

Our Ref: BRD07028/-12  
Date: 16<sup>th</sup> April, 2014

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

Dear Sir/Madam,

**Re: Agricultural Competitiveness White Paper – Response to the Issues Paper**

The Port Phillip & Westernport Catchment Management Authority (PPWCMA) welcomes this opportunity to contribute to Australian Government policy to support the competitiveness and profitability of Australian agriculture.

The PPWCMA's responsibilities are to plan, coordinate and implement conservation strategy for land, water and biodiversity across its region. The PPWCMA aims to help public and private land managers make choices to improve the likelihood that future generations will also benefit from the land. This is the basis of sustainable land management and of competitive, profitable farming. 'Clean, green' agriculture is competitive, sustained and resilient.

Making money from farming establishes the capacity for farmers to invest in sustainability and restoration. Farmers losing money increase the risk they will consume or degrade the natural capital of their land just trying to stay afloat.

This contribution to the Agricultural Competitiveness White Paper aims to promote the benefits of policies and public investment that help farmers conserve the natural capital of their land. This submission makes several references to natural capital. For the purposes of this paper, we define natural capital as the natural endowments of a farm and its surrounds that make it possible for the farm to produce food and fibre. Natural capital includes a farm's soils and surface water resources, its living animals, microbes, plants and fungi and the ecological systems that sustain their ability to cycle nutrients and chemical compounds, pollinate and support crops, control pests and assimilate wastes.

The Port Phillip & Western Port region is home to Australia's second largest city, Melbourne. But it is also Victoria's most productive rural land on a returns-per-hectare basis, and the second most productive region in total agricultural output behind the Goulburn-Broken region. Agriculture in the Port Phillip & Western Port region has competitive advantages in its diverse environments, good soils, reliable water supplies and proximity to markets and transport hubs. Agriculture in the region is well placed to capitalise on consumer demands for food grown locally and sustainably.

We look forward to the Agricultural Competitiveness White Paper recognition of these advantages and their national relevance.

Yours sincerely,



Doug Evans  
Manager, Landcare and Sustainable Agriculture

## **Issue 1 – Ensuring food security in Australia and Globally**

### **Sustainable land use is crucial to food security**

Sustainable land use is fundamental to ensuring food security. Unsustainable land uses erode agricultural productivity and resilience and impose often irreversible costs to other users and values of waterways, coastal and marine environments.

The PPWCMA believes governments need to continue to invest in the public benefits of fostering sustainable land use and repairing past damage. 'Clean, green (i.e. ecologically diverse) agriculture is secure agriculture. Public investment is needed to advance knowledge and methods to improve the resilience of farming systems against economic shocks, the natural hazard of drought and the effects of climate change. These are crucial contributions to food security.

### **Protecting productive land is crucial for food security**

In the PPWCMA's urbanised region, protecting productive land from urban development is necessary to ensure food security. The PPWCMA is exploring ways to achieve this but the problem is not confined to the hinterlands of Australia's major cities. National strategy will assist local governments in many regions to address the problem of urban development removing access to quality soils for farming.

### **Exporting Australian agricultural technology, marketing skills and expertise**

Sustainable agriculture has been pursued by innovators in Australia's public and private enterprises for over 60 years. Soil conservation authorities established during the 1940s are now succeeded by world-class research and development supporting skilled, innovative and successful regional NRM organisations.

This combined expertise extends across agricultural, economic, IT and social sciences. The PPWCMA believes opportunities to export this expertise may be significant but have not been investigated. International aid, business and technology exchanges and trade agreements may be some areas of Australia's international relations that could be vehicles for exploring this further.

Technology offers enormous potential to boost our farming productivity; however uptake of new technologies is often slow, taking many more years than the life of the projects designed to support the adoption of new technologies.

## **Issue 2 - Farmer decisions for improving farm gate returns**

### **Invest in the National Landcare Program**

Farm management decisions that conserve natural capital are critical to sustain farm returns. Farmers draw on many sources of information and knowledge to help them make decisions about sustainable land use.

The National Landcare Program, delivered through regional NRM organisations helps farmers integrate environmental considerations into their management and decision-making, encompassing a more holistic approach with mutual environmental and productivity benefits.

Major strategies include:

- On-ground Landcare projects
- Programs that assist farmers to learn from each other
- Whole-farm planning
- Extension services

These strategies integrate social and scientific knowledge, social networks and shared needs and interests to build the capacity of farmers to protect their natural capital.

The cost-effectiveness of these activities is outstanding but private sector funding needs to be matched to government funding to purchase the public share of the benefits from sustainable land use.

Farm gate financial performance can be greatly improved in peri-urban areas when diversification and value-adding is adopted as a business structure.

The PPWCMA strongly recommends that the Australian and state governments continue to invest in the National Landcare Program.

### **Tools, skills and advice for farmers - Regional climate-change adaptation plans**

Droughts, floods and fire are major natural disaster risks to farm enterprises. The severity of these risks is predicted to grow with climate change. Response strategies built on reliable information are designed to help farmers to adapt and respond to such risks. It is important farmers have access to information relevant to their region, landscape and industry. Regional NRM organisations are currently preparing NRM Plans for Climate Change. The PPWCMA recommends Australian and state governments continue to invest in such regionally-coordinated management and resilience strategies.

### **Issue 5 - Enhancing agriculture's contribution to regional communities, including indigenous communities**

#### **Invest in the National Landcare Program**

This submission emphasises the importance and effectiveness of the National Landcare Program and community-directed learning and action to build farmer capacity. These strategies have direct benefits for rural and indigenous communities. This is because they are predicated on social networks, shared interests, inclusive learning and expertise. Landcare's social learning models emphasise rural leadership and capacity development through locally appropriate training/mentoring programs. Anyone can contribute to and benefit from the learning provided by these programs.

Specific to indigenous communities, the PPWCMA is leading a 5-year program to facilitate skills and capacity-building by the Melbourne region's indigenous communities.

In the PPWCMA region, there is evidence that indigenous communities aspire to grow and market commercial quantities of bush foods. The Traditional Owner managers of the Coranderrk reserve will develop a whole farm plan for the property with financial and resource support from the PPWCMA and Melbourne Water.

We believe this project could be a small but regionally-significant contribution to niche agriculture and a source of new employment and skills for Aboriginal people. Moreover, it is connected in a genuine way to preserving and evolving indigenous culture.

The PPWCMA recommends that Australian and state governments continue to support the National Landcare Program and its associated community-based programs.

### **Issue 6 - Improving the competitiveness of inputs to the agriculture supply chain**

#### **Sustain investment in life-long education and training for farmers**

Continuous improvement in Australian farmers' skills, knowledge and imagination is one of the most important input investments governments can make in building and sustaining agricultural competitiveness.

The Issues Paper states, "Investment in research and development and its adoption on-farm through extension are integral to the future competitiveness of Australian agriculture" (p25).

This statement is supported by the PPWCMA.

However, capitalising on investment in R&D assumes that farmers know how to apply and benefit from new knowledge and ideas.

Tertiary education, vocational training, scholarships, community-based learning, extension, on-ground demonstrations and trials all have a part to play in providing regionally appropriate, fit-for-purpose, life-long education and training for farmers.

Sustained investment in agriculture education is also an essential adjunct to policy to encourage young people to adopt farming as a career and to develop rural communities.

The PPWCMA urges strong and sustained public investment in diverse, life-long education and training for farmers and young people encouraged to pursue farming as a career.

### **Issue 7 - Reducing ineffective regulations**

The PPWCMA is concerned that competitiveness built on regulatory reform runs the risk of weakening laws designed to protect natural capital and undermining competitive and sustainable farming built on ecologically sustainable land management. Our attention is

drawn to an important example; the perception that the EPBC Act is flawed because the term 'significant impact' lacks clarity.

A practical answer to this problem may be to define 'significant impact' as practices which negate the effect of actions or prescriptions in threatened species recovery plans.

The PPWCMA contends that the ongoing global competitiveness of Australian agriculture will be enhanced and sustained by widespread farmer commitments to protecting natural capital. This needs national leadership and explicit government commitments to helping agriculture use ecological diversity to build sustainability and resilience. This leadership is part-expressed in regulation. Regulation should discourage land-users from practices which drive further diversity decline at local scales.

Like all legislation, the EPBC Act may benefit from review but weakened standards of care for the environment will not necessarily advantage agricultural competitiveness. It risks, however, sending messages to farmers, domestic and international markets that Australian agriculture does not see the need to coexist with nature and nature is an optional element of farming and all economic activities - not capital on which we all depend.

### **Issue 8 - Enhancing agricultural exports**

'Clean, green' agriculture is competitive and resilient. Promotion of the 'clean, green' ethos will help our farmers compete and persist in markets where there is growing consumer concern that produce should be grown sustainably.

Policy to further the development of Australia's credibility as a source of sustainably produced food and fibre has much to build on. Australia's relative isolation and small population already support a perception in international markets that Australian produce is unpolluted. Methods to identify on-ground environmental conservation outcomes in agriculture are developing. The ABS estimates that approximately 94% of farmers actively undertake natural resource management on their farms and farmers have set aside 9.2 million hectares for conservation purposes.

A Clean and Green marketing campaign supported by appropriate accreditation processes and policies that actively protect biodiversity and ecological integrity will reward farmers for their conservation efforts and encourage others to build this competitive advantage.

The PPWCMA strongly recommends further development and promotion of marketing based on sustainable use of natural capital by Australian farmers.