to account the benefits to both production and trade.

History tells us there have been some negative overseas investments which we need to acknowledge – and we need to encourage co- investment – particularly China have the money and the markets – we have the expertise and together we can bring considerable prosperity.

Other Issues

As raised at the PPSA consultation there were 2 other issues which we would raise.

Drones are a new feature on the scene. They offer huge and diverse benefits to producers. But in the near metro scene we are likely to encounter huge regulation re privacy issues – and rightfully so!

PPSA ask that in addressing these issues Governments do not restrict the benefits that primary producers receive from this technology.

Firearms is another issue which concerns many primary producers. Regulations need to make sense and be practical. We realise that we need to play our part in community safety, and hope regulations acknowledge this.

Thank you for the opportunity to make this submission. We really appreciated the face to face meeting you attended – it was most useful and this submission backs up our discussions.

Yours Sincerely

Rob Kerin
Chair
Primary Producers SA