

Environmental Farmers Network

comments on

Productivity Commission report (Regulation of Australian Agriculture)

General premises and approach

Our Comments: The EFN has a conceptual difficulty with many of the premises which underlie this piece of work. They are pervasive and seem to be more agenda-driven than logic-driven. They are not addressed, and thus not justified. If they are wrong (and many of our members believe they are) then the whole set of recommendations is compromised.

In our opinion these questionable (and un-argued) premises are:

- Productivity is only dealt with as \$'s made as a proportion of \$'s spent, and only within the immediate financial environment. The more dollars made, the more productive.
- Productivity and efficiency are interchangeable concepts for the purpose of our discussion
- Efficiency is only brought on by competitiveness
- The market will dispose of the inefficient, or the non-competitive, or the non-productive. Such disposal will not cause any damage to the resource base from which they are extracting their failing returns.
- Regulation will always be too onerous on \$ producing enterprises.
- Economic and social considerations will always gazump environmental considerations at the individual business level.
- The non-priced goods previously arising from agricultural land do not need to be considered as opportunity costs when ecosystems are channelled completely into the production of agricultural goods. The principal of external costs can be waived.

As environmental farmers, we work to have Australian agriculture:

- fully sustainable in environmental terms,
- workig in concert (and proper balance) with other community and planetary needs, and
- making sure economic benefits are available to farmers in 10 , 50 and 100 years.

It is especially important to us that we are not compromising future farmers (and indeed the population in general) by short-term-rewards based decisions of today.

Which brings up two other key issues we consider paramount to the future of agriculture Australia- (and indeed world)-wide. This document rather amazingly has factored them out. The first is the need for a collective vision of the what, the where, and the how we would like agriculture to be. The second, the 'bull-in-the-china shop' issue, climate change. It amazes us to consider that the term 'climate change' only occurs 9 times in a 576 page report on agriculture, and only two of these are in

the general text. The word vision occurs just once (and that is in terms of the superannuation industry having no vision for food production, therefore we need overseas funds). How can agriculture be considered with-out considering the future we hope to have for it and the things along the way that will help or hinder our hopes? If our productivity hopes are all related to reducing the regulatory burden, then we have nowhere to go.

The question we must ask ourselves now – Do we think implementation of these recommendations will help Australia have a robust, sustainable, magnanimous and productive agricultural sector in the year 2050? The answer in our minds can only be no!

Landuse Regulations

Draft recommendation 2.1 Land management objectives should be implemented directly through land use regulation, rather than through pastoral lease conditions. State and territory governments should pursue reforms that enable the removal of restrictions on land use from pastoral leases.

Draft finding 2.1 Pastoral leases offer less security of tenure than freehold land, creating uncertainty for leaseholders and investors. In general, converting pastoral leases to freehold facilitates efficient land use

Our Comments: EFN does not agree with the removal of lease land management conditions as more efficient land use could be equivalent to practices such as overgrazing and using breeds of animals that graze so efficiently they damage the natural resource base. EFN understands that this practice is already happening in some pastoral areas. Overgrazing has already damaged many pastoral areas with the practice going back to early settlement. This damage is very hard to repair and takes many years of destocking and kangaroo grazing pressure control.

Draft recommendation 2.2 State and territory governments should:

- ensure that, where reforms to Crown lands confer additional property rights on a landholder, the landholder pays for the higher value of the land and any costs associated with the change (including administrative costs and loss of value to other parties)
- set rent payments for existing agricultural leases to reflect the market value of those leases, with appropriate transitional arrangements

Our Comments: EFN does not support private ownership of large swathes of inland Australia. It will mean reduced control of land management practices and almost certainly increase pressure and therefore damage on natural resources.

Environmental Regulations

Draft recommendation 3.1

The Australian, state and territory governments, in consultation with natural resource management organisations, should ensure that native vegetation and biodiversity conservation regulations:

- are risk based (so that landholders' obligations are proportionate to the impacts of their proposed actions)
- rely on assessments at the landscape scale, not just at the individual property scale
- consistently consider and balance economic, social and environmental factors.

Draft recommendation 3.2

The Australian, state and territory governments should continue to develop market-based approaches to native vegetation and biodiversity conservation. Where the community is seeking particular environmental outcomes, governments could achieve them by buying environmental services (such as native vegetation retention and management) from existing landholders.

Draft recommendation 3.3

The Australian, state and territory governments should review the way they engage with landholders about environmental regulations, and make necessary changes so that:

- landholders are supported to understand the environmental regulations that affect them, and the actions required under those regulations. This would be facilitated by:
- recognising and recruiting the efforts and expertise of landholders and community-based natural resource management organisations
- building the capability of, and landholders' trust in, environmental regulators.

Our Comments:

3.1 Landscape scale assessments are the same as property assessments when you consider the size of pastoral leases.

We do not agree with equal weighting on social, environmental and economic factors. The natural resource base is the primary resource...the other two logically flow from these values.

3.2 EFN supports the development of market based approaches to conservation but emphasises that this approach should not imply that duty of care lapses in the absence of market based incentives. We recognise that Governments have limitations to the volume of incentives they can purchase/generate. In the circumstances of reduced financial availability of incentives the incentives should be for actions that are in excess of duty of care and compensate land managers for loss of agricultural income.

Predicted deterioration of grazing conditions with ongoing climate change will make many

pastoral lease areas even more unviable than they already are. EFN believes the Government should be discouraging “productive” use of vast areas of inland Australia. Best use is probably biodiversity conservation and carbon sinks. Government could be paying existing land managers to “farm” the land for these two purposes. Their activities would be similar to those of conservation bodies such as Bush Heritage which is trying to reclaim areas such as Boolcoomatta Station in South Australia which were badly damaged by overgrazing with sheep more than 100 years ago and still recovering.

3.3 Landholders are already engaged with various state based range land programs and we agree that you can always do better at engagement and recognise landholder expertise.

On-farm regulation of water

Draft finding 4.1

Complexity and ongoing changes in water regulation contribute to the cumulative burden of regulation on farm businesses. However, the diversity of Australia’s river catchments makes streamlining and harmonising regulation difficult. More flexible governance arrangements may be needed to develop locally appropriate regulatory settings for accessing water.

Draft recommendation 4.1

The Australian Government should implement the findings of the Interagency Working Group on Commonwealth Water Information Provision to reduce duplicative and unnecessary water management information requirements imposed on farm businesses.

Our Comments:

We agree that application of water regulations should be catchment based within an overall consistent framework but all use of water should be quantified both to protect other downstream users and the environment.

Regulation of farm animal welfare

Draft recommendation 5.1

The Australian Government should take responsibility for ensuring that scientific principles guide the development of farm animal welfare standards. To do this, an independent body tasked with developing national standards and guidelines for farm animal welfare should be established.

The body should be responsible for determining if new standards are required and, if so, for managing the regulatory impact assessment process for the proposed standards. It should include an animal science and community ethics advisory committee to provide independent

evidence on animal welfare science and research on community values.

Information request 5.1

The Commission is seeking feedback on:

- the most effective governance structure for an independent body tasked with assessing and developing standards and guidelines for farm animal welfare
- what the body's responsibilities should include (and whether it should make decisions or recommendations and if the latter, to whom)
- what processes the body should use to inform and gauge community values on farm animal welfare
- how such a body should be funded.

Draft recommendation 5.2

State and territory governments should review their monitoring and enforcement functions for farm animal welfare and make necessary changes so that:

- there is separation between agriculture policy matters and farm animal welfare monitoring and enforcement functions
- a transparent process is in place for publicly reporting on monitoring and enforcement activities
- adequate resourcing is available to support an effective discharge of monitoring and enforcement activities.

State and territory governments should also consider recognising industry quality assurance schemes as a means of achieving compliance with farm animal welfare standards where the scheme seeks to ensure compliance (at a minimum) with standards in law, and involves independent and transparent auditing arrangements.

Our Comments:

5.1 EFN agrees with scientific principles/standards guiding the development of farm animal welfare standards and the formation of an independent body to oversee this.

5.2 Agree with separation of policy and enforcement at the State level and transparent processes to satisfy community demand. Not sure that industry quality assurance schemes result in animal welfare outcomes eg free range egg definition.

Access to technologies and agricultural and veterinary chemicals

Draft finding 6.1

There is no economic or health and safety justification for banning the cultivation of genetically modified (GM) organisms.

- The Office of the Gene Technology Regulator (OGTR) and Food Standards Australia New Zealand (FSANZ) assess GM organisms and foods for their effect on health,

safety and the environment. Scientific evidence indicates that GM organisms and foods approved by the OGTR and FSANZ are no less safe than their non-GM counterparts.

- The successful coexistence of GM and non-GM crops is possible and has been demonstrated both in Australia and overseas. This means that if there are any market access or trade benefits (including price premiums for non-GM products), they would be achieved regardless of whether GM crops are in the market.

Draft recommendation 6.1

The New South Wales, South Australian, Western Australian, Tasmanian and Australian Capital Territory governments should remove their moratoria (prohibitions) on genetically modified crops. All state and territory governments should also repeal the legislation that imposes or gives them powers to impose moratoria on the cultivation of genetically modified organisms by 2018.

The removal of the moratoria and repeal of the relevant legislation should be accompanied by the provision of accurate information about the risks and benefits to the Australian community from genetic modification technologies. State and territory governments, the Office of the Gene Technology Regulator and Food Standards Australia New Zealand should actively coordinate the provision of this information.

Draft recommendation 6.2

The Australian Pesticides and Veterinary Medicines Authority should make greater use of international evidence in its assessments of agricultural and veterinary chemicals (including by placing greater reliance on assessments made by trusted comparable international regulators). Reforms currently underway in this area should be expedited.

Draft recommendation 6.3

The Australian, state and territory governments should expedite the implementation of a national control-of-use regime for agricultural and veterinary chemicals (which includes increased harmonisation of off-label use provisions), with the aim of having the regime in place in all states and territories by the end of 2018.

Information request 6.1

How well does the regulatory framework for technologies and agvet chemicals perform? Are the institutional arrangements and regulatory objectives underpinning the OGTR and APVMA appropriate and up to date? What improvements could be made?

Our Comments:

6.1 EFN believes GM should be thoroughly tested on a case by case basis. Sweeping statements to remove state prohibitions are not wise.

6.2 EFN agrees

EFN has no specific comment on the recommendations made by the Productivity Commission on:

Biosecurity

Transport

Food Regulation

Competition regulation

Foreign investment in agriculture

Draft recommendation 12.1

The Australian Government should increase the screening thresholds for examination of foreign investments in agricultural land and agribusinesses by the Foreign Investment Review Board to \$252 million (indexed annually and not cumulative).

Draft recommendation 12.2

The Australian Government should set application fees for foreign investment proposals at the level that recovers the costs incurred by the Foreign Investment Review Board in reviewing proposals, and should closely monitor the fees to ensure no over- or under-recovery of costs.

Our Comments:

Agree

Foreign investment levels triggering investigation probably should be lowered as the Australian Government is unlikely to want to deny them rights once they own large tracts of land with proposed changes to other regulations. Further, it does seem appropriate to fund any investigation on a user-pays basis.

The way forward

Information request 14.1

The Commission is seeking feedback on possible strategies and governance arrangements for improving the incentives for policy makers to use regulatory impact assessment processes as an analytical tool to support the quality of regulation making, rather than as a legitimising tool or compliance exercise.

Our Comments:

Please see introductory comments at the start of the submission.

In summary, good regulation in agriculture will keep the resource productive while enabling agriculture to use a sustainable portion of that production without compromising the available level of ecosystem services.