

Submission

Productivity Commission on the
Regulatory Burdens on
Business - Primary Sector

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Executive Summary

This document reviews regulations that impact heavily on businesses in the Agricultural and namely horticultural businesses in South Australia. In reviewing the Horticulture sector for the Regulatory Burdens on Businesses Submission, it is of noted importance that the Government and Industry stakeholders consider carefully the livelihoods of those that will become affected in how the review, changes or new regulatory requirements are introduced. Effort is needed by government and industry stakeholders to establish regulations that are less complex, resource intensive and time consuming.

Regulations should be seen as a guide to work with, easily understood and allow operating requirements for farming enterprises to be viable and profitable.

Key Issues raised by Virginia Horticulture Centre, on behalf of the South Australian Horticulture Industry in this submission include:

Employment regulations:

- Horticulture is an Industry area that is a significant employer;
- The horticulture industry is a major employer in the Adelaide Plains, Riverland, South East and Murray/Mallee region;
- Workcover presents itself as unequitable for labour intensive industries;
- The Australian and New Zealand Standard Classification of Occupations (ANZSCO) codes needs to clearly reflect horticultural occupations;
- Payroll tax inhibits horticulture Industry employers;
- Labour force issues.

Environmental regulations:

- Knowledge of environmental regulations are minimal;
- Many growers are unaware of their obligations or what they could be proactive in;
- Self regulation is successful in achieving government requirements;
- Growers believe they should not have to meet the costs beyond the farm gate;
- Differing regulations from different states are cause for confusion;
- Australia's food regulations need to be streamlined and nationally consistent;
- Industry has a demonstrated standard that they can self regulate;
- Government support and incentives for using Virginia Pipeline Scheme (Reclaimed water).

Biosecurity and Quarantine regulations:

- Consistency is needed in our national biosecurity system;
- Need for one biosecurity system, a national one that all states must adhere to;
- Benchmarks should be put in place for interstate trade to allow a freedom of trade;
- Growers are currently required to meet the cost to provide information to the government;
- Self regulation and independent audits should be allowed;

Occupational Health & Safety within Workplace:

- The horticulture industry has independent issues from mainstream industries, and therefore regulations;
- Unrealistic time requirements related to the learning of codes of practices and regulations employers need to know;
- OH&S continually changes;
- The need to educate industry in changes and making them more aware of regulations;
- Increase awareness for safety issue and responsibilities.

Chemical regulations:

- Chemical registration is a critical issue for the Horticulture industry;
- Chemical review processes are costly, timely and not in line with what growers need;
- Growers are critical of the chemical review processes;
- Industry would support national benchmarks for use of chemicals;
- Using chemicals for interstate trade causes increases costs and time.

Food regulations:

- Australia's food regulations need to be streamlined and nationally consistent;
- Industry has a demonstrated standard that they can self regulate;
- Food regulations need to apply to imported products as well;
- Self regulatory systems need to be highlighted more in regards to their success and effectiveness.

Introduction

The Virginia Horticulture Centre service provision is unique to the South Australian Horticulture industry at a local, regional and state level. The Virginia Horticulture Centre welcomes the opportunity to provide feedback as:

There is a complicated relationship between problems and solutions [within our Industry] which is itself one of the important explanations of why certain policies emerge. But wherever a player sits in the policy process, inside or outside government, opportunities for advancing policy reforms do arise. When opportunities do arise, it is useful to understand the broader framework of policy development and what stage or stages the [South Australian Horticulture Industry] can take an effective part. (Edwards, Howard & Miller, 2001)

The VHC's submission for the Productivity Commission's Issues Paper titled *Annual Review of Regulatory Burdens on Business – Primary Sector*, is based on face to face feedback and interviews with a cross section of growers and stakeholders focussing on the impact of regulatory burdens at an industry and organisational level. In researching and gathering feedback we surveyed growers in the predominant horticulture regions across South Australia; Adelaide Plains, Riverland, Murraylands and Mallee.

Industry stakeholders were consulted and surveyed along with additional information collected from reports, board meetings and grower meetings to identify issues that have contributed towards creating:

...a simplifying analytical [submission, which] can serve as a bridge between some ideal of process and the practice. It can be a most useful tool in pursuing success for a policy position. (Edwards, Howard & Miller, 2001)

About the South Australian Horticulture Industry

South Australia is the third largest producer of horticulture produce in Australia. As horticulture is the fastest growing agricultural industry in Australia, South Australia has demonstrated this growth potential with the Agriculture Food and Fisheries Minister Rory McEwen releasing via the Premiers & Ministers website on October 31st, 2006 that:

'Horticulture was one of the biggest improvers for the year, with gross revenue rising 16 per cent to \$287 million'.

Horticulture is the third largest agricultural industry in Australia with the industry positioned to double production over the next ten years. Meaning South Australia potential for production is ever increasing.

During 2005-06 South Australia produced 822,400 tonnes of horticultural production worth over \$562 million (as measured in farm gate prices). Once produce has left the farm gate a substantial amount of value adding occurs. Horticulture industries in South Australia processed around 851,000 tonnes of product valued at \$986 million in 2005-06.

The South Australian horticulture industry:

- Trades around two thirds of all South Australia 's volume of horticulture production interstate, providing a net return of around \$525 million.
- Exported a total of \$129 million of produce in 2005-06
- Is developing quickly due to having outstanding environmental conditions for glasshouse production;
- Has access to Virginia Pipeline and Bolivar reclaimed water scheme, and the Murray Darling Irrigation Scheme;
- Has a high Value Adding potential ;
- Growing regions are in close proximity to supply chain and logistics;
- Adelaide Plains and River regions are within a 3 hour radius for logistics;
- Benefits from South Australia's strong transport infrastructure.

The future of Agricultural Industry in South Australia

- The Adelaide Plains horticultural region will soon see d'Vineripe become the largest tomato production glasshouses in the Southern Hemisphere with a total of 16 ha of hydroponic tomatoes;
- The riverland region aim to create better access for SA fruit to export markets;
- Domestic small-scale family farms are increasingly becoming medium to large operations;
- South Australian horticulture industry production will double within the next 10 to 15 years;
- Farmers are finding it more difficult to maintain profitability in making a livelihood;
- Food SA is currently developing a 2007-2010 State Food Plan to look at issues, such as market development and value adding, innovation, research and development, and collaboration within the food industry and along supply chains;
- By 2030 horticulture production on the Adelaide Plains will double in production;
- Riverland's South Australia Citrus Industry Development Board implemented a 5 year strategic plan to remain as the benchmark citrus production region in Australia;
- 8 percent of South Australia's production value share is from citrus in the riverland and view to increase this with better export markets;
- The need to be able to make a living without having immediate regulatory impacts on their businesses;
- To maintain an international reputation for quality, primarily due to high standards in all stages of the supply chain.

Virginia Horticulture Centre

The Virginia Horticulture Centre (VHC) is in the heart of the Adelaide Plains Region. The VHC aims to represent, promote and develop the horticultural and associated industries on the Adelaide Plains in particular and in the State of SA in general. The VHC has a strong community based approach and is the focal point for horticulture industry development, providing a range of resources and services to support and facilitate industry and community growth. The Virginia Horticulture Centre services an Industry that includes vegetables, fruit, nuts, nursery, cut flowers.

Through the VHC, the regional horticulture industry has demonstrated its increased confidence and external environmental awareness by creating a presence at government and industry forums. As a result of representation and active participation the VHC has been able to exercise a significant amount of influence in shaping government policy and legislation.

The services offered by the VHC are unique to both South Australia and Australia, with no other single entity offering the level or range that the Centre provides. This knowledge and service opportunity sets our growers and producers apart from the wider industry community.

Natural Resource Management services to members and community areas such as drum Muster, water and plastic recycling, clean up campaigns, agronomic services, revegetation, irrigation, soil and leaf testing, management demonstration crops, weed control and fencing.

The VHC provides access to industry specific training through our Registered Training Organisation up skill growers with Nationally Accredited Training. The training effectively develops decision making and management skills, making them more competitive with greater knowledge.

Growers have the ability to value add produce and become more competitive through our product development and value adding capacity. The VHC's value adding capacity makes use of kitchen facilities and demonstration packaging facilities. Having this capability increases the opportunity for our growers to improve profit margins and market opportunities.

The VHC provides high quality products and services to its members, customers and stakeholders as we continually support our members in providing direction and viable outcomes across all aspects of the horticultural industry. These services are offered throughout South Australia, predominantly in the Adelaide Plains, Riverland and Mallee/Murraylands. Services and resources are provided by the VHC to growers, producers, packers, marketers, logistics and distributors.

Virginia Horticulture Centre Services

Services offered by staff at the centre are:

- Corporate Consultancy including strategic planning, communications, risk, event and project management, brand development, and industry lobbying/advocacy;
- Training and Production including demonstration crop and production techniques, nationally accredited training and training services specific to our industry;
- Member Services including natural resource management plans, water and plastic recycling, clean up campaigns, agronomic services, revegetation, irrigation, soil and leaf testing and business and financial planning services;
- Post Harvest Services including retail and foodservice marketing, SA Grown branding, packaging, value adding, processing, marketing and communications such as brochure design, advertising and desktop publishing;

The VHC is providing this submission on the Productivity Commission's Issues Paper titled *Annual Review of Regulatory Burdens on Business – Primary Sector* on behalf of growers, producers, packers, marketers, logistics and distributors of the South Australian horticulture industry.

1. Employment regulations

Australian horticulture is a labour intensive industry and contributes significantly to non-metropolitan areas, employing large numbers of people.

For example approximately 1,200 growers work 20,000 ha of agricultural land in addition to major packing and processing operations. The Adelaide Plains horticultural industry located 35km from the CBD directly employs over 3,000 people. A projected outcome for 2,500 more jobs in the next decade contributes to the importance of regulations that are favourable to employers and surround issues related to employment.

Currently regulations dealing with employment issues such as taxes and Workcover are of a major concern for many growers in the South Australian horticulture industry.

An increasing labour shortage in the horticultural industry is a serious and growing concern for employers. Growers are already feeling the pressure of not being able to recruit reliable workers, with skilled workers being few and far between. These problems impede on sufficient levels of production and profitability as a direct result of lack in labour force.

Inequitable Regulations:

Workcover presents itself as inequitable for labour intensive industries. There is obvious displeasure from growers regarding the system and a call for a complete review of Workcover is needed. Workcover is seen as an additional tax burden; a revenue raising scheme. In addition to this, there is an urgent need to investigate fraud offenders within the Workcover system.

There is belief that there is a place for a genuine Workcover scheme. Many growers would welcome a reliable and ethically correct Workcover system that removes itself from the continual abuse of employees who do not want to work and carry continual 'mysterious' injuries.

Grower comments on the current conditions of Workcover:

Grower 1

'We ended up paying for a private investigator to investigate the person concerned, it fixed the problem'.

Grower 2

'I would pay an extra one percent Workcover if the government went and hired private investigators to go and catch all the cheats that are scamming and burdening the system. I would have no problem with this at all'.

It is widely believed that Workcover, unfortunately, has become a burden on the Australian economy to which the grower pays for most of the consequences.

A solution or review of current legislation would be welcomed.

Industry specific regulation for enveloping regulations

Growers have commented on the ability to have more rights within their own business. The confidence they now have due to the industrial relations laws has given them the opportunity to keep workforces strong.

'Changes to industrial relations laws ... will benefit agriculture and food businesses by increasing flexibility in labour hiring and improving opportunities for working arrangements of mutual benefit to employer and employee. In a more flexible employment environment, a priority for agricultural enterprises should be making conditions for agricultural workers more competitive with those of other potential employers' (Agriculture and Food Policy Reference Group, 2006).

A grower also made note that although these are *'...good changes in regulation ... it needs to be enforced correctly so that employers do the right thing and treat their workers well. Everybody has the right to be treated correctly'*

The inability to find skilled workers has cause for concern.

A solution to this problem is that occupation classes could be added to Job specifications.

One area for potential is that when employers are advertising for positions or recruiting, they are seeking employees with a certain skill base. Currently there is no system in place to help an employer choose the right type of worker needed for their business.

This would allow Industry in general to have workers classified appropriately so they had the ability to employ exactly what labour source they want. The Australian and New Zealand Standard Classification of Occupations (ANZSCO) is a development program shared jointly by the Australian Bureau of Statistics (ABS), Statistics New Zealand (Statistics NZ) and the Australian Government Department of Employment and Workplace Relations (DEWR). ANZSCO has the ability to be used for such coding.

ANZSCO clearly reflect horticultural occupations to enable employers to hire reliable and skilled workers. Training and skilling can be streamlined for occupational requirements in line with ANZSCO. ANZSCO can also be rated with a risk analysis for the occupation for Workcover requirements so that not all workers doing different types of work have to be covered by the same percentage by the employer. Varying degrees of contributions should be made to allow for the differing risks in occupation.

Education & training

As horticulture is a major employer in South Australia and the importance of a strong labour force is becoming evident. Growers spend time and money on education and training at a major cost and more often a loss to them so that they can have a steady reliable labour force. Horticulture industry relies on a constant labour force as this is what is needed to remain profitable.

'Securing a strong workforce for the future is a major challenge for the agriculture and food sector. The workforce needs not only to be large enough to meet the needs of existing demand and new initiatives, but also to have the right skills and training to allow the sector to grow in the future. Labour and skill issues affect all parts of the supply chain' (Agriculture and Food Policy Reference Group, 2006).

Horticulture is an Industry that relies heavily on its labour force. Horticulture needs to be a large employer to enable profitable productivity for its businesses. Horticulture businesses need reliable and responsible workers due to the diverse range of occupations that are required. In employing a worker a grower is looking for productivity, responsibility, experience where possible (sought after) and most important reliability.

Grower commenting on the issues of finding suitable labour force:

'it is hard to find good reliable workers these days, the people who want to work will come and find the work and when we get people like that we try and grab them'.

As the industry starts to show the strain of continuing skill shortages and a lack of available labour the horticulture industry production and quality will be put at risk.

Government could review legislation for funding of education and training as this would lift the burden training and skilling workers is costing the horticultural industry and the individual growers.

Costs of Regulation

According to information collected from a number of horticulture businesses payroll tax inhibits horticulture Industry employers greatly. Employers feel they could better utilise monies spent on the taxes by employing additional staff or making horticultural employment a more appealing career with increased wages and conditions.

Payroll tax is seen as an added unnecessary expense. With the GST many growers view payroll tax as an inefficient tax on their business that severely impacts on their profitability. Growers have commented on the fact that without the payroll tax they could employ additional workers for the same cost increasing productivity.

In addition to payroll tax, the increased cost of Workcover is a continual burden to businesses and the grower with very little, if any perceived benefits.

Grower comments on the current conditions of Workcover:

Grower 1

'I never have had a claim and the cost of it is going up and up and up, why do I have to continue paying so much, why is each employer the same percentage of cover when we don't all do the same level of job?'

Grower 2

'Workcover is costly to our business with limited employer rights and a cost of so many dollars per year'.

Grower 3 (commenting on superannuation)

'Employee superannuation costs our business approximately \$15000 per annum. There is no productivity for this cost and often the funds are lost forever to the worker as they work only on a casual basis and loose track of their many funds as they move from employer to employer...a solution would see employees pay four percent and the employer four percent and the government should contribute more. It shouldn't be up to us to save for their future'.

Australia's horticulture industry has long enjoyed a domestic approach characterised by small-scale family farms that are increasingly becoming medium to large operations. With this trend occurring more businesses are employing new unskilled workers. This causes an increase in labour costs and time loss which in turn affects the profitability of these businesses.

Government needs to consider reasonable and attractive incentives for employers of this type to make it lucrative for the grower to say that they will take on new workers and train them.

2. Environmental regulations:

A need for increased government support in actively promoting and developing regulations around sustainable water use is supported by the industry.

Environmental and natural resources are important areas for growers. Water is the most important requirement for a grower. Growers in the industry are actively seeking information about the use of reclaimed water such as the Bolivar System and other irrigation options.

The National Water Initiative and the Water Act 2000 is a strategy developed by the Australian Government which aims to improve water management across Australia.

The National Water Initiative was put in place to continually improve the productivity and efficiency of our countries water use, while maintaining healthy river and groundwater systems. However problems have developed with water use and even though South Australia abides by the conditions that are set, we have developing water issues.

This poses as a threat the Horticulture industry in South Australia. With the Murray River in decline and increasing in salinity many growers have turned to the Reclaimed Water pipeline from Bolivar. However the potential for this to be high in salt was not seen and has left growers with more salinity problems with the continued added stress of possible water shortages.

Promotion of Regulatory Information or Accessibility of Information

Many growers are unaware of their environmental obligations or what they could be doing to be more proactive. In addition to this, there is a lack of knowledge and education and some misunderstanding towards environmental regulations. Industry are aware of the environmental attitudes of society and government and the grower themselves want to do something about making their business more environmentally sustainable. Growers are left unaware and uneducated in the process of what to do and are often meeting the costs of these regulations beyond the farm gate.

As a grower commented;

'I would love to know how I could go green ... to have the greenhouse emissions lowered and have ... Carbon credits. It would be good for business and save money, where do I go and who do I speak to, to find out this information '.

What education can growers be given to teach them environmental practices? Time is of great importance to the grower and having easy access to information to implement such strategies can be of great difficulty to industry.

Costs of Regulation

Reclaimed Water - Virginia Pipeline

'Irrigation of crops has great potential for large scale use of reclaimed water. Potential health risks are associated with direct ingestion of food crops irrigated with reclaimed water and with incidental exposure to aerosols generated by spray irrigation. The risks can be minimised using a combination of treatment and site controls. The nature of the crop can influence the level of risk' South Australian Reclaimed Water Guidelines

The Virginia Pipeline Scheme allows the allocated use at a cost to the grower the use of Reclaimed water from Bolivar. The Reclaimed water scheme is a co-operative undertaking of the Virginia Irrigation Association (representing market gardeners and other irrigators), SA Water and Water Reticulation Systems Virginia (a private sector subsidiary of Tyco International).

- As part of its Environment Improvement Program, SA Water constructed a \$30 million filtration/disinfection plant (DAFF) to treat lagoon effluent from the Bolivar wastewater;
- The Federal Government, constructed an extensive distribution system involving more than 100 kilometres of pipes at a cost of about \$22 million;
- The system was commissioned in 1999 and has a capacity of 110 mega litres/day. It commences at the Bolivar plant and fans out to provide water to irrigators as far north as the Gawler River;
- The scheme now has more than 240 contracts using more than 15,000 mega litres of reclaimed water for irrigation each year.

Use of reclaimed water is expected to increase as the horticultural industry continues to expand production, as groundwater substitution takes place, and as growers establish on-site infrastructure and refine their irrigation methods.

- It is expected that ultimately between 50% and 70% of the treated wastewater flow from the Bolivar plant could be used for irrigation on the northern Adelaide Plains;
- The Virginia Pipeline Scheme is the first and largest reclaimed water scheme of its type in Australia;
- The diversion of wastewater from the Port Adelaide Treatment Plant will make even more recycled water available through the scheme.

Information taken and adapted from SAWater:www.sawater.com.au

The Adelaide Plains area is allocated underground water usage which in recent years endangered the levels of water in the underground tertiary aquifers. Since the introduction of Bolivar Reclaimed water, the underground aquifers are returning to more reasonable levels. The quality of Bolivar Reclaimed water however needs to rapidly improve. Improvements would see the excess levels of salt removed from this water and enable it to be more environmentally viable for growers.

Government needs to provide legislative support that provides help to irrigators to further increase the use of this water in the Adelaide Plains water. Further processing of this water would guarantee growers quality water to use. This would then see many more growers using reclaimed water and substantially decrease the use of the tertiary aquifers and allow them to return to appropriate levels.

Consistent legislation Australia wide

The far reaching implications of water shortages across Australia are having a detrimental effect on the horticulture industry; this is no secret.

To ensure our nations food security, it is imperative that water use is more stringently regulated using a national model, rather than individualised state models, to ensure productivity continues in our vital industry.

Government needs to support industry by reviewing legislation on water use and how it is allocated for the benefit of agricultural areas.

3. Food regulation:

Consistent legislation Australia wide & Industry specific regulation for enveloping regulations

The Imported Food Control Act 1992 needs to be updated and apply the same industry standards, regulations and quarantine measures on importers as all growers in industry face when dealing with produce.

- food regulation governance arrangements must be revised urgently, to meet national policy objectives more effectively;
- impediments to the efficient operation of FSANZ need to be investigated and removed in a way consistent with public health and safety;
- food standards regulation should be implemented uniformly and enforced consistently across all levels of government;
- impediments to the regulatory policy framework resulting from overlaps between the *Trade Practices Act 1974*, food acts and Codex obligations need to be identified and remedied.

A Riverland grower comment that:

'We seem to have to comply with very strict standards to export our products but more and more overseas products are appearing on supermarket shelves that do not comply with the same standards'.

Integrity of compliance

Food regulations need to apply to imported products. Growers in Australia are required to adhere to regulations to prevent biosecurity threats, and it is this that should be a primary objective by the Australian Government. Growers find meeting government requirements expensive, time consuming and laborious when competing against imported food in the marketplace, our domestic growers will continue to be disadvantaged.

First and foremost imported produce being traded within Australia should meet the same or more stringent regulations and standards as domestic produce. Benchmarks are needed to give the growers an ability to recognise and self regulate their businesses and how they can produce and trade food.

According to feedback given to the VHC imported produce from countries that do not meet our regulations. Is endangering our markets, farms and social consumer health, as well as threatening our biosecurity and quarantine systems.

Solutions

- Growers in Australia should be able to be given area governance automatically when produce is imported;
- Australia's food regulations need to be streamlined and nationally consistent;
- Industry has a demonstrated standard that they can self regulate;
- Allow some levels of self regulation as it has been successfully demonstrated in achieving government requirements.

Regulations to allow for self regulation

The VHC would strongly support industry self regulation above government regulation. However, there are instances where self-regulation are not appropriate and measures need to put in place to regulate this.

Many growers have commented on the proposals of self regulation. Self regulation already exists before the grower does anything in regards to selling produce or exporting it overseas or interstate. A grower risks jeopardising their business or name by not following regulations, damaging or destroying their own produce or by selling produce that does not match quality regulations. Horticulture for Tomorrow and Freshcare are self regulations industry has been proactive in implementing. It is felt that the Government should acknowledge the self-regulation systems that work and can be successful in achieving industry objectives, goals and standards.

Examples of successful self regulating in industry;

Horticulture for Tomorrow

Horticulture Australia Ltd (HAL), are working on a national initiative known as Horticulture for Tomorrow that includes the following:

Pilot projects investigating the potential to enhance partnerships between horticulture grower and industry groups with catchment authorities or regional Natural Resource Management groups.

The development of a national strategic plan for natural resource management which suggested ways in which industry organisations and growers can proactively address them at farm, catchment, industry, supply chain and market scales.

A national guideline for environmental assurance in the Australian horticulture industry

Freshcare

Freshcare is the national, industry owned, on-farm food safety program for the fresh produce industry. It was developed in response to requests from growers, wholesalers, packers, and processors for a food safety program that met the requirements of both retailers and food safety legislation.

The Freshcare Code of Practice is based on the international standard for Hazard Analysis and Critical Control Points process (HACCP). Certification to the Freshcare code by an accredited auditor provides independent verification that a recognised and rigorous food safety program is followed by the enterprise. All participants in the Freshcare Program are required to do the Freshcare approved training course to ensure a full understanding of the Freshcare Code of Practice and the requirements for it on their farm.

4. Biosecurity and Quarantine regulations:

'...we have to stop people from bringing in rubbish (food) so we can sell our food. Quarantine needs to be tightened and improved for importing as it lowers the cost and we can not compete in the market place'. Grower comment

Australia's horticultural industry relies on a Biosecurity and Quarantine system that protects it from unwanted pests and disease. Pests and diseases are probable. Horticulture as an industry needs to be protected from these pests and disease. Australia is a large country that has enjoyed the reputation of being disease free. This has brought about a demand for our healthy produce to be exported, which in turn is good for economy and domestic markets. The effectiveness and quality of industry can only be as good as the system protecting and maintaining it.

Consistent legislation Australia wide

There is a need for one national biosecurity system that all states must adhere to. Our domestic markets trade from state to state on a daily basis and therefore are required to meet a number of differing biosecurity systems and quarantine regulations. Each Australian state has individualised quarantine systems that often cause conflict between states. Standards are differing and growers find them complicating and time consuming to adhere to, more significantly, growers find on many cases they become barriers to trade.

In seeking information from growers, it is clear ***there is a need for a National framework*** to work under instead of differing rules, regulations and requirements from each individual state. The Agriculture and Food Policy Reference Group report (2006) that Australia's biosecurity would be enhanced by a more coordinated approach.

Grower comment

'...it costs a fortune to trade into Western Australia due to all the audits and quarantine inspection I have to have. I have them inspected before the produce goes and I have them when the produce gets to WA. It cost me money every time'.

Benchmarks should be put in place for interstate trade to allow a freedom of trade. Of this concern, growers question why such measures have to be in place. Why not reach for a national solution where all states comply to a National Benchmark for trade.

Grower comment

'...if there is a disease in one state and not in another then they have to have these regulations otherwise there should be free movement between states'.

Costs of Compliance & Regulations to allow for Self regulation

Current perceived problems and effects from biosecurity and quarantine;

- Each states system is different making it hard for grower consistency;
- Reduction in the cost and time loss from administrative and jurisdictional paperwork;
- Frustration from growers decreased as they have confidence in a system they trust;
- Growers are meeting the cost to provide information to the government;
- Responses to outbreaks can be improved and contained more effectively;
- Cost of dealing with outbreaks are singular instead of each state combating the burden;
- Overall growers want free trade between states.

Industry suggestions and improvements towards an Australian biosecurity and quarantine system:

- National biosecurity and quarantine system be put in place and enforced by government;
- State biosecurity and quarantine services are regulated by industry and co exists with National system;
- Plans that are clear and easy to understand;
- Consistency is needed in our national biosecurity system;
- Self regulation and independent audits should be allowed.

5. Occupational Health & Safety within Workplace:

Industry specific regulation/s for enveloping regulations

As the horticultural industry is so different from other industries some of the risks associated with this occupation are not generally seen to be diverse as in other industries. Risks are those such as:

- hazardous chemicals;
- manual handling;
- rough terrain;
- environmental conditions;
- surrounding plant and equipment;
- other workers;
- animals and insects;
- machinery.

Due to the escalation of these risks, preventative measures and solutions need to be made and not taken from across industry. Horticulture industry has independent issues from mainstream industries

Occupational Health and Safety within the workplace is of primary importance to every grower. As the horticulture industry often involves labour orientated tasks, elemental working conditions, busy schedules and long hours the combination for high risk activities are present. Every grower wants a safe working environment for their employees and always welcomes the opportunity to decrease the potential for dangerous situation.

'Industry groups can show leadership by providing information and positive examples in areas such as ... occupational health and safety and providing career paths to encourage farm businesses to improve their performance'.

Primary producers and workers are in a high risk group for workplace injury and disease. While the horticulture industry has a lower risk of injury than some other primary industries, farm injuries in all sectors have an impact in terms of pain and suffering and often impose a major financial burden on businesses.

The horticultural industry needs to work with the government in reviewing its OH&S policies to allow for a more individualised OH&S standard that is specific to the workplace.

Consistent implementation

FarmSafe Australia statistics show that 150 persons die from non-intentional injury on Australian Farms each year. Australia-wide 4,316 workers' compensation claims were made in the year 2002 for injury in the agriculture sector; 1,378 were in horticulture and fruit growing industries.

Statistics like these show that the need for a safer work environment is needed in the rural sector. Increasing regulatory requirements are the cause of continual time loss in the workplace. Continual education is needed for industry in regard to changes in legislation and increasing awareness of interrelation of OH&S issues with other regulations.

Example of an Occupation Health & Safety Issue within the workplace that overlaps into Chemical regulations

' A client gave an example of the anomalies they have to deal with from regulations provided by OH&S standards and regulations with chemical use as they told us of a situation they have each year on a station in 45 degree heat. Jackaroos have to wear a moon suit and use respirators to meet Worksafe regulation. Problem is in 45 degree heat dehydration and muscle meltdown occurs quickly and the potential for loss of life is high. Currently they can not use this chemical due to the dangers it presents from both angles although it is the preferred chemical'

Promotion of Regulatory Information or Accessibility of Information

Growers concerns are that:

- OH&S continually changes;
- Time issues with the amount of codes of practices and regulations employers need to know;
- They are unsure of their obligations to OH&S;
- Too many additional regulations are introduced without industry consultation;
- There is a lack of control in decision-making processes that impact on the horticulture industry;
- Time taken to record all requirements;
- Increasing costs of regulations reduce the horticulture industry's competitiveness in global markets
- National streamlining and representation is needed
- The horticulture industry fails to work effectively with government
- Employees need to be made responsible for actions;
- Growers can not control the behaviour of all employees; and
- Workcover.

Potential Solutions

Promotion of regulations and accessibility of information & National consistency across Australia:

The feedback the VHC has received from growers regarding these issues is that they are over burdened with far too many regulations. They are frustrated at the lack of education, explanation and assistance given by auditors. A lack of consultation is evident and increasing awareness for safety issues and responsibilities lie solely with the government implementing these regulations. There is a need to reduce the adverse impact of regulation on industry.

The horticulture industry needs to establish a framework to work with the government to reduce the impact of regulation on industry competitiveness.

Solutions to such problems have been addressed with strategic goals outlined in the Australian Vegetable Protected Cropping Industry Strategic Plan state that industry needs to:

Work with other industry organisations and sectors to address issues of common interest and to advocate for recognition on industry importance and planning needs – land use, utilities and natural resources’.

6. Chemical regulations:

Consistent legislation Australia wide

Chemicals are potentially harmful substances and an area of concern to growers as a high level of legislation is involved in their use. There are many regulations that currently control the use of chemicals in order to make it safe practice for the user, consumer and product itself. Legislation has tried to ensure appropriate levels and appropriate use of chemicals can be used.

Major concern surrounds the inconsistency of chemical regulations between the Australian Government and state and territory governments. Legislation involved in controlling the purchase, transport, storage and/or use of chemicals is wide. Industry would support national benchmarks for use of chemicals.

Grower comment;

'I wish we had a national system in place, it would save so many headaches, money and time'.

There is a need for continual industry consultation when developing and reviewing chemical regulations to ensure availability and use as intended by Primary Producers. A national system for chemical use would decrease cost, administration paperwork and time.

Grower comment;

'Chemicals are approved in one state and not another, somewhere this is costing someone a lot of money. Unfortunately that someone always happens to be the grower. I guess we need to have a national system'.

Australian Pesticides and Veterinary Medicines Authority (APVMA)

APVMA role is to regulate chemicals up to the point of retail sale. The APVMA also has the role of assessing chemicals before registration as well as reviewing them once on the market. APVMA also has the authority to issue permits for minor use. Minor use permits are costly and timely to acquire. The VHC has feedback from growers that sends a strong message to government.

Costs of compliance

Following feedback from growers,

Issues

- APVMA takes too long to assess chemicals to be used;
- APVMA have not acquired a trustworthy name within the agricultural sector;

- Reviews from APVMA hold no certainty therefore causing growers to outlay an initial monetary investment despite not knowing what the final verdict will be on the chemical;
- Why are reviews from leading countries ignored in the use of assessing chemicals;
- Chemical review processes are costly, timely and not in line with what growers need;
- Chemical registration is critical as often industry will need a chemical immediately but have to wait months for the registration process to occur;
- Potential for loss of plant, produce is increased with exposed time to disease and pests without treatment;
- Grower is always left with the cost of researching and applying for permits;
- Chemical review process and restrictiveness of chemicals has a high impact on the horticulture industry;
- Industry counts the cost of these measures and are constantly “at risk”;
- Resources from leading authorities in different countries need to be incorporated as their research and data is ahead of the APVMA;
- Government will need to resource new legislations and jurisdictions for use at a national level;
- Availability of chemical registration is an issue that industry sees as critical;
- Cost of increasing regulations impact on smaller growers;
- Loss of markets as a result of reduction in quality and yields;
- Loss of organic markets Lack of faith and uncertainty upon the outcomes and final decisions of a chemical review process means time and money;
- Global competitors are still able to use chemicals that are banned in Australia which result in domestic horticulture industry being less competitive and unable to compete domestically and globally.

Solutions

- The use of information from leading countries would see time and costs cut to a minimum;
- Review and remove unwanted and existing overlapping, confusing and complex regulations;
- A control framework must be applied to all activities within the chemical supply chain;
- Industry supports the consolidation of existing regulation into a single Act;
- Consolidation would assist in reducing unnecessary duplication and remove confusion and complexity resulting from the current legislative arrangements;
- Supports a nationally consistent and coordinated control framework that replaces existing state and nationally based chemical control frameworks; and
- Industry supports national streamlining and a benchmark approach to the use of chemical control.

Following is an example of the problems industry has;

Industry example 1:

An experienced industry member spoke about the Almond industry in the Adelaide Plains region and how it is being put “at risk” as a consequence of this review:

Currently a chemical label can be found on the US market. Almonds in South Australia are potentially under threat from a disease that could defoliate them. If this occurs there would be no fruit, therefore diminished yields of almonds. The Almond Industry is currently trying to achieve exemption for this label. The US label is a mixture of two labels currently found and used on produce in Australia. Both are individually found on the Australian market. One is used for the treatment of black spot on apples and one also treats botrytis on grapes. The US label has been tested and allowed in the US with acceptable minimum residue levels. Currently, the APVMA is undertaking a review of the chemicals. The almond industry is forced to wait and risk potential incursion in this time while they wait for these labels to be tested for exemption.

Industry example 2:

1991 and 1994 saw research funded and undertaken into looking at a particular disease in carrots. Industry spent a \$250 000 on this research. Handed the research data and application for registration to the APVMA – now in 2007 the concerned party has still not received a permit. No formal explanation has been given however differing excuses have.

Removal of the differing State legislations and a call for one regulator to be introduced will save time and money. Placing restrictions and control measures on chemicals need to be weighed up against the financial, social and productive viability on all sectors of Australia’s economy.

Growers from the Horticulture Sector support a National Standards and Benchmark Authority to be introduced.

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