

“Regulation is a necessary evil, but it was never meant to be the core business of government.

That it has become so reflects poorly on our legislators, state and federal, who have conspired to allow the burden of new laws to increase exponentially in every jurisdiction. One consequence of this misplaced zeal is that companies operating in monolingual Australia with its population of 22million face more regulatory regimes than companies operating across the 25 country European Union with 457million people.

Another is that Australian Companies face having to deal with as many as 56 different taxes calculated as many as 180 different ways- multiples more than firms operating in the much larger economies of Britain or Germany.

Yet another is that they can face as many as nine different regimes for occupational health and safety, payroll tax, product safety, environmental approvals, development planning approvals, building regulation and trade measurement -- to name but a few.

Unnecessary red tape is a multi billion dollar deadweight on our economy. Tackling it has been a Goal? of every new government for a generation, but even where there is some success – such as under national competition policy from 1999 – 2005, the tide of new laws swamps the volume abolished.”

The above comments were part of an editorial from a national newspaper in 2007. Since then the Rudd, Gillard circus has added another 18000 pieces of legislation for Australian businesses to wade through; confirming the editorial’s accuracy, and further restricting private enterprise’s ability to be efficient and productive.

Australian farmers are businesses in some shape or form and are subject to the myriad red tape above PLUS 90 or so acts of parliament which regulate agriculture.

In an attempt to “enhance” agriculture’s contribution to the economy, we now see an attempt to delve into what’s causing the malaise? It’s painfully obvious that Australia has just about regulated itself out of business.

To illustrate the point, the UK had a GDP in 2012/13 of 2.17trillion pounds and the cost of regulating their economy comes in at .5% of GDP . Canada records their cost of regulation at .4% of a\$1.34 trillion economy....Here in good ole Oz the OECD has estimated the cost of our regulation to be a whopping 1% of GDP or about \$17Billion.. just imagine what could be done with those funds if they were redirected to productive sections of the economy.

Measures by government to improve farm gate returns would be to dispose of the ACCC and all of its baggage and introduce anti trust legislation to limit the size of the duopoly...this would increase competition as the number of retailers increases to give consumers and suppliers greater choice. It would certainly encourage global firms as they’d perceive a more balanced “playing field”.

We’ve recently seen the ACCC limiting competition by not allowing the duopoly to increase the fuel discount....ostensibly to protect the independent fuel retailer...the exact same thing happens in reverse in agriculture, with the duopoly driving down prices to producers; however the ACCC does

not intervene on the basis that price reduction is good for the consumer....stuff the suppliers.
Where's the balance in that?

Remote area workers should enjoy minimal to zero taxation on their salaries....years ago there was a zone allowance on taxation for that very reason, but this got lost in the tens of thousands of pages of taxation legislation.

Rural industries are far better off if they can utilise research funds "in house" as opposed to any other method. However because of market failure, many smaller industries have to compulsorily contribute to government controlled R&D and watch their funds being misdirected in projects which have no direct benefit to their own particular circumstance. The worst thing that can happen is for bureaucracies to become involved, as their "overheads" are astronomical, so more funds get wasted.

Transport infrastructure in northern Australia is seriously broken; our roads are 30years behind in maintenance; our rail system is basically a non event. Irrigation systems run by Sun Water are collapsing from underfunding and some producers can't get water from this system even though they're connected to it.

Gratuitous comments about farmers being important managers of the nation's resources have to be tongue in cheek, with all the bureaucratic nonsense required to clear land, bore for water, take flood debris from rivers etc....what about incentivising the rural sector to care for the environment instead of legislating to "protect" it?

Typical of the red tape nightmare endured by agriculture is the following: our business holds(since 1995) QA accreditation to supply the duopoly & Macdonald's restaurants and also has accreditation from the national body for the general market. We had an enquiry to sell product to export so had to advise AQIS for them to peruse our QA system to see if it was OK.

They duly arrived, spent a couple of hours going through the paperwork, said nope not good enough and left. We engaged an expert to rectify the paperwork and after his perusal we were told that all the information AQIS required was there, but because the plan wasn't the same as "theirs" they just couldn't be bothered to look for it. So here we are \$ 20000 worse off thanks to red tape and little hitler. It seems that we're fine to supply our fellow Australians, but here we see the bureaucracy "protecting the interests of other countries"? sounds like tripe to me.

The ever increasing requirements for businesses to have a QA program vetted by its customers, combined with overarching government regulations is costing our business more than \$ 50k/year, to do what we've always done, which is to supply a quality product as quickly as possible to our customers. When you add that to the cost of other red tape, it's quite clear that the operating costs far outweigh the perceived benefits.

In 2009, we entered discussions to buy a bio generator, manufactured in China, to produce 500Kw/hr of power which would utilise all of our organic waste and allow the surplus power to be sold back to the grid. However, after investigating all the regulations pertaining to the operation of such a plant in this country, the cost of running it would have outweighed the benefit. That same generator is now producing power for a Malaysian firm which uses waste from palm oil plantations

as fuel. NO red tape but plenty of output. One only has to scratch the surface to see how uncompetitive we're becoming as a nation.

In 2011, we purchased a thermophilic digester to convert all our organic waste to bio soil conditioner. The heater was built to International standards, but was not good enough for OZ.....we had to spend another \$25K so it could be brought up to "our" standard...we're a clever country eh?

Competition within the supply chain will continue to have a huge imbalance while ever the Duopoly control so much of the retail market. In regional Australia the duopoly often has a greater than 90% share of the market which distorts the negotiating power of primary producers. How does one "negotiate" with a retailer who takes 20% off the top of the price to pay for their own inefficiencies, and then takes 60 -90 days to pay? this is a clear illustration of inefficient industries using the agricultural sector to prop up their own businesses and is in stark contrast to the wholesale markets whose settlement terms are mostly 7 days, at the negotiated price. Only problem is the markets don't have access to the volume of consumers that the duopoly does.

The ACCC is held to be the "umpire" against foul play, when in reality they are worse than useless, another waste of taxpayer funds. They're good at keeping the small fry in line, but the fact is that the big fellas have a bigger budget than ACCC so it goes to the golden rule (he who has the gold makes the rules).

Regulations affecting agriculture often differ at local, state and federal level. Why can't there be only one set of regulations, say at federal level, to avoid confusion and duplication? This would relieve the burden of too many bureaucrats and increase efficiencies, not only for agriculture but also for governments.(bet that's too simple to achieve)

I don't know of any primary producer who has the time to tackle the government "incentives" offered for investment...once again we have a situation where bureaucrats effectively shut out the majority of producers as they (the producers) are far too busy with their own problems to wade through the mountain of red tape which is a requisite of any government department.

The over riding issue for agriculture is too much regulation. The government should lead, follow or get out of the way....agriculture is suffering strangulation and needs flatter structures to work with.