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

Dear Hon. Barnaby Joyce MP,

The North Central Catchment Management Authority (CMA) would like to thank the Australian Government for the opportunity to provide feedback on the Agricultural Competitiveness Green Paper 2014.

We strongly support the goal of achieving a more sustainable and competitive Australian agriculture sector. The objective has strong links to our organisational purpose namely: 'to enhance the integrity of our catchments in partnership with our communities'.

In recent times we have been working to clarify what sustainable agriculture means for north central Victoria and how we, as a regional natural resource management body, can support our farmers and agriculture industries to work in concert with Federal, State and Local governments.

We facilitate community involvement in the management of land to achieve sustainable agriculture through programs that:

- Strive to improve the long-term health and productivity of the land and its capacity to generate wealth and be economically viable;
- Work within our catchments to achieve ecological integrity by enhancing the natural resource base and minimising off-site impacts;
- Support farmers to make knowledgeable and strategic decisions that ensure sustainable land management; and
- Build resilience to variable climatic conditions whilst maintaining productive capacity.

In response to the Agriculture Competitiveness Green Paper, the North Central CMA puts forward the following responses to the broad directions and specific policy ideas raised in the Green Paper and provide further policy suggestions:

## **Overview**

The Australian Government Green Paper on agricultural competitiveness is largely concerned with attaining a better return at the farm gate to ensure a sustainable and competitive Australian agriculture sector. The focus is on policy that will achieve the following:

- (a) Reduce costs and barriers to farming;
- (b) Keeping family farms as the cornerstone of agriculture;
- (c) Strengthening infrastructure, particularly transport and communication;
- (d) Creating well-paying jobs in agriculture including supply-chain positions in food manufacturing, retailing, and so on;
- (e) Reducing regulation and improve farmer rights;
- (f) Promotion of key export markets;
- (g) Understanding and building on competitive advantages;
- (h) Strengthening regional communities; and
- (i) Providing high quality foods ('clean and green') for all Australians.

We agree with this list however, for the most part, we feel it promotes a perspective that to increase agricultural competitiveness in Australia it will be achieved through levers that involve markets and economics, regulation and legislation. It suggests improvements in farm-gate returns will mostly be achieved through activities that lie beyond the farm gate. We suggest a more balanced view that incorporates improvements farmers can make on their own properties and businesses to drive competitive agriculture and respond to consumer demands.

As a regional natural resource management (NRM) body we are concerned with the health of our natural resource assets; the well-being of our catchments is intimately linked to the health of our soils. Our role is to work collaboratively with our farming communities to achieve productive outcomes, respond to consumer demands and improve ecological function.

Our submission recognises that sustaining the natural resource base is integral to competitive agriculture. Achieving healthy soils will afford the most advantageous position for Australia to build and develop a more competitive and sustainable agricultural sector. Accordingly, we focus on chapter 7 (Education, Skills and Training, and Labour), chapter 8 (Drought), chapter 9 (Water and Natural Resource Management), and chapter 10 (Research, Development and Extension). We choose to address each of these areas in a different order to that in which it appears in the Green Paper.

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

Agricultural competitiveness in Australia continues to be constrained by adverse soil conditions and poor soil health imposed over the longer term by farming practices that have damaged inherently sensitive land that is prone to degradation. Improving soil condition affords the best opportunities for most of our farmers to increase their productivity and prosperity, and the best opportunity to support future generations of Australians.

The body of the Green Paper acknowledges the constraints poor soil condition imposes on farm productivity; however, it makes no specific recommendations regarding how this situation might be redressed.

In north central Victoria, 1.7 million hectares of our lands are farmed for agriculture, mainly cereal cropping, grazing, and irrigated dairying. Almost 1.3 million hectares of this land is subject to severe soil structure decline in consequence of historical farm practices and inherent sodicity. Additionally 30,000 hectares are degraded by secondary dryland salinity; and between 50,000-100,000 hectares in the irrigation region is threatened by salinity due to a watertable depth less than two metres.

Farming communities struggle to achieve optimum water use efficiency and production because of poor plant-water-soil relationships. This situation is not helped by economic imperatives that force farmers to pursue land management practices that sustain low levels of soil organic carbon.

Improving soil structure through regenerative farming practices has the potential to markedly improve the agricultural productivity and competitiveness of our region. If our soil structure issues could be resolved the boost in agricultural production that would follow would supply a good deal of the improvements needed to realise indicative targets that call for a doubling in production by 2050.

Through the continued dedication of our Landcare movement and sustainable soil projects, our farmers continue to search for regenerative agriculture solutions through community-based applied research and adaptive learning programs. The issue is that there are no definitive economically attractive farming systems or packages capable of re-building our damaged soils.

Our efforts to improve the agricultural productivity and healthy soils by promoting self-managed community-based approaches, founded on good science, improved knowledge (access to the experts) and applied research (paddock scale trials in local areas) need to continue.

The significant and extensive benefits achieved through our regional 'Farm Water Program' to invest in water savings that are transferred to the environmental water reserve through on-farm irrigation infrastructure modernisation must continue to support farming communities to be agriculturally competitive. This program provides strong governance, current best practice advice and innovation for irrigated agriculture.

We do not support policy idea 18b for unmanaged programs that offer on-farm water infrastructure tax deductions as there is a lack of checks and balances and extension advice to ensure good public fund investment in land and water use matched to land capability to achieve water use efficiency.

We support policy idea 19biii to enable grassroots community groups to take ownership of their local NRM challenges. Our Farming for Sustainable Soils project has worked successfully with farming communities across north central Victoria to help them understand their local challenges to then empower them to achieve considerable improvements.

## **Research, Development and Extension**

The work of the Rural Development Corporations (RDCs) and the Cooperative Research Centres (CRCs) is admirable and appropriate, however, in our experience; they function in isolation and continue to be insufficient to meet the needs of Australian farming communities struggling to sustain the health of their soils. Farming communities need support well beyond the very specific efforts of industry based research and development (R&D) corporations and cooperative research centres.

Australia needs a national R&D program that supports, coordinates and mentors agencies, consultants, other professionals, universities and farming communities. We need an inclusive nationally coordinated approach concerned with achieving agricultural productivity and sustainable natural resource management that looks (once again) at catchment based imperatives beyond the immediate water resource and environmental concerns.

Consistent with policy idea 20b, our view is that the national research agenda should extend well beyond the industry corporations and CRCs. It should include applied research programs that involve Landcare and farming communities. It should be concerned with research, development and 'extension' (RD&E). This will strengthen the RD&E sector so that it is more relevant to the needs of our farmers.

To further strengthen 'extension', farmers consistently tell us they need independent advice. We think it is important to highlight the need for government-funded programs that provide ongoing support for farming communities, especially when promoting more sustainable land management and the adoption of practices that afford public benefits including ecosystem services.

Re-building soil structure involves a considered approach. Farmers need to know more about their local soils, and how they are impacted by their management. This is best achieved when local communities come together and take responsibility for the delivery of adaptive learning and adaptive management approaches that include soil assessment, access to experts and paddock-scale trials of sustainable practices.

The role of Government is to initiate, facilitate and support farming communities in their efforts. Farming communities need to be included in the RD&E 'food chain'. Involved in applied research programs through running their own trials, disseminating results throughout their community, and being advocates of practice change among the broader farming community.

In Victoria the CMAs are well-placed to continue providing services that inform, empower and mentor farming communities in an effort to support them to deliver their own soil protection programs specific to their own local area.

The goal is to move beyond the old 'sales driven' agency approaches toward a new 'demand driven' culture. Increasingly, NRM agencies are assuming the community facilitator role whilst the traditional agricultural agencies are responsible for the provision of technical services and advice. The roles are highly complementary.

## **Education skills and training**

Australia is struggling to continue being the 'clever country'. Educational institutions have been depleted over the decades. As a nation we now risk being ill-prepared for a very challenging future in agricultural science. As the world's population expands exponentially we will begin to run out of oil, coal, phosphates and water. Pressure on agricultural land will increase as our cities grow larger and more demanding. Our response to climate change and becoming more resilient is vital.

We support policy idea 14 to strengthen agricultural education. We have also found that there are many skilled and highly educated people who move into regional areas that could turn their abilities to agricultural related employment given encouragement and opportunities (i.e. farm business planning).

This is linked to policy idea 12 that empowers farmers to develop their own whole-of-enterprise business plans with support from independent and suitably skilled experts. This will improve decision making and drive adoption of innovative practices, infrastructure investment, succession planning and long-term goal setting. We would encourage further consideration of extending the Entrepreneurs' Infrastructure Programme and would welcome the opportunity to be involved.

## **Drought**

The issues with drought are well covered in the Green Paper. The discussion is not new; the same issues are raised each time farming communities experience these extended dry seasonal conditions.

The arguments for and against low interest loans, subsidies, drought assistance and drought preparedness have been debated on many occasions. There are no easy answers, and the challenges are clearly becoming greater if, as predicted, droughts increase in frequency and intensity as changes in climate advance.

Drought preparedness is a soil health and property management issue. Healthy well-structured soils allow plant roots to access water held deep in the soil profile providing stronger buffering against dry conditions. Equally, healthy well-structured soils improve the infiltration of rainfall to subsoil storages. A healthy soil can mean the difference between realising a crop and a failure. This is another good reason to engage local farmers that support the development of a farming systems approach to soil health. Additionally, a drought risk management property plan will provide greater resistance for farmers as they will be encouraged to think about their available resources, where they are at risk from drought and then establish mitigation options that are timely and proactive.

## Conclusion

The North Central CMA strongly supports the Australian Government in its endeavours to further develop resilience and competitiveness across the agricultural industries of the nation. The Green Paper highlights several important reforms for market place adoption to improve farm gate returns.

We assert that improvements can be made before and after the farm gate to ensure a sustainable and competitive Australian agriculture sector. There is still much work to be done in improving soil health to increase productivity and sustaining the ecological wellbeing of our catchments. These things go hand in hand, they are not competitors.

We need to continue to invest in community-based RD&E programs, training and education, and farmer based implementation programs to better understand the limitations adverse soils conditions place on agricultural production and how farmers might best overcome them. An overarching national natural resource management R&D style organisation and impartial extension advice to support our farming communities will increase the adoption of more sustainable and productive agriculture practices.

History tells us that integrating industry-based research to encourage improved relationships between plants, soil, water, landscapes, catchments and farming communities delivers us our most competitive agriculture sector.

We would also like to emphasise that it is imperative for landholders to be supported in developing enterprise business plans that identify their future family farming goals, the resources and knowledge required to achieve their goals, and their constraints and opportunities. Independent and trusted advice is vital in supporting landholders make well informed and timely decisions to optimise their farm gate returns and ensure a sustainable and competitive Australian agriculture sector.

Yours sincerely,



Damian Wells  
Chief Executive Officer