

Goulburn Broken Catchment Management Authority

**Submission to Australian Government: *Agricultural
Competitiveness Green Paper***

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Approval history

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1.2	9/12/14	C Sexton B Caldwell	Formatting and additions Included Board and staff feedback.
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Introduction

The Goulburn Broken Catchment Management Authority (CMA) welcomes the opportunity to provide a submission and feedback to the Australian Governments Agricultural Competitiveness Green Paper. The Green paper's summation of the Australian Government's stakeholders and the public's submissions is comprehensive and imperative to Australian agriculture's future.

The Goulburn Broken Catchment contributes significantly to the economic, social and environmental characteristics of Victoria and Australia. Sustainable agriculture, food production and processing underpins the region's economy with a gross value of agriculture production of \$1.77 billion (2011 figure), being approximately 15% of Victoria's total agricultural production. Primary production and manufacturing (especially food processing) accounts for about 22 per cent of the 90,000 plus jobs in the Goulburn Broken economy. Water inflows to the Catchment are 3,559 gigalitres per year, or about 11 per cent of the total annual inflows to the Murray-Darling Basin (Murray Darling Basin Authority 2010) and have significant economic, environmental and social importance both within and downstream of the Catchment providing high quality water for productive purposes.

Sustainable agriculture and profitable farm production within the region is underpinned by a proud history of community involvement and volunteerism in natural resource management, for example some of the earliest Landcare Groups in Australia were formed within the Catchment in 1987. The regional community also typically invests (through cost-share plus in-kind) up to \$5 for every \$1 of government funding in natural resource management in the Catchment.

Programs being led by the Goulburn Broken CMA are resulting in tangible outcomes for the region, leading to benefits for the environment as well as local food producers. For example, the on-farm irrigation efficiency program (referred to as the Farm Water Program) has resulted in 52 GL of water being saved to date by the region's irrigators with at least half transferred to the Australian or State governments for environmental purposes and the remaining savings being reapplied on farms to increase productivity. The Farm Water Program has generated an average benefit:cost ratio of around 1.7. Benefits to the region's farmers include significant increases in production (for grazing properties yield increases of between 0.4 – 2 tonnes Dry Matter/ha), as well as time and labour savings when irrigating, and a higher value of production per megalitre of water used.

Building on this strong history of community-led natural resource management planning, the Goulburn Broken Regional Catchment Strategy (RCS) 2013-2019 has recently been developed in partnership with the Catchment community to set the priorities and targets for directing the Catchment's resources over the next six years towards achieving economic, environmental and social benefits. This Strategy will be underpinned by Local Plans and investment processes that are simple and targeted to regional and local priorities driving sustainable agricultural practices and a clean and green image for the region.

The Goulburn Broken CMA recognises that the Australian Government will be unable to pursue all recommendations from previous submissions made and realises that this submission to the Green Paper is an opportunity to reiterate previous recommendations made by the organisation and to provide feedback and comment to the policy suggestions made in the Green Paper.

The Goulburn Broken CMA makes the following recommendations.

Goulburn Broken CMA's recommendations for the Green Paper:

Working with the states and territories

Reducing red and green tape is a key priority of the Australian Government and is a key feature in the future delivery of Natural Resource Management (NRM) funding and activities being delivered by the regions under the National Landcare Programme (NLP). This will lead to efficient use of time, funds, and reduce the burden of paperwork and reporting to the community. This is also beneficial to ensuring cross border regulations talk to each other and remove anomalies making national enterprises more efficient and effective.

However, it is important to ensure that there is regulation in place where needed as deregulation could potentially lead to loss of protection to significant assets and systems.

Deregulation is a priority with governments looking to reduce red tape, duplication and improve the performance of regulators. Suggested deregulations from policy idea 4 of the green paper included:

- A. removing excessive native vegetation laws;
- B. removing excessive work health and safety requirements; and
- C. improving the efficiency of the native title system.

Recommendations:

1. While the Goulburn Broken CMA supports a more efficient application of regulations, Policy Idea 4 appears to suggest that native vegetation regulations are excessive. If streamlining is required, the regulation system could be improved without reducing the overall principle of avoiding the removal of native vegetation. This response also suggests that regulating native vegetation removal has a negative impact on agriculture. As a leading NRM organisation in Victoria, the Goulburn Broken CMA continues to recognise and promote the value of native vegetation for several reasons: in its importance to overall catchment health; in the provision of ecosystem services to productive lands including its provision of many on-farm benefits, such as shelter, pollination services and water filtration; and the retention and improvement of threatened species habitat and ecosystems.

2. Policy idea 4 seems to suggest that native vegetation regulations are an impediment to development. Feedback from our stakeholders suggests this is often not the case, but rather the lack of resources to effectively implement the regulations, lack of monitoring and compliance, lack of sound government policy and in-effective mapping, are the major concerns. Regulation plays a key role in balancing regional development with environmental values to ensure the states and territories can develop sustainably.
3. The Goulburn Broken CMA is supportive of a national review of environmental regulation to identify issues, efficiencies and a consistent approach across the nation, with the potential for a 'one-stop shop'. However, this approach needs to be mindful of the critical roles that different organisations play in ensuring equitable and efficient implementation of regulatory processes. The Goulburn Broken Regional Catchment Strategy is evidence of a partnership approach which ensures the protection of natural resource assets for social, environmental and economic benefits to all stakeholders.

The Goulburn Broken CMA is unsure of the relationship between the policy ideas provided in the Green Paper in regards to Victoria's Permitted Native Vegetation Regulations. We agree that there are efficiencies to be gained in terms of "financial time costs associated with compliance" and not only for landholders, but for Local Governments and authorities under current Regulations. We agree that "the regulations do not account for regional differences within the State", as the Native Vegetation Integration Management data is mapped on state priorities and the new regulations removed reference to regional planning frameworks and therefore provide little protection for local and regional biodiversity values.

Recommendation:

4. Re-implementation of a regional planning framework is critical to ensuring the regulations meet local and regional needs; as well as a regional native vegetation offset account be established to support the current state process, regional development and stakeholder efficiencies.

The Green Paper suggests native flora and fauna regulations are excessive and require deregulation to make it easier for development, rather than promoting sustainable development to ensure long-term economic productivity. We reject the suggestion that the "Act be amended to ensure that national transport and infrastructure green corridors have right of way". We do not support an amendment to the EPBC Act that would attempt to remove conditions that are critical to the protection of flora and fauna. The statistics used to provide the basis for this recommendation are misleading (e.g. 54 agricultural related projects referred for assessment, with only 8 with conditions, is minimalistic compared to the level of development occurring in Victoria). A more informative and accurate statistic may well be the number of developments not referred under the EPBC Act.

Recommendation:

5. Promoting solutions to address concerns such as poor processes, lack of resourcing for effective implementation, improved science and well-considered policy, are recommended in place of removal of current regulatory processes

A strong natural resource base ensures a healthy environment and complements a strong and viable agricultural industry for the future. This requires maintenance and strong land stewardship from farmers, landowners and government. Policy 5b of the Green Paper included:

Providing opportunities for farmers to convert leasehold land into freehold.

Recommendation:

6. Providing opportunities for farmers to convert leasehold land into freehold could have an adverse effect on the riparian environment. Governments have made significant investment in the protection of riparian zones to ensure a reduction in erosion and sedimentation, along with improvements in water quality, habitat and weed management. If this policy idea was adopted, the Goulburn Broken CMA recommends that policy be implemented in a way that ensures the protection of riparian zones, landscape health and water quality. It also must entail a transparent process to obtain the land while providing benefit back to the public from any sale of such land.

Finance, business structures and taxation

Financial mechanisms and policy that lead to younger farmers and those wishing to enter into the industry easier, will benefit agricultural enterprises, support future production, innovation and the future of the industry.

Recommendation:

7. Support any assistance for the younger generation to enter farming leading to increased productivity through a greater adoption of modern technologies, innovative approaches to automation and precision agriculture, and increased energy efficiencies.

Education, skills and training, and labour

With similar issues associated with finance, business structure and taxation, education and the development of skills is essential to increasing and maintaining new enterprises and encouraging people to enter the agricultural sector. Australia is a leading country in agricultural innovation and education which requires support to encourage a growing requirement for education and professionals in the sector. The Goulburn Broken CMA supports all initiatives that lead to improvements in building the capacity of current and future people within the agricultural sector.

Recommendation:

8. Review state of the art capability building programs for the agricultural sector, incorporating structured training, education and mentoring programs that improves the attractiveness of farming as a career and builds the capacity of people entering into the agricultural sector.

Drought

The impacts of a changing climate and climate variability on Australia's natural assets, its agriculture and its community, present significant threats and opportunities.

There is no surprise that drought, is included within the Green Paper. However, drought is not the only effect experienced from climate change. Increased incidence and severity of fires, extreme climatic events, floods, frosts and water management are all equally a threat to agricultural productivity as drought is. It would be a missed opportunity if the Green Paper excluded options for investment and planning measures to address the broader impacts of climate variability and climate change to Australia's agriculture.

Recommendations:

9. With the potential effects of climate change and significant climatic events affecting agricultural enterprises in many different ways, it is important to continue to support mitigation and adaption activities. This will ensure innovation in the agricultural sector and planning for food security is undertaken, providing economic and social stability. An ongoing commitment from government is required to continue to invest in appropriate land and water management planning.
10. Policy proposals that promote support for drought affected families, additional mental health and climate information is supported by the Goulburn Broken CMA. Land managers and the community within our region deliver much of the NRM work undertaken across the Catchment. The participation of private land managers is directly related to their financial capacity and their mental health.

Water and natural resource management

The sustainable use, enhancement and protection of water and natural resources underpins Australia's agriculture. Current water policy and the flexibility associated with this policy has allowed irrigators to plan for future years with confidence and a degree of flexibility to adapt to any unforeseeable occurrences. However, climate change is likely to impact on the timing and amount of rainfall, as well as the frequency of extreme events such as frost and hail, and this needs to be considered in a policy sense so that adaptation to changes in water regimes by farmers, as well as the effects on the environment, can be managed with confidence.

The Goulburn Broken Catchment is advantaged by having many Landcare, Conservation Management, Friends of, Sustainable Farming, Environment Groups and Networks all operating in the region. Collectively the Goulburn Broken CMA now titles all of these groups as “Community Natural Resource Management” Groups or “Community NRM Groups” for short. The Goulburn Broken CMA does not delineate nor favor any of these groups over the other.

The works and activities of community NRM groups strongly contributes to the management of natural resources within the Goulburn Broken region and significantly assists in the delivery of the Goulburn Broken Regional Catchment Strategy. Landcare and Land Management groups, Landcare Networks, Conservation Management Networks, and Sustainable Farming Groups are currently supported by approximately 10 (FTE) facilitators and coordinators employed by the Community NRM networks to assist and maximise the volunteer effort.

The majority of these members are our region’s farmers and land managers. Over time, an emphasis and interest from these groups has strongly moved towards a sustainable agriculture theme as these group members are the prime influencers and doers in the region’s agricultural sector. For example, the GeckoCLaN (Landcare Network) has been very successful in leading innovation in the region with five years of trialing and promoting ‘Pasture Cropping’, the use of native grasses and improved grazing management systems and grain and graze. These groups are keen to improve their practices and have the local networks to support and drive good information which may ultimately lead to better NRM and more sustainable on-farm activity. Support of these activities through investment in initiatives, grants and Landcare support is imperative to increasing knowledge, trials and uptake of practices that lead to agricultural efficiencies, innovation, increased production, and improved knowledge and skills. All of these approaches result in benefits to agricultural industries’ production, risk mitigation, adaptability and competitiveness.

Importantly, the region’s (primary and commodity) industry groups also play a major role in the region’s agriculture. They represent and have contact with those producers that do not have a link to any community NRM group. Industry groups, such as Dairy Discussion Groups, Best Wool/Best Lamb and Better Beef Groups, collect the region's issues and priorities, and assist in delivering information, research and development opportunities to its members. These groups are in a significant position to influence and drive profitable and efficient agricultural enterprises, grow skills capability, promote their respective industry and through this increase their industry’s capacity to grow production.

The Goulburn Broken CMA believes that Policy idea 18b on taxation concessions for water reticulation infrastructure is not the best way to achieve long-term improvements in farm water efficiency, drought preparedness and long-term NRM outcomes. Experience in northern Victoria suggests that a number of things need to be in place for regions to be successful in preparing for a range of shocks (including drought). These include:

Recommendations:

- 11.** A community/irrigator driven and owned Land and Water Management Plan which sets the future direction for the region taking into account all the social, economic and environmental

drivers that enable a prosperous and productive irrigation industry. These Plans should also be integrated with ant regional irrigation delivery system modernisation initiatives.

12. Whole Farm (or Property) Plans that show the proposed farm works in context with the longer term farm business operations and outcomes sought in the region (i.e. modernisation of the irrigation delivery system).
13. Support from a range of service providers and professionals: i.e. irrigation survey and designers, financial planning, technical and industry advice, local government alignment and practical and effective environmental input.
14. Incentives targeted to the highest need and priority. These incentives can either be similar to current Commonwealth programs such as the On-Farm Irrigation Efficiency Program (OFIEP) or State Priority Funding, where a proportion of the water savings is transferred to the Commonwealth government, or could include other methods such as a reduced incentive and no water savings transfer. The cost-benefit analysis and appropriate cost sharing has been analysed as part of each round of the Farm Water Program conducted by the Goulburn Broken CMA and has been positive. Feedback from irrigators has been very positive with the only concern being for those who may miss out on the opportunities provided by such a program

The Goulburn Broken CMA has had extensive experience with both the OFIEP and State Priority approaches, and strongly recommends the State Priority approach as significantly more cost effective, less time-consuming and onerous for irrigators, with more effective and appropriate processes and outcomes. Further details on the comparisons of each of the approaches is available upon request of the Goulburn Broken CMA.

The Goulburn Broken CMA also considers that taxation concessions in the area of driving on-farm irrigation efficiencies are less likely to result in long-term regional economic prosperity for the following reasons:

- a. No link to the regional land and water management plan (including any monitoring and evaluation of the taxation concessions).
- b. No experience in ATO to assess the deductions and whether they are water savings infrastructure.
- c. No on-ground inspection of the works to indicate they exist, are appropriate or are delivering the predicted water savings.
- d. No consideration that water savings expenditure is optimal for that irrigator and their farm.
- e. Potential rorting, i.e. as per the \$20 K irrigation grant from circa 2005.
- f. Tax concessions are of no use to irrigators who may be in a low or negative income phase of their business (i.e. young farmers with a higher proportion of debt, poor seasonal conditions or commodities prices, business restructuring etc.). Smaller businesses will be at a disadvantage.

However, other opportunities to drive advancement in the irrigation sector are recommended below.

Recommendations:

- 15.** Carryover of water entitlements has allowed irrigators to plan with confidence and should be further explored. This recommendation should be further developed through increased understanding of water markets (including the increased availability of temporary trade from the environmental water reserve) and climate change
- 16.** A specific funding stream be established by Federal and State Government (investors) to develop the capacity of all regional NRM bodies (Catchment Management Authorities in Victoria) to provide and facilitate sustainable agricultural extension services that can have measurable outcomes and demonstrable practice change amongst food and fibre producers
- 17.** Consolidating investment in regions to deliver large-scale integrated local projects should be supported. For example, on-farm irrigation efficiency improvements led by the Goulburn Broken CMA from Government funding, which currently equates to over \$205 million has led to significant on-farm productivity gains (including yield increases of between 0.4 – 2 tonnes Dry Matter/hectare on grazing properties), as well as environmental water benefits across the Goulburn Murray Irrigation District in northern Victoria. This approach is ensuring the benefits from the \$2 billion Government-funded implementation of irrigation delivery system improvements through the Goulburn Murray Water Connections Program are maximised. In addition, that Federal Government funding be made available for the injection of approximately \$120 million of funds to complete salinity and waterlogging protection (across the remaining 123,000ha) of the modernised irrigation area of the Goulburn Broken Catchment.
- 18.** Ongoing support for community NRM groups, including Landcare, as they are key influencers and doers in the region's drive for sustainable agriculture. In the Goulburn Broken Catchment there are 96 Landcare groups, 7 Landcare Networks and 5 Conservation Management Network's that work in the interface between Natural Resource Management (NRM) and farm production. These groups are leading the way in agricultural innovation and undertake significant work in reducing pest plants and animal impacts and soil erosion as well as protecting soil health, waterways, riparian vegetation and remnants that contribute to sustainable farming.
- 19.** Support Industry Groups who advocate for the region's issues and priorities, and assist in delivering information, research and development opportunities to its members. These groups, such as Dairy Discussion Groups, BestWool/BestLamb and Better Beef are in a significant position to influence and drive profitable and efficient agricultural enterprises, grow skills capability, promote their respective industry and through this increase their industry capacity to produce. Support for these organisations is critical to maintain this capacity, especially with shrinking Government investment in public extension.

The Goulburn Broken CMA is thankful to be able to provide recommendation and feedback to the Agricultural Competitiveness Green paper and would be pleased to discuss any recommendations made above with you further, if required.