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Mr Peter Harris AO  
Chairman  
Productivity Commission  
Regulation of Australian Agriculture  
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Dear Mr Harris

The Department of Primary Industry and Fisheries (DPIF) is pleased to be able to provide the following comments on the Productivity Commission's Issues Paper on Regulation of Australian Agriculture. Northern Territory (NT) agriculture industries constitute a combined net annual value in excess of \$500 million. It is based around both domestic supply of produce such as; mangoes, melons, and Asian vegetables to southern Australian markets and a beef industry comprised of export manufacturing meat and a live export cattle sector supplying a number of customers in the Asian region.

Regulatory frameworks are critical for maintaining the integrity of our rural industries. They provide security and protection to their operations, as well as safe and ethical operation and organisation. However, there are potential areas of improvement in certain parts of the regulatory structures governing the agricultural sector's operations and the following have been identified as areas of interest for the NT. Our comments are not meant to be prescriptive, but offered to draw attention to those areas where more conscientious effort could be focussed to resolve potential deficiencies or obstructions.

The relevant issues and comments are as follows:

#### Pastoral Leases

Pastoral Leases have historically been a mechanism for Government to foster and manage commercial expansion of the Pastoral Industry (primarily cattle) to promote economic development.

Across northern Australia there are considerable areas of the landscape with favourable land and water resources that could generate higher economic prospects than currently achieved under extensive grazing systems on Pastoral Leases. The NT Government recently changed legislation to allow for changes to land use other than pastoralism on Pastoral Leases for up to 30 years (renewable). Previously change of land use approvals were limited to five years with the approval given to the leaseholder. The 30 year (renewable) approval is now given to the lease itself which in effect makes this a transferable asset. These policy changes are beneficial to potential investors; however, they still do not afford the same value, flexibility and security that freehold land title offers primary production especially in regard to foreign direct investment.

### Native title

Addressing native title is a key step when considering agriculture development, especially on Pastoral Leases in the NT. Investors seeking to convert Pastoral Leases to Freehold title may view native title processes as complex, time consuming and difficult to value. The processes involved are not clear, especially to foreign investors, who have no experience with similar processes in their home countries. More work could be done to simplify native title extinguishment processes, whilst acknowledging the importance of comprehensive consultation with native title holders. Simpler native title processes with clear guidelines for negotiations could provide a mechanism to increase involvement of native title holders in the development of agriculture.

### Investment

Given recent focus on foreign direct investment in the agricultural and related utilities sector, it appears there are grounds for further national discussion on foreign investment parameters and processes. The NT has been built on foreign investment and has the highest jurisdictional level of foreign investment in the Agricultural sector. Current Australian Government policy does not appear to be properly defined or well understood nationally and this could negatively affect the potential for agriculture businesses to take advantage of investment and expansion opportunities.

### Assessment of technologies and chemicals

Genetically modified crops: The Northern Territory supports nationally consistent regulation of genetically modified organisms (GMOs). The Gene Technology (NT) Act adopts the Commonwealth legislation.

The Australian Pesticides and Veterinary Medicines Authority (APVMA): The cost and rigor to obtain chemical registration is extensive and robust. The APVMA is a national institution that guarantees both the efficacy and safe use of agri-chemical products. The APVMA must be maintained and arguably further strengthened. Specifically, there are two key areas that do require a reform in the APVMA system:

1. To ensure the review of both new and old products is carried out in a timely fashion, there is a view that the APVMA be further strengthened with the adequate human capital to conduct this work. Currently, many of the functions are farmed out for expert review to academics in Universities or specialists in the State Departments. Reviews can often take a secondary priority to their core duties of their employment. This is delaying the availability of newer, superior chemical technologies to Australian primary producers. This gap in the capacity of the APVMA needs to be resolved; and
2. It is critical that the organisation begin to recognise international data sets for product registration. There is currently an unreasonable burden to both industries and manufacturers with subsequent delays from having to generate additional Australian research data for registration. Where there is compatibility with overseas crops and data, appropriate recognition should be given. The existing process is a brake to innovation and a drag on rural industry competitiveness in international trade.

### Biosecurity

It is our view that some Australian primary producers do not fully recognise the increasing threats posed by pests and disease nor fully appreciate the significance of biosecurity programs in maintaining or enhancing market access, both domestically and internationally. In order to help mitigate these increasing risks, an improved national approach to biosecurity is required. This must include a 'shared responsibility' with a clear delineation over

Government (both Federal and State/Territories) and industry/ community roles and responsibilities, to ensure a more coordinated, collaborative and cost effective approach.

Recognising the significant impacts a major cattle disease may have, the NT *Livestock Act* promotes a sustainable livestock industry and associated industries by:

- Establishing methods of identifying and tracing livestock;
- Supporting market access to, and product integrity of, livestock and livestock products;
- Regulating the movement of livestock, animal products and other things associated with livestock;
- Protecting the health and welfare of livestock by establishing standards and procedures for managing livestock, controlling diseases and implementing the national biosecurity strategy and by other means; and
- Providing compensation for losses caused by certain livestock diseases.

Nationally, there is a move to individual property biosecurity management rather than State and Territory based regulation for managing biosecurity risks. This includes some notifiable diseases. The intention of this process is to minimise regulatory burdens impacting on market competitiveness, however, it should be recognised that there is an inherent risk to the livestock industries if a disease establishes on a property and spreads to other properties impacting on their collective market access.

In relation to the live export process, Exporter Supply Chain Assurance System (ESCAS) and associated regulatory requirements under Australian Standards for Export of Livestock (ASEL) and State or Territory based legislation, there may be some opportunities to combine or streamline biosecurity-related audits e.g. registration and audit of export yards. However, maintenance of the integrity and rigour of the respective systems is paramount in ensuring market access to a wide variety of livestock markets as different customers have different entry requirements. The NT Government recognises that this may occasionally cause some inconvenience to individual participants, but maintaining the integrity the system and the greater good of the sector must be the priority.

#### Consumer safety

It is our view that Australia currently has a patchwork of regimes regarding acceptable residue levels and treatment protocols in the fruit and vegetable sector. We believe that there is a lack of defensible uniformity between Australian jurisdictions and in several cases export protocols are easier to meet than interstate standards.

#### Transport of livestock

The Australian Animal Welfare Standards and Guidelines; Land Transport of Livestock, commonly referred to as the Land Transport Standards (LTS) were adopted under State and Territory Legislation across Australia from 1 July 2012. In the NT, LTS were implemented under the NT Livestock Regulations with compliance and enforcement activity undertaken by DPIF from 1 January 2013. The nationally agreed Animal Welfare Standards and Guidelines were developed cooperatively by the livestock industries and Government, through extensive consultation with all stakeholders involved in the transport of livestock.

This new framework sees truck drivers responsible for the following activities:

- Loading livestock including a final inspection as 'fit for the intended journey';
- Loading density;
- Inspections of livestock during transport;
- Unloading livestock at the destination, either at a property, export yard, transit yard, saleyard, abattoir or cross-loading onto other trucks or ships; and

- Spelling periods during the journey.

The introduction of the Heavy Vehicle National Law (HVNL) in the NT would need to be considered in relation to the current LTS which will place further restrictions on the transport industry. It is noted that Western Australia and NT are yet to commence the HVNL. The NT would suggest an analysis of learnings from Queensland's implementation of LTS and HVNL would be useful and relevant to our circumstances.

Yours sincerely

**Alister Trier**  
Chief Executive

26 February 2016