



Regulation of Australian Agriculture
Productivity Commission

This submission is provided to the Commission in support of the views provided by members of the NT Farmers in relation to the regulation of agriculture in Australia. The views expressed here are kept fairly broad as the intricacies involved in each of the various areas being reviewed need to be analysed and focussed on in far greater depth than what is able to be put on paper in this submission.

NT Farmers (NTFA) is the peak industry body representing plant industries within the Northern Territory (NT). NTFA represents the interests of members in groups such as vegetables, tropical and exotic fruits, mangoes, the nursery and gardens industry and forestry. Our members represent an industry with a production value in excess of \$200 million per annum and growing. One of the most significant hurdles to ongoing development is the burden of regulation.

The below sections are divided to enable ease of referral to specific segments of the inquiry. Not all segments of the inquiry have been addressed due to the complex nature of the matters needing to be discussed.

Biosecurity

NT Farmers believes that the regulatory environment governing biosecurity is one of the most complex structures around, one which brings to play Federal, and Territory regulations, as well as cross jurisdictional regulations. For example regulations governing market access between the Northern Territory and South Australia, is onerous and creates an us versus them mentality. It is certainly important to ensure good biosecurity practices but emphasis needs to be placed on preparation and planning prior to an issue occurring rather than the current mentality of lock down and then resolve. Ensuring that biosecurity is the shared responsibility of all parties, regardless of where the outbreak occurred, is important to establish. It will require an organisational and cultural shift in the mentality of those within the regulatory environment.

Land Use Planning

From a land use planning perspective, it is certainly a major issue that is currently being faced in the NT, urban encroachment is becoming and will be an increasingly complex matter to manage. The rapid growth of population and with the increased focus brought on the North through initiatives such as the Federal Governments Northern Australia development agenda, which is most welcomed, also has unforeseen impacts that agriculture is dealing with. Much of the planning and zoning is the responsibility of the Territory Government and to a great extent the protection of horticulture land and enabling the growth of horticulture through appropriate zoning and planning has not been on the top of the minds of many planners. Planning tends to focus on the needs of urban populations and demand for housing and associated services, at the expense of horticulture. In the NT horticulture, particularly within the Darwin region, is very close to or in the path of planned urban growth centres. In addition the lack of coordination between the various government Departments tasked with land use planning and protecting the interests of horticulture is concerning. Approval processes for developments need to also be done in light of protecting existing horticulture and potential horticulture growth areas and in this case it would be important for the Federal Government to also provide some guidance through projects such as CSIRO land use mapping that would recommend to the Territory Government the protection of high value agricultural land.

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Water Planning

Water is a critical resource within the NT and although there are suggestions that water is abundant in the NT, this can be true to varying degrees as what is important within farming is to have a combination of water and soil in one place. In addition water in the NT is mainly groundwater, with very minimal above ground water storage. As such it is critical for planning and allocation of extraction licenses be done in a manner that is fair to existing irrigators, well assessed in terms of new applications and taking a balanced view over competing needs. New licenses being issued needs to take into consideration that it may be best to issue water licenses in a staged manner where users need to prove the need to extract water by actually demonstrating use, before increasing the extraction limits, rather than issuing a large extraction limit from day one. Adding further to this is the appropriate costing of water and the need to understand how charges should be levied and what incentives are in place for efficient users of water or to increase the efficient use of water.

Water planning and allocation is the responsibility of the NT Government, but when there are developments such as the Ord which would see water flowing in a controlled manner on man-made channels, across borders, as is the case in Ord Stage 3, then water planning and regulations can become complex as it now needs the cooperation of two jurisdictions, but for the same purpose. For example with the Ord Stage 3 development, the possible proponent of the development is one company that has to deal with two jurisdictions, not only for water but other matters. In such cases it is essential that there are frameworks in place, jointly developed by the two jurisdictions that allow for one set of joint regulations.

Transport

Regulations within the transport sector tie in with what was discussed above in Biosecurity, whereby market access is key. Transport regulation itself related to the movement of goods and machinery across jurisdictional boundaries is the main concern. The matter of transport is made more complex when looking at the modes of transport. Road which is the main mode of transport for movement of goods in and out of the NT needs to adhere to various rules around biosecurity at borders and also at markets.

Taxation and Labour

Taxation and labour within the plant based industries go hand in hand and increasingly so. These two areas on their own are complex let alone the combination of these two. The reason why these two matters have been combined is in light of the proposed changes that the Federal Treasury have put forward in relation to the changes to taxation for working holiday makers/backpackers. This segment of the labour market is the most important segment that provides almost all labour within the industry and particularly in the NT. It is possible that the increase in tax will decrease the amount of labour available, thereby decreasing productivity, creating losses in production, in turn increasing the price of goods to consumers, as well as creating a net negative impact on the budget bottom line. This negative impact may therefore outweigh the positive impact on the budget created by an increase in the tax. In addition it also creates a lack of immediate local spend, which has a negative impact on the bottom line and cash flow of businesses that rely on the backpacker market.



NT Farmers looks forward to the completion of this review and would be pleased to be involved in ongoing work in conjunction with the Productivity Commission when addressing the needs specific to the Northern Territory.

Kind Regards,

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