

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

11 December 2014

Dear Sir/Madam

NRM Regions Australia - Agricultural Competitiveness Green Paper submission

We thank you again for the opportunity to contribute to this important initiative.

NRM Regions Australia (formerly the National NRM Regions Working Group) sees a productive and profitable agriculture sector as being interlinked with our long term goals of sustainable natural resource management. Natural resources (or natural assets) are like other assets in agriculture – they contribute to farm productivity and Australia needs to invest in maintaining that asset.

Achieving this goal requires farmers to invest in natural resource management practices and for this they need to be profitable.

By investing in these practices farmers not only secure their resource base for future generations but they create an opportunity to enhance the marketability of their produce in a market place that is becoming more sophisticated with consumers seeking “clean and green” produce.

We welcome the increased recognition given to natural resource management in the Green Paper but note that there is still more that can be done in this area, for example:

- While soil management was discussed in the Green Paper there was no associated “Policy Idea”;
- Climate change remains a significant risk to agriculture and the Government’s *Direct Action* policy recognises the contribution the land sector can make to our national targets. The Green Paper could consider how to take advantage of this in order to both support the targets and also develop a new income stream for farmers;
- Soils, water and our biodiversity are the asset base for farmers. Maintaining these assets requires long term investment. How can the required investment be funded? The White Paper could consider reviewing different funding models used by jurisdictions and exploring opportunities for further development of the market for ecosystem services. The aim is to ensure a dedicated source of funds for sustainable agriculture and for maintaining the assets on which it is based over the long-term;
- The Government invests in research, development and extension, rural financial counselling and natural resources management – how can this investment be best leveraged to ensure that we have productive and sustainable food production now as well as in the future?

The Green Paper highlights the complex operating environment for farmers with all levels of government involved across a number of agencies. Regional NRM organisations have been established to deal with this complexity in relation to natural resource management. Our role is to build partnerships and other collaborative arrangements between farmers, community groups, governments, research and extension agencies. We have the potential to greatly assist the government in implementing its final White Paper policies, particularly in the areas of linking research and development efforts to community needs and in the coordination of extension and other knowledge transfer approaches.

Attachment 1 summarises NRM Regions Australia's response to a number of the policy ideas presented in the Green Paper – we would be pleased to discuss these with you further. We have deliberately restricted our comments to areas for which we have a mandate or which are closely linked to our day to day work.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Max Kitchell', with a long horizontal flourish extending to the right.

Max Kitchell
Chair, NRM Regions Australia

Attachment 1

Policy Idea	Detail	Response
Policy idea 3— Enhancing communications	Views are sought on areas of focus for future government and commercial investment in communications infrastructure, as well as options to assist farmers and regional communities to best use the communications infrastructure currently being deployed.	While we do not have specific suggestions for new areas of focus, we would like to reinforce the need for enhancing our communications infrastructure because of the contribution it can make to building resilient communities and sustaining agricultural businesses, their communities, and their supporting services.
Policy idea 4— State government deregulation	<p>Deregulation is a priority for COAG, with governments already looking at ways to reduce red tape and duplication and improve the performance of regulators.</p> <ul style="list-style-type: none"> a. Removing excessive native vegetation laws b. Removing excessive work health and safety requirements (a national scheme?) c. Improving the efficiency of the native title system 	<p>We note that native vegetation regulation is generally a State responsibility and there is considerable community debate as to whether these regulations are excessive or not strong enough. NRM Regions Australia supports flexible arrangements that recognise the ecosystem services provided by native vegetation and biodiversity and genuinely deliver triple bottom line outcomes.</p> <p>NRMRA recognises the need for clearing in some instances but that much of Australia has been over cleared at the cost of land degradation, declining water quality biodiversity loss and reputational damage to Australian produce. It is therefore proposed there be a “no net loss” policy allowing for both clearing and restoration that will improve both productivity and landscape health</p> <p>In some jurisdictions, NRM regions could play a role in “localising” native vegetation management given the roles already undertaken by NRM regions: planning and implementing the management of natural resources by engaging and working with farmers and the local community. For example in SA, NRM regions will be undertaking assessments for native vegetation clearance as they understand the needs of farmers and the local community as well as the ecosystems within the regions.</p>
Policy idea 5— Protecting the resource base	<ul style="list-style-type: none"> a. Limiting the adverse impacts of mining on the agriculture sector (access to land and minimise damage on water resources) b. Providing opportunities for farmers to convert leasehold land into freehold c. Ensuring greater consistency in biosecurity regulations between Australian jurisdictions (e.g. consistency of approaches across jurisdictions on issues such as fruit fly) d. Quarantining prime agricultural land from mining activity 	<p>NRM Regions notes the greater emphasis given to the resource base in the Green Paper as opposed to the Issues Paper.</p> <p>Of particular importance are those different landuses that threaten land and water assets. The Green paper draws attention to adverse impacts of mining (rehabilitation following mining operations is also important) but other land use also impacts on the agriculture sector – around urban areas the loss of prime agriculture land due to urban expansion remains a challenge for all States/Territories.</p> <p>It is proposed the same emphasis to quarantining prime agricultural land from mining be extended to urban expansion. Urban expansion more permanently alienates land from agriculture than it does from mining</p>

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		<p>In relation to conversion of leasehold land to freehold the business case for this change needs to be better enunciated to demonstrate the social, economic and environmental benefits.</p> <p>Freeholding leasehold land is a form of privatisation and there should be a transparent, competitive process to maximise community benefit from the sale of public assets.</p> <p>Biosecurity is an important issue for regional NRM organisations and in some of this work the national agenda very strongly drives what we do. There are issues with different State based approaches and it is important that these difference be articulated, understood and aligned where appropriate.</p>
Policy idea 6— Strengthening farm businesses	<p>There are a number of State and Territory policy changes that could be made to allow farm businesses to operate more effectively. These include:</p> <ol style="list-style-type: none"> a. Implementing a nationally consistent and mandatory approach to farm debt mediation b. Subsidising farm energy audits c. Streamlining development application processes (e.g. senior level case managers to support businesses undertaking significant and complex projects) d. Enforcing animal welfare legislation, as well as strengthening laws to stop trespass on farms. Options could include encouraging industries to develop proactive measures to develop quality assurance programmes to demonstrate that on-farm practices reflect good farming practice for management, animal welfare, food safety, biosecurity and traceability. e. Adopting the Co-operatives National Law 	<p>Strengthening farm businesses could also include:</p> <ul style="list-style-type: none"> • Recognising the importance of resilience approaches and the triple bottom line • The value of increasing awareness of biosecurity and other threats to the productive use of natural resources and facilitating collective action to address these threats • Industry led quality assurance programmes which can also promote good NRM practices Opportunities for farmers/graziers to generate renewable electricity as an additional form of income • Lower cost, more sustainable electricity supply as an alternatives to dependence on the grid in remote areas
Policy idea 7— Improving market competition	<p>Facilitate and support a regulatory environment that allows agricultural markets to operate efficiently and transparently</p> <ol style="list-style-type: none"> a. Introduce options to increase price transparency throughout the domestic supply chain (e.g. ABARES to develop and provide weekly reports on price indices for agricultural products that more reliably reflected the range of market transactions. ABARES could also be 	<p>Restoring balance of power to producers could be assisted by requiring imported products to demonstrate that they meet the same health and environmental standards as is required of Australian producers (for example farmed fish has to meet high standards in Australia but we import from countries with little or no standards).</p>

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	<p>asked to report regularly on comparable input costs in major competitor countries).</p> <ul style="list-style-type: none"> b. Introduce new marketing mechanisms which might restore balance of power to the producer c. Facilitate greater use of cooperative structures—Cooperatives are a type of business structure that can assist farmers to increase their bargaining power 	
Policy idea 9— Improved regulation	<p>Unnecessary red and green tape is removed:</p> <ul style="list-style-type: none"> a. AgVet chemicals regulation b. Country of Origin Labelling for food 	<p>NRM Regions Australia supports reduction in red tape and notes the complexities around AgVet chemical regulations. But we need to exercise caution – Australia has a reputation for judicious chemical use and traceability, it is part of our marketing edge.</p>
Policy idea 12— Farm Business Improvement	<ul style="list-style-type: none"> a. Farm businesses need to consider the most appropriate business structures for their circumstances b. Business advice (e.g. extend the existing Entrepreneurs’ Infrastructure Programme to the whole of the agriculture sector) c. Rural Financial Counselling Service (RFCS)—The Government is interested in stakeholder views on expanding the support services role of the RFCS - RFCS could act as a first point of contact and referral service for all agricultural businesses, including to promote learning and extension activities and provide links with mental support services. d. Collaboration programme (The Government could encourage collaboration by providing a networking service that brought interested parties together. It could also include helping businesses find collaboration partners at different points in the supply chain to help realise benefits from vertical integration). 	<p>As part of our triple bottom line focus, some regional NRM organisations deliver extension services to farmers. These services focus on improved production and NRM outcomes and recognise that business planning is an important aspect. Some of our projects incorporate this in their delivery (insert North Central CMA case study as an example).</p> <p>Generally though we regard extension as a specialist role and not something that would fit easily with current RFCS arrangements - RFCS is well skilled to deliver business and financial planning support, whilst NRM organisations are best placed to deliver the management of the natural capital base. We see the challenge more as one of collaboration across organisations at the regional scale where we support each other in the delivery of our programs. Such an approach would enable leveraging of current Government investment as well as ensuring healthy farming businesses.</p>
Policy Idea 14— Strengthening agricultural education	<p>Ensuring the availability of comprehensive education for an agricultural career at secondary and tertiary level:</p> <ul style="list-style-type: none"> a. Working with States and Territories to provide specialised learning in agriculture in the future b. Establishing a young farmers mentoring and networking programme c. Increasing financial support for regional education 	<p>NRM Regions Australia supports all initiatives that improves the attractiveness of farming as a career and builds the capacity of people entering into farming. We note that some regional NRM organisations offer scholarships to students to undertake study in agriculture and have taken a particular interest in the training of indigenous young people. Others work with primary and secondary schools within their regions, promoting the importance of the natural resources to agriculture and regional economic development.</p> <p>To ensure that the propose policy ideas deliver</p>

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	d. Creating national agricultural tertiary centres of excellence	<p>relevant outcomes, we would like to see these initiatives:</p> <ul style="list-style-type: none"> • Linking to regional NRM organisations extension efforts • Linking to industry perhaps through development of centres of excellence
Policy idea 16— Increasing drought preparedness	<p>a. Introducing accelerated depreciation for new water and fodder infrastructure</p> <p>b. Encouraging multi-peril crop insurance (and removing stamp duty on insurance)</p> <p>c. Improving climate information through farm decision support tools</p>	<p>NRM Regions Australia suggest the following areas for further consideration in relation to drought preparedness/management:</p> <ul style="list-style-type: none"> • Expanding the landcare tax offset to include additional works associated with stock containment, watering and other climate variability and adaptation works. • Australia’s relatively small market for multi-peril crop insurance is likely to limit its applicability and we understand this has been investigated before • Build resilience to drought in other ways using NRM as part of the solution – e.g. promotion of pasture management, sound water management, water efficient farming practices • Promoting to farmers the climate change information being developed by regional NRM organisations as part of the Australian Government’s NRM Planning for Climate Change initiative. • Regional NRM Organisations’ role in both preparing for and responding to drought – advice on stock containment is one area common to most regional NRM organisations but in the past some have participated in drought response by assisting governments in providing employment opportunities for drought affected farmers.
Policy idea 17— In drought support	<p>a. Additional mental health support in times of drought</p> <p>b. Provision of additional assistance for prolonged and severe drought (What makes a drought event ‘beyond the reasonable capacity of farmers to prepare for’, is it the severity, the length or a combination of both?)</p>	<p>Regional NRM organisations work with farming groups which enable communities to connect and assists in building resilience (including mental well-being) –NRM facilitators play an important role in this regard.</p> <p>But so do other organisations in direct contact with farmers. We all need to be cognizant of the personal health challenges and have the ability to refer people to appropriate support services – this is part of our ‘good neighbour’ role in small communities. Underlying this approach is the need to develop regional alliances across the many organisations with direct contact with farmers. Regional NRM organisations have strong skills in building regional partnerships and can assist Government’s or other agencies with this task.</p>
Policy idea 18— Improving water infrastructure and markets	<p>Stakeholders suggested some ideas to improve water infrastructure, markets and administration. These included:</p> <p>a. Dams and water infrastructure (he Government is seeking to identify</p>	<p>NRM Regions Australia recognises the importance of increasing our agriculture productivity and the contribution of water and water infrastructure to achieving this.</p> <p>But we note that priority needs to be given to</p>

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	<p>new dam and infrastructure projects that can deliver Australia’s water supply needs in the future, including options for moving water from northern catchments to southern and from eastern to western).</p> <p>b. Taxation concession for water reticulation infrastructure</p> <p>c. Water markets (more efficient water trading markets and by examining options for counter-cyclical temporary trade of environmental water)</p>	<p>maximising productivity within existing irrigation areas where farmers are located. If new areas are to be developed for irrigation then we should utilise the vast knowledge and learnings from past developments:</p> <ul style="list-style-type: none"> • Recognises environmental implications of siting dams; • The environment’s need for a share of the water captured; • Investment decisions should be influenced by a demand for the water (rather than build the dam and hope the water can be sold) • Planning for new water storages needs to accommodate climate change risk – will the rainfall be there in the future? • Ensuring that a new dam does not lead to a loss of water for other water dependent industries such as fisheries. • Drainage of developed areas needs to be incorporated into the infrastructure planning. The Murray Darling Basin irrigation developments have illustrated the longer term consequences of salinity, declining water quality and floodplain health that can arise from inadequate consideration of drainage issues. <p>With regards to trading of environmental water, we recognise that there are opportunities for water held in reserve for environmental purposes to be sold during drought years, but any funds raised from these sales need to be dedicated to the environment so that additional water can be purchased and delivered when it is needed by the environment.</p>
<p>Policy idea 19— Natural resource management initiatives</p>	<p>Environmental legislation provides important protections for our natural assets. However, regulation needs to appropriately recognise the interests of rural landowners. Ideas included:</p> <p>a. Amending the Environmental Protection and Biodiversity Conservation (EPBC) Act 1999 to remove of onerous on-farm conditions and provide right of way to national transport and infrastructure goals.</p> <p>b. More targeted pest and disease management and control (for established pests and diseases) – e.g. investing in management where there is a broader community interest.</p>	<p>NRM Regions Australia was concerned that the Issues Paper did not give appropriate recognition to NRM and welcomes the recognition the Green paper gives to this issue. In some jurisdictions, NRM regions are responsible for the coordination of biosecurity effort at the regional scale including the promotion of on-farm biosecurity.</p> <p>But we are still concerned that the “Policy Ideas” focus on a limited range of NRM issues.</p> <p>Soils, for example, are essential to agriculture and have the ability to unlock future productive capacity or to result in productivity declines if not managed well. Soils deserve more focus in research, policy and extension opportunities, particularly in the context of the Government’s Direct Action policy for meeting Australia’s international emissions reduction targets – soils are a potential source for carbon sequestration.</p> <p>Some regional NRM organisations play a role in extending information about soil management and</p>

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		<p>we can play a greater role in the extension of soils knowledge and information generated by the RDC's.</p> <p>In relation to the Policy Ideas raised:</p> <ul style="list-style-type: none"> • Amending the EPBC Act to remove onerous on-farm conditions and to give right of way to transport and infrastructure projects. The EPBC Act plays an important part in protecting matters of national environmental significance but much of the environment protection regulations rest with State and Territory governments. In some jurisdictions regional NRM organisations play a role in those processes and are aware of the strongly contested views held by communities on this matter. It is important that all of these views are considered in relation to specific proposals. • Caveats are often associated with investment of Government funds. Where the government investment is substantial it is appropriate that there is some security that achieves the long-term outcome sought • But caveats can be voluntary, regional NRM organisations support the decisions by farmers and others to apply a caveat to protect natural resources assets on their land • All infrastructure projects should be subject to a “triple bottom line” assessment. The challenge here is in making this assessment as efficient as possible and this includes identification of areas of environmental significance where detailed scrutiny of road infrastructure proposals will be required. We see a substantial risk of policy conflict for government if on the one hand they are investing in protection of flora and fauna and other the hand is promoting “right of way” for infrastructure. <p>Pest and disease management is not only a threat to agriculture but also to our native wildlife and vegetation. The Policy Idea suggests that primacy should be given to controlling pests and diseases that impact on agriculture. We suggest that the priorities should be determined at a regional scale based on the economic, social and environmental benefits of specific programs and that the level of government effort be proportional to the public benefit derived from that action.</p>
Policy idea 20— Strengthening the RD&E system	a. Updating the rural RD&E priorities to better align with community needs – priorities already identified include advanced technology, to enhance innovation of products, processes and practices across the food and fibre supply chains—through technologies such as robotics,	NRM Regions Australia welcomes the emphasis on aligning research with community needs and notes that one of the priorities in the current Rural Research and Development (R&D) for Profit programme is “to help producers manage natural resources in an integrated way at enterprise or regional level for long-term use and profit”.

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	<p>digitisation, ‘big data’, genetics and precision agriculture;</p> <ul style="list-style-type: none"> • biosecurity, to improve understanding and evidence of pest and disease pathways to help direct biosecurity resources to their best uses, minimising biosecurity threats and improving market access for farmers; • soil, water and natural resource management, to manage soil health, improve water use efficiency and certainty of supply, sustainably develop new agricultural areas and improve resilience to climate events and variability; and • adoption of R&D, with a focus over time on increasing private delivery of extension services <p>b. Establishing a new body, or tasking existing research bodies, to coordinate cross-sector research</p> <p>c. Enhancing access to the R&D Tax Incentive</p> <p>d. Promoting the development of extension services (The Government is seeking stakeholder feedback on ways to promote the development of the market for extension services—such as expanding RDC efforts or specific funds being made available to facilitate the development of extension markets).</p> <p>e. Decentralising Government agricultural research functions (such as RDCs and agencies of the Department of Agriculture) to regional areas, as appropriate</p> <p>f. Regular five-yearly assessments of the RD&E system</p>	<p>There is an opportunity for governments to leverage existing investment - regional NRM organisations regard RD&E links as a key part of their role and have a good and expanding record in this area including co-investment, for example Cotton RDC and appropriate NRM organisations.</p> <p>We recognise the importance of integrating NRM considerations into industry based research, but also note that over half of Australia’s farmers running operating mixed farms with two or more types of produce. A cross sector research capacity will ensure that the needs of these farms are met efficiently and reduces the risk of industry RDCs undertaking similar research.</p> <p>Regional NRM Organisations welcome the opportunity to assist with identifying cross sector research needs. Some examples of those needs include:</p> <ul style="list-style-type: none"> • R&D on feral animal control is essential, especially biocontrol. • R&D on soil biology to look at climate response, acidification and fertility enhancement needed for sustainable systems, i.e. reduce dependency on manufactured solutions. <p>Extension is a critical component of our research and development efforts and building extension capacity in regions is needed to deliver research findings to farmers. As noted above, many Regional NRM organisations have an extension function and can contribute to this.</p> <p>In relation to decentralising agricultural research functions we welcome any move that brings these functions closer to farmers. But we have found that some centralisation is actually good in preventing duplication and increasing the coordination with State based research efforts. We currently have situations where states invest more in areas of strength knowing other states will use some of the outcomes. For example Victoria does most of the dairy R&D which NSW and other states use. NSW and Qld does sheep R&D which Victoria uses.</p>
Policy idea 21— Improving the rural RDCs	Administrative changes to the RDC model to increase transparency and reduce costs, including giving RDCs a targeted set of objectives	NRM Regions welcomes the continued commitment to RDCs and propose that one of targeted objectives relate to sustainable NRM and cross sector themes.
Policy idea 23— Improving the biosecurity system	<p>a. Increased information and intelligence gathering tools, supported by increased investment on high risk areas and priority pests and diseases</p> <p>b. Enhanced onshore monitoring, including by developing reporting</p>	<p>NRM Regions Australia supports this concept but stresses the importance of it being linked to State approaches and delivered regionally.</p> <p>Most NRM organisations are well equipped to assist with this.</p>

Policy Idea	Detail	Response
	<p>tools and establishing a public Biosecurity Information System to share information</p> <p>c. Collaborating with industry associations to extend traceability systems to better facilitate responses to outbreaks</p>	
<p>Policy idea 24— Strengthening Australia’s overseas market efforts</p>	<p>a. Undertaking further trade research</p> <p>b. Improving exporter services and our understanding of overseas markets</p> <p>c. Providing more exporter readiness training</p> <p>d. Accelerating the development of technical, market access country and commodity strategies to prioritise market access efforts</p> <p>e. Developing national promotion efforts (such as through a national brand)</p> <p>f. Increasing Australian Government positions overseas, and considering options for industry funded positions to underpin increased focus on agricultural market access</p> <p>g. Increasing engagement bilaterally, and in multilateral forums, to promote use of international standards in food regulation</p>	<p>We draw attention to promoting Australia’s “clean and green credentials” to strengthen our access to overseas markets, particularly as rapidly growing middle classes of India and China are increasingly demanding safe, clean food that meets and exceeds standards.</p> <p>We welcome the opportunities presented by international organisations such as the Marine Stewardship Council and Australia’s own Beef, Cotton, Dairy and Sugar industry roundtables, in establishing sustainable production standards.</p>