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Productivity Commission Draft Report on Regulation of Australian Agriculture
Submission from Livestock SA August 2016.

Livestock SA wishes to thank the Productivity Commission for confirming in its draft report on “Regulation of Australian Agriculture” that primary producers are under a heavy burden of red tape.

Livestock SA represents South Australian sheep, beef cattle and goat producers, and as such this submissions comments only on those draft recommendations directly relevant to Livestock SA members.

Land Use

DRAFT RECOMMENDATION 2.1

Land management objectives should be implemented directly through land use regulation, rather than through pastoral lease conditions. State and territory governments should pursue reforms that enable the removal of restrictions on land use from pastoral leases.

This recommendation is SUPPORTED.

As Livestock SA represents sheep, beef cattle and goats producers, this covers South Australia’s pastoral region. Pastoralists are very restricted by the State’s *Pastoral Land Management and Conservation Act 1989* and there is a need for this Act to be urgently reviewed.

A review of this Act needs to have as its main emphasis consideration on the tenure and security for pastoralists. Currently there is a decrease in productivity due to uncertainty of lease renewals with the current three year process from assessment to lease renewal offer not being realistic, paddock condition reporting is largely obsolete after three years and with changes in seasonal conditions, and the excessively long turnover time in reporting process is highly inefficient and not cost effective.

Alternative forms of pastoral land tenure in South Australia could have great benefit to current leaseholders. A stronger form of tenure may not have a lease term associated with it, and if this is the case this would lessen the equity risk to lending institutions which would help in obtaining more competitive interest rates.

With the freeing up from red tape and associated due processes, this would assist in freeing up those management restrictions currently made in relation to such aspects as maximum stocking rates, spread of water points and property improvements. This could encourage innovation such as business extension into irrigation and horticulture, tourism and other such ventures. It could also allow for the better management of feral animals so that full economic advantage could be made from these, such as if areas were allowed to be fenced off to enable the holding of feral animals until there were sufficient numbers available to truck to relevant markets. Currently South Australian pastoralists find that there are onerous regulations restricting any such changes.

Although the value of current leases would not rise in some States, in South Australia the constraints that come which the over-protective but poorly administered *Pastoral Land Management and Conservation Act 1989* need to be overhauled. This would encourage wider investment into this State from a broader band of investors who currently do not realise the potential of South Australia's pastoral industry.

Currently pastoral families are leaving the industry (as evident in decreasing enrolments for School of the Air and Distant Education). This exodus is eroding the way of life in the pastoral region. Reform of pastoral tenure could help in reversing this trend which would keep valuable knowledge and land management skills developed by succeeding generations of ownership, to benefit and underpin future agricultural production and sound environmental stewardship.

Reform of pastoral lease conditions could help generate more community wealth at a regional and local level which could better support and guide current and future government investment initiatives for greater public benefit.

Environmental regulations

DRAFT RECOMMENDATION 3.1

The Australian, state and territory governments, in consultation with natural resource management organisations, should ensure that native vegetation and biodiversity conservation regulations:

- *are risk based (so that landholders' obligations are proportionate to the impacts of their proposed actions)*
- *rely on assessments at the landscape scale, not just at the individual property scale*
- *consistently consider and balance economic, social and environmental factors.*

DRAFT RECOMMENDATION 3.2

The Australian, state and territory governments should continue to develop market-based approaches to native vegetation and biodiversity conservation. Where the community is seeking particular environmental outcomes, governments could achieve them by buying environmental services (such as native vegetation retention and management) from existing landholders.

These recommendations are SUPPORTED.

Currently restrictions on touching native vegetation does place onerous restrictions on producers wanting to make changes to their production such as expanding irrigation or allowing grazing. Through membership of Primary Producers SA, Livestock SA is involved with working with the State Government on its review of the State's native vegetation and this is slowly leading to a more practical approach to conserving native vegetation.

DRAFT RECOMMENDATION 3.3

The Australian, state and territory governments should review the way they engage with landholders about environmental regulations, and make necessary changes so that landholders are supported to understand the environmental regulations that affect them, and the actions required under those regulations. This would be facilitated by:

- *recognising and recruiting the efforts and expertise of landholders and community-based natural resource management organisations*
- *building the capability of, and landholders' trust in, environmental regulators.*

This recommendation is SUPPORTED.

Through Primary Producers SA, Livestock SA is involved in a "Agriculture and NRM: working together" project. Unfortunately just as this project is gaining traction, the State Government is forcing an unduly high increase in NRM levies onto producers mainly to help pay for water planning and management costs incurred by the State Department of Environment, Water and Natural Resources when the whole community should be contributing. As this is at the expense of on-the-ground NRM projects, this is not assisting in encouraging a good relationship between primary producers and South Australia's regional NRM Boards.

Regulation of Farm Welfare**DRAFT RECOMMENDATION 5.1**

The Australian Government should take responsibility for ensuring that scientific principles guide the development of farm animal welfare standards. To do this, an independent body tasked with developing national standards and guidelines for farm animal welfare should be established.

The body should be responsible for determining if new standards are required and, if so, for managing the regulatory impact assessment process for the proposed standards. It should include an animal science and community ethics advisory committee to provide independent evidence on animal welfare science and research on community values.

This recommendation is NOT SUPPORTED.

This recommendation is inconsistent with most of the other draft recommendations and indeed the tone of the draft report, as it is proposing more regulation not less.

In the case of the sheep, beef cattle and goat industries all have over recent years been heavily involved in developing standards and guidelines. These industries have invested significant amounts of their own industry funds, as well as a considerable amount of time in drafting, consulting and negotiating standards and guidelines. It is unclear with this recommendation if this process would have to be repeated which will mean there has been a considerable waste of resources.

It is essential that no funding is removed from the current organisations that are involved with sheep, beef cattle and goats including AHA, AWI and MLA. It is concerning that funding already allocated to livestock industries may have to be re-channelled if this recommendation is accepted.

With this recommendation, not only would there be a need for Australian Government funding, but it may be that animal welfare and animal rights groups also need to contribute. As for the well-reasoned recommendations on environmental regulations, similarly where the community is seeking particular animal welfare outcomes, then it should not be left solely up to producers to be expected to put these in place where these are not necessarily essential solely for animal welfare.

Currently, livestock industries are obliged to fund many large initiatives as government continues to withdraw, for example, from the extension and biosecurity spaces. Funding should not be re-channelled from initiatives that have proven they work and are providing real animal health and welfare outcomes, for a speculative arrangement based on unproven assumptions.

DRAFT RECOMMENDATION 5.2

State and territory governments should review their monitoring and enforcement functions for farm animal welfare and make necessary changes so that:

- *there is separation between agriculture policy matters and farm animal welfare monitoring and enforcement functions*
- *a transparent process is in place for publicly reporting on monitoring and enforcement activities*
- *adequate resourcing is available to support an effective discharge of monitoring and enforcement activities.*

State and territory governments should also consider recognising industry quality assurance schemes as a means of achieving compliance with farm animal welfare standards where the scheme seeks to ensure compliance (at a minimum) with standards in law, and involves independent and transparent auditing arrangements.

This recommendation is NOT SUPPORTED.

The 'conflict of interest' between the Department(s) of Agriculture overseeing livestock regulation is a continuous theme in the draft report. This premise needs to be challenged. This is actively promoted by animal rights groups and is part of their long term campaign for an Independent Office of Animal Welfare.

In South Australia, the Department of Primary Industries and Regions SA (PIRSA) has considerable expertise and this needs to be used towards oversight of the livestock industries. Livestock SA believes this is the same for other States too.

Transport

DRAFT RECOMMENDATION 8.1

States and territories that are participating in the Heavy Vehicle National Law should increase the number of routes that are gazetted for heavy vehicle access. Permits should only be required in locations where there are significant risks to public safety or infrastructure that must be managed on a case-by-case basis.

There are arrangements in South Australia to allow road users to propose and undertake road route assessments for gazettal, and in Queensland to fund road assessments and gazettals on both state and local roads. These arrangements should be considered for adoption in other jurisdictions or expansion in respective states.

This recommendation is SUPPORTED.

Through the South Australian 90-day transport project, a number of key initiatives have already been achieved out of this project including the approval of higher mass load vehicles to access Viterra sites across South Australia, the use of quad road train combinations between Port Augusta and the Northern Territory border, the introduction of tri-axle dollies for use in road train combinations, removing the minimum limit from the system of common registration date for multiple farm vehicles, and more recently allowing night movement of oversize and overmass agricultural machinery.

Livestock SA would like to see this 90-day transport project repeated or even done on a regular basis to continue progress in the area of making the road network systems serve both the general community and agriculture more efficiently.

DRAFT RECOMMENDATION 8.2

The Australian, state and territory governments should pursue road reforms to improve the efficiency of road infrastructure investment and use, particularly through the introduction of road-user charging for selected roads, the creation of Road Funds, and the hypothecation of revenues in a way that incentivises the efficient supply of roads.

While this recommendation has some merit, it is of concern to Livestock SA.

Agriculture serves the whole population and a strong agriculture sector is an asset to all Australians delivering abundant clean, safe, and fresh produce to the greater population at a competitive price.

The upkeep of the road networks that deliver this produce should be a cost for all Australians. To charge regional agricultural business for the lion's share of local and regional road infrastructure projects will cripple agriculture and the smaller rural, regional and remote towns and communities.

If there is to be road levies put on vehicles (though increased registration charges based on mass or through the use of tolls) then it should be done either on all vehicles registered or if cost recovery measured are desired they should be imposed in areas of population for this is where the most haulage of agricultural products exist.

There is room for infrastructure fund partnerships at the local level but this must be transparent and governments must bring allocated funds to these initiatives.

There are still many examples of poor use of taxpayers funds in some States around Australia especially in road maintenance and road development. For example, in out-of-government areas in South Australia where a lot of the road funding is underpinned by Federal Government funds but managed at the State Government's discretion, the inefficient use of these funds needs to be addressed before starting to look for more ways to tax producers.