

Our Ref: E12.6191

10 December 2014

Agricultural Competitiveness Taskforce  
Department of Prime Minister and Cabinet  
PO Box 6500  
CANBERRA ACT 2600

Dear Sir/Madam,

### **Agricultural Competitiveness Green Paper**

Council welcomes the opportunity provided by the Government for community members and organisations to make submissions throughout the process of developing the Agricultural Competitiveness White Paper.

Council supports the Government's aims to enhance the profitability of the agricultural sector and boost agriculture's contribution to economic growth, trade, innovation, productivity and regional communities.

Council's previous submission to the Agricultural Competitiveness Issues Paper highlighted a range of opportunities to support the expansion of agriculture in Eurobodalla. Many of these opportunities, which would apply to regional communities across Australia, are not represented in the Green Paper. In particular, it is disappointing that there is no mention in the Green Paper on the need for farmers to be aware of the potential impacts on agriculture from climate change and ways in which farmers can adapt to minimise those impacts.

Council is now pleased to provide a submission to the Agricultural Competitiveness Green Paper, in which Council again offers a range of suggestions to support growth in agriculture in Eurobodalla and responds to a number of stakeholder suggestions outlined in the Green Paper. The attached submission was endorsed by Council at its Ordinary Meeting held on 9 December 2014. A copy of the report to Council is also attached.

Should you wish to discuss any aspect of Council's submission, please contact Council's Land Use Planning Coordinator, Mr Mark Hitchenson on 02 4474 1314.

Yours faithfully



Councillor Lindsay Brown  
**Mayor**

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**PSR14/072 SUBMISSION TO FEDERAL GOVERNMENT'S AGRICULTURAL  
COMPETITIVENESS GREEN PAPER**

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Responsible Officer: Lindsay Usher - Director Planning and Sustainability Services  
Attachments: 1. Submission to Agricultural Competitiveness Green Paper  
Focus Area: Sustainable  
Delivery Program Link: S7.2 Maintain, update and communicate planning informations and issues  
Operational Plan Link: S7.2.3 Monitor, report and communicate and implement changes relating to land use planning

**EXECUTIVE SUMMARY**

The Australian Government has commissioned a White Paper to boost agriculture's productivity and profitability. A taskforce has been established to prepare the White Paper and conduct the consultation. Council previously made a submission to an Agricultural Competitiveness Issues Paper as part of the consultation process.

The Australian Government has now released the 'Agricultural Competitiveness Green Paper', the next stage in the consultation process.

The Green Paper represents the summation of the views of the public from the Issues Paper consultation. The Green Paper is presented as a further discussion of possible options proposed by stakeholders for improving the competitiveness of the agricultural sector. The Government states that not all options discussed in the Green Paper will be taken forward in the White Paper. The Government is seeking comments on those ideas that will make the most difference. Submissions on the Green Paper close 12 December 2014.

A draft submission has been prepared and is included as an attachment to this report.

**RECOMMENDATION**

THAT:

1. Council endorse the submission on the Agricultural Competitiveness Green Paper.
2. Council's submission be forwarded to the Federal Government and a copy be forwarded to the Member for Eden-Monaro.

**BACKGROUND**

In February 2014, the Federal Government released an Issues Paper as the first stage of community consultation in the development of a White Paper on the competitiveness of the Australian agricultural sector.

Council made a submission to the Issues Paper highlighting a range of opportunities to support the expansion of agriculture in Eurobodalla. To support Council's submission, a copy of the Rural Lands Issues Paper, developed as part of the Rural Lands Strategy project, was attached to Council's submission.

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The second stage in the development of the White Paper was the release of a Green Paper for public consultation. The Agricultural Competitiveness Green Paper was released in October 2014.

Submissions on the Green Paper close on 12 December 2014.

**CONSIDERATIONS**

The Agricultural Competitiveness Green Paper outlines what the Government is already doing in relation to supporting agriculture in Australia and it identifies a range of suggestions raised by stakeholders through submissions to the earlier Agricultural Competitiveness Issues Paper.

The Green Paper addresses the following matters as they relate to agriculture:

- Infrastructure
- Working with the States and Territories
- Competition and regulation
- Finance, business structures and taxation
- Foreign investment
- Education, skills and training, and labour
- Drought
- Water and natural resource management
- Research, development and extension
- Biosecurity
- Accessing international markets

The opportunities raised in Council's submissions to the Issues Paper, many of which would apply to regional communities across Australia, are not represented in the Green Paper. While many of the stakeholder suggestions included in the Green Paper are commendable and should be supported, it is considered appropriate in making a submission to the Green Paper, to reiterate the opportunities outlined in Council's previous submission to the Issues Paper, including the following:

- The need to upgrade the Kings Highway to improve access to markets;
- Provision of a resource/help desk for expert advice on regulatory requirements and investment opportunities;
- Facilitating regional deals between farmers and local retailers;
- Supporting the sharing of resources and skills amongst producers;
- Delivering on-line training opportunities for farmers
- Directing resources to land with the highest potential to increase yield

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The Green Paper makes no mention of the potential impacts of climate change on farmers and the need to consider ways in which farmers can adapt to those changes.

**Environmental**

The Green Paper rightly acknowledges that “family farms are the best stewards of the land because they’ve been on it for generations and care about maintaining it for future generations”. However, this does not mean that the Government should not provide assistance and advice to help farmers manage and protect environmental values on their land. The draft submission attached to this report highlights the need for government assistance to support natural resource management including consideration of stewardship payments or tax incentives to farmers who protect natural areas.

**Social Impact**

A productive rural community is important to the social fabric of Eurobodalla. The draft submission identifies a range of opportunities to support local producers which will have positive social impacts.

**Economic Development Employment Potential**

A healthy rural sector in Eurobodalla has the potential to increase employment opportunities, particularly through an increase in the number of sole-operator or family farms. The draft submission identifies a range of opportunities to support growth in agriculture in Eurobodalla.

**Communication / Consultation**

Council’s submission to the earlier Issues Paper included a copy of the rural Lands Issues Paper endorsed by the rural Lands Steering Committee.

The community members of the Rural Lands Strategy Steering Committee were advised of the release of the Green Paper and the details regarding how they could make a submission should they wish.

**CONCLUSION**

There are many positive suggestions within the Agricultural Competitiveness Green Paper that are worthy of support. There are also many other opportunities and ideas that should be considered by Government in the development of the Agricultural Competitiveness White Paper. A draft submission has been prepared that highlights the positive suggestions in the Green Paper and reiterates those additional suggestions raised by Council in our submission to the earlier Issues Paper.



## **Agricultural Competitiveness Green Paper**

*The Government is developing a White Paper on the Competitiveness of the Agriculture Sector that will provide policy directions for enhancing the profitability of the sector and boosting agriculture's contribution to economic growth, trade, innovation, productivity and regional communities.*

*Following the release of an Issues Paper and consideration of almost 700 submissions received to that Paper, the Government has now released a Green Paper which "represents a summation of the views of the Australian public on the vital issue of the health and future of Australian agriculture".*

Eurobodalla Shire Council made a submission to the Issues Paper highlighting a range of opportunities to support the expansion of agriculture in Eurobodalla. Many of these opportunities, which would apply to regional communities across Australia, are not represented in the Green Paper. In particular, it is disappointing that there is no mention in the Green Paper on the need for farmers to be aware of the potential impacts on agriculture from climate change and ways in which farmers can adapt to minimise those impacts.

In this submission to the Green Paper, Council again offers a range of suggestions to support growth in agriculture in Eurobodalla and responds to a number of stakeholder suggestions outlined in the Green Paper.

### **Infrastructure**

Council supports stakeholder suggestions in relation to infrastructure improvements in regional areas to improve access to markets, in particular the identification of regional air freight hubs and improvements to communications infrastructure.

The following comments were made in relation to infrastructure in Council's submission to the Issues Paper:

- Support for increased investment in the reuse of water, storage or sourcing of additional supply (e.g. bore rather than river) and increased use of effluent would provide greater security for the inputs to the supply chain.
- Improved transport links generally would improve Eurobodalla producers' ability to deliver value for money goods to market e.g. Canberra airport's impending acceptance of international flights into Asia and the potential for new markets for a whole range of high end value added products and improvements to the Kings Highway between Batemans Bay and Braidwood.

### **Working with the States and Territories**

Council supports reducing red tape for farmers and rural land owners, particularly where there is duplication between State and Federal legislation. However, rather than "removing excessive native vegetation laws" as identified in the Green Paper, Council suggests that the aim should be to "review native vegetation laws to minimise duplication between State and Federal legislation and achieve an appropriate balance between environmental protection and farm productivity". Council notes that a review of native vegetation laws in NSW is currently underway.

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Council supports the statement that “the Government encourages States and territories to ensure that regulations are flexible enough to deal with individual circumstances so that environmental outcomes can be achieved alongside improved farm productivity”. However, such flexibility must be provided within an evidence-based framework that involves recording and auditing of environmental outcomes so that the cumulative impacts on natural resources can be measured.

Council supports the statement that “a strong agricultural sector requires the natural resource base to be maintained for future generations”. In addition to the stakeholder suggestions highlighted in the Green Paper on this issue, Council recommends that the Government also encourage and promote sustainable farming practices and adaptation to the potential impacts of climate change.

The following comments were made in relation to this matter in Council’s submission to the Issues Paper:

- There is a myriad of state & federal regulation affecting agriculture and this causes issues for farmers in terms of complexity, time, jurisdiction and duplication.
- As a minimum, a resource / help desk where farmers could go to quickly get expert advice of what regulation (state & federal) is relevant, would be very useful.
- Reducing duplicated legislation would reduce time and compliance costs. One example would be in the environmental space where a time poor farmer is currently required to navigate through the federal Environmental Protection and Biodiversity Certification Act as well as overlapping state regulation (in NSW) of the Native Vegetation Act and the Threatened Species Act.
- In addition, some local producers who meet organic food standards choose not to become officially certified because of the administrative / regulatory burden.

### **Competition and regulation**

Council supports greater encouragement and facilitation of farm gate sales and other ways to ensure more direct sales from local producers to local retailers and consumers.

The following comments were made in relation to this matter in Council’s submission to the Issues Paper:

- Encouragement and support for ‘regional’ deals with local producers and local independent supermarkets would be beneficial. Two local dairy companies have distribution arrangements with a few local IGA supermarkets which:
  - Provides competition on quality to large supermarkets
  - Provides producer with steady revenue
  - Allows producer to plan and expand gradually.
- Local production for local markets would include support for community gardens and local produce, farmers markets. The economic value of such enterprises and small scale producers to the economy should be evaluated with a view to increasing levels of operational and financial support. Advantages of supporting such activities include:
  - Starting on a small lot helps avoid some of the high costs of entry which discourage new farmers. People grow a bit on their existing plots and start selling their produce before they need to make financial investment decisions
  - Local produce / farmers markets provide positive local competition to major supermarkets. This has been evidenced in Moruya where a new and successful Farmers Market has been established.

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- Primary producers get 100% of the retail price when sold at Farmers Markets making commercial production more viable for more producers.

### **Finance, business structures and taxation**

Council supports stakeholder suggestions relating to greater assistance and advice to farmers on a range of business improvements, including financial matters, export readiness and opportunities for business collaboration. As mentioned above, Council also recommends greater assistance and advice to farmers on sustainable farming practices.

The following comments were made in relation to this matter in Council's submission to the Issues Paper:

- The aggregation of small producers has many benefits and many local dairy producers were part of the successful Bega Cheese co-operative prior to its listing on the ASX as a major national company. Support services e.g. 'A Sharing Resources Kit' for other small producers to work together would be valuable and would allow:
  - Shared distribution which means reduced costs and greater access to large markets
  - Greater added value by the sharing of processing & packaging equipment

### **Foreign Investment**

Council supports appointing a senior investment specialist for agribusiness and food to help facilitate proposed investments that contribute to industry growth and would like to see this role consider how overseas investment could benefit small producers as well as large scale ones.

### **Education, skills and training, and labour**

Council supports stakeholder suggestions in relation to improving education, skills and research and the availability of labour, particularly the suggestion for creating national agricultural tertiary excellence centres in regional locations.

The following comment was made in relation to this matter in Council's submission to the Issues Paper:

- Greater education for farmers and developing the ability to deliver such training online or in regional outposts of universities, could not only improve skills but help keep the talent base in the rural areas. Relevant training is hard to come by in Eurobodalla and local community groups have started to organise such training themselves.

### **Drought**

Whilst Council supports the provision of assistance and relief for farmers in times of drought, more efforts should be directed towards ensuring the best use of the most fertile lands where the likelihood of and risks associated with droughts are low.

The following comment was made in relation to this matter in Council's submission to the Issues Paper:

- The direction of resources to land with highest potential to increase yield would involve ways of encouraging intensive agriculture on the most fertile lands. Farmers may currently be averse to doing this because of the additional risk or through lack of knowledge. Over

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recent times, much of the financial support to farmers has been drought-relief related which is not necessarily going towards maximising production.

### **Water and natural resource management**

Council supports statements in the Green Paper that “family farms are the best stewards of the land because they’ve been on it for generations and care about maintaining it for future generations”. However there is always room for improvements to farm practices to ensure ongoing sustainability of land and water resources and natural ecosystems.

Again, Council recommends greater assistance and advice to farmers on sustainable farming practices. Council also supports consideration of equitable and efficient ways to support farmers who protect natural areas through some form of stewardship payments or tax incentives.

As mentioned above, it is important that farmers be encouraged and assisted in adapting to the potential impacts of climate change. Potential impacts of climate change for Eurobodalla farmers may include changes to ecosystem services, increased saline intrusion, increased bushfire frequency and intensity, changes in rainfall patterns, increased erosion and changes to the extent of acid sulphate soils.

### **Research, development and extension**

Council supports stakeholder suggestions relating to updating the rural research, development and extension priorities to better align with community needs and decentralising agricultural research functions to regional areas, as appropriate.

### **Biosecurity**

Council supports stakeholder suggestions to strengthen the biosecurity legislation and systems as identified in the Green Paper.

The following comments were made in relation to this matter in Council’s submission to the Issues Paper:

- Biosecurity remains important. Maintaining animal health and reducing the transfer of weeds/invasive species across borders/countries/states is a key action e.g. Check / regulation of nurseries, fodder industry, produce and agricultural suppliers to minimise the potential for transfer of invasive species
- Additional funding for research on weeds of national significance, as well as new and emerging weeds would reduce the future impacts and economic costs.
- Weeds of National Significance (WONs) programs have worked well and linking federal funding direct to Local Control Authorities (eg Councils) would be more efficient than the current process.

### **Accessing international markets**

Council supports stakeholder suggestions to strengthen Australia’s overseas market efforts, particularly in relation to providing more export readiness training for farmers. In particular, Council supports efforts to open up export markets which small producers can benefit from.

The following comments were made in relation to this matter in Council’s submission to the Issues Paper:



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- Financial and in market support for new export projects would be most welcome and this could be via the Commercialisation grants and dedicated export market business support managers. Whilst in Aquaculture, Australia's Oyster Coast, [www.oystercoast.com.au](http://www.oystercoast.com.au), is one such initiative looking to open up brand new export markets.
- Additional support at the beginning of and through the export accreditation process would encourage producers to undertake what, to many, could be a daunting and time consuming process. Farmers tend to be small operators and time poor. This Oyster initiative is one which would get to market much quicker with either financial support for a co-ordinator role or such manpower provided directly by government.
- One small local vegetable grower who believed they had zero export potential has been identified by a Shanghai businessman who has explained that they are extremely keen for quality, chemical free produce grown in areas that have clean environments. This is an example of where Australia and Eurobodalla can compete – on quality rather than price. Means of promoting and certifying this quality would be welcome and would get more local product into high end markets.