



Response to the  
**Productivity Commission**  
on the  
**Draft Research Report on  
Regulatory Burdens on Business –  
*Primary Sector***

**October 2007**

## **Growcom response on the Productivity Commission's draft report on regulatory burdens on businesses in the primary sector**

Growcom welcomes the opportunity to provide feedback to the Productivity Commission on the draft report on regulatory burdens on businesses in the primary sector. We provided a submission to the Productivity Commission in June in response to the issues paper that was released. This submission covered an array of regulatory burdens that impact on horticulture producers in Queensland. Growcom also provided some further feedback in a consultation workshop in Canberra on the 27<sup>th</sup> of September.

We are pleased to provide the following detailed comments in relation to the draft report released by the Productivity Commission in September.

### **Environment Protection and Biodiversity Conservation Act (EPBC Act)**

In the Productivity Commission's draft report, it is noted that the National Farmers Federation (NFF) has had an officer seconded from the Australian Government Department of Environment and Water (DEW) since 2002 to "provide effective communication and information on the ground to farmers and rural stakeholders in relation to the Act" (p.36). The draft report also states that the "Commission considers that the recent actions of DEW have been constructive in resolving uncertainty for businesses in the agriculture sector about the role of significant impact as a trigger" (p.36).

Growcom would like to point out that the NFF does not represent the horticulture industries at all. More specifically, it does not represent the horticulture industry or other intensive agricultural industries which come under the umbrella of the Queensland Farmers Federation. We believe that this worthwhile initiative from DEW should be extended to allow seconded officers to be placed within other organisations throughout Australia. This would be a significant step forward in reducing the confusion and providing assistance to the industry – and to individual producers - to reduce the regulatory burdens placed on businesses by the EPBC Act.

### **Biosecurity and quarantine - Import risk analysis**

In relation to import risk analyses (IRAs), the Productivity Commission "considers that Australian Government actions to date, including DAFF's proposed reforms to import risk analysis, should go some way to improving the cost and time burdens imposed on agriculture sector businesses as well as dealing with concerns about the scientific rigour of the import risk analyses" (p.50).

Although the DAFF reforms which are currently being implemented will assist with some of the issues raised, there are some concerns that will not be addressed by these reforms that need to be considered by the Productivity Commission.

In particular, Growcom would like to reiterate a point made in our first submission to the commission. It is important to recognise the enormous cost and effort undertaken by industry in responding to IRAs, some of which can be underway for many years, requiring several submissions from industry to complete policy, technical and scientific responses. This has a substantial cost, which to some degree is unfair to impose on industry. In some cases, industry groups may have a capacity to deliver a substantial industry response to government; however, in other cases, the ability to respond is fairly limited. The capacity of industry to provide a response to government could disadvantage them throughout the process. As a result, smaller industries may be vulnerable to imported pests and diseases.

For example, the banana industry and the apple and pear industry had the capacity to respond to recent IRAs that had the potential to impact on their industries and provided technical and scientific responses on biosecurity issues and import conditions of concern to them. However, smaller industries such as pineapples are less resourced and have limited capacity to respond and provide detailed responses to government, or to even analyse the detail of IRAs. As a result, the process is seen as unequitable. This issue will not be addressed by the reforms being implemented by the Department of Agriculture, Fisheries and Forestry, and therefore must be taken into consideration by the Productivity Commission when finalising their response.

Another issue that we would like to raise relates to the potential for undermining the documented procedures and systems as set out in the plant and animal health deeds (such as the Emergency Plant Pest Response Deed and owner reimbursement costs). In the event of an outbreak, Government has the tendency to disperse funds outside the set procedures and systems to which they are signatories. This has many implications, including undermining the commitment of both government and industry representatives who are active participants in a number of committees who negotiate, analyse and establish the appropriate systems and procedures. Government actions and decisions made in heated political environments surrounding emergency situations can threaten the validity and meaningfulness of the deed when the associated activities and consequences fall outside the stipulated guidelines.

#### **Biosecurity and quarantine – Lack of coordination across jurisdictions**

Growcom believes that it is important to increase engagement on biosecurity issues and response between industry organisations and government in an effort to build awareness, preparedness and response capacity in relation to biosecurity and quarantine issues and activities. To help achieve this, Growcom believes there should be Industry Outreach Officers (IOOs) from a state government level placed within industry organisations, using a model similar to that of the Department of Immigration and Citizenship (DIAC). This system would also be of benefit by allowing officers of industry organisations to be seconded into government agencies. This would enhance engagement and awareness of biosecurity and quarantine issues, as well benefit the industry through the completion of specific activities such as developing biosecurity programs to build into farm management systems to increase industry's response capacity to biosecurity issues.

Growcom believes this approach would be extremely beneficial in generating better understanding of biosecurity and quarantine issues; and it would go a long way to alleviating the regulatory burdens on individual businesses.

#### **Biosecurity and quarantine – Interstate certification assurance (ICA) scheme**

The draft report states that “a review of the Interstate Certification Assurance Scheme to develop national standards and procedures is planned and will address some concerns”. Growcom is unaware of this planned review. We have also consulted with other industry bodies and can find none who have any information about a proposed review on this issue.

Any review of this nature must incorporate a meaningful stakeholder consultation process to ensure all the issues and concerns of industry, and those raised within the commission's draft report, are taken into consideration.

During the roundtable discussion in Canberra on the 27<sup>th</sup> September it was suggested that Growcom provide advice on what the terms of reference of a review into the ICA scheme should include. We will provide further feedback on this issue to the Productivity Commission shortly.

### **Drought support**

The Commission has indicated it would welcome feedback on whether drought support programs at all levels of government should be reviewed.

Over the past few years, Growcom has been working alongside Queensland Farmers Federation (QFF) and Horticulture Australia Council (HAC) to provide assistance and advice to horticulture producers; and to provide feedback and advice to both state and federal governments on drought support systems and industry needs. From our experience, we believe that these programs do indeed need to be reviewed. We believe that there needs to be a major change in both policy and response to drought and other natural disasters.

We have identified many issues that need to be addressed in relation to the current drought support system. These include:

- The current approaches to drought are too complex, inefficient and do not always deliver assistance that is needed when and where it can do the most good, particularly for horticultural enterprises;
- There is considerable evidence that state and federal programs have administrative processes that lead to uneven and inequitable decisions when applied to different regions or industries; and
- There is much frustration at the multi-levels of governments involved in drought programs, and inconsistencies across bureaucratic domains.

The Prime Minister's recent announcements in relation to drought support will go a long way in assisting horticulture producers through drought conditions. However, there is the potential that urban taxpayers will reach a point of 'hand-out fatigue'. This fact contributes to our view that these programs need to be reviewed to ensure reliable and sufficient preparedness and response to future events. Growcom submits that there needs to be a national review of natural disaster risk management which incorporates the challenges of climate change. This should include the development of medium and long term response strategies in the face of any disaster, as well as providing incentives that lead to risk management approaches to natural disasters and drought, with a shift to private investment rather than a hand out approach during and immediately following a disaster or drought event. The existing frameworks tend to discriminate against those who successfully plan and manage for drought by ruling them ineligible because of that success.

Government has indicated that drought policies will not be reviewed until after the drought breaks. However, in light of an unforeseeable end to the current drought around Australia, we believe that a parallel review process should be underway to establish better policies and reshape government, industry and the community's thinking in relation to this issue.

### **Occupational health and safety (OH&S)**

Growcom would like to reiterate the point that OH&S systems in the horticulture industry need to be flexible, practical and suitable to this industry's working environment, rather than those

transplanted from other sectors. It is important to recognise that systems that work in other industries may not be applicable or practical to a farming work environment.

### **Temporary labour – Assessing the working eligibility of overseas visitors**

Growcom has had an Industry Outreach Officer (IOO) placed within our organisation for around 2 years through that Department of Immigration and Citizenship (DIAC). This has proved successful in increasing both the Queensland horticulture industry and Growcom's awareness and understanding of DIAC's policies, programs and procedures. It also enables development of a greater understanding of industry issues within government – and that facilitates better on-ground outcomes.

Part of the IOO's work plan at Growcom is to provide advice and assistance to the horticulture industry on how to assess the working eligibility of overseas visitors using the department's verification systems such as the entitlement verification online (EVO) system.

The IOO placement within Growcom has achieved many successes including:

- Writing articles that have been published in Growcom's communication material including magazines and electronic newsletters;
- Attending grower meetings to discuss the Working Holiday Maker (WHM) visa, growers' obligations in relation to sponsoring or employing workers on any visa as well as outline skilled migration programs and what types of occupations growers could sponsor;
- Providing useful feedback to Growcom and affiliated associations on immigration issues;
- Providing feedback to DIAC on how current programs could be modified to better fit the needs of the horticulture industry;
- Allowing the department and Growcom to develop a closer relationship to benefit the horticulture industry and assisting growers with their labour requirements;
- Responding to numerous grower and industry enquires on visa and immigration issues.

We believe this is a fantastic initiative that should be replicated in other areas by other departments. This system could also be of benefit by allowing officers of industry organisations to be seconded into government agencies.

### **Agricultural and veterinary chemicals**

We note the Commission is undertaking a specific review of chemicals and plastics. Growcom will compile a submission to that review in response to horticulture industry issues raised in relation to chemical regulations, including those relating to security sensitive chemical restrictions.

### **Industry burdens**

Growcom would also like to emphasise our concerns about the increasing burdens on industry organisations and individual members of an industry resulting from government activities.

In particular, we would like to raise the issue of industry representation.

In a number of areas of government activity, whether direct or indirect, 'industry representatives' are appointed to channel industry views to government and/or government views to industry (eg

NRM regional groups). Often, these 'representatives' are selected by the agency staff involved with no reference to industry groups. This effectively means the people appointed are there as individuals without the support of their industry group.

It is a near impossible task for one individual to accurately represent industry views without the opportunity to have input from their peak bodies; inevitably, their comments are based on their own personal perspectives and experiences. This means that, no matter what their skills or experiences, the input is not from industry, and the people appointed are not 'industry representatives' per se. More importantly, it is unrealistic to expect one individual to relay messages to hundreds or even thousands of people.

We believe that there should be an established industry engagement strategy where there is a clear understanding of all roles and responsibilities. If there is a requirement for or expectation of industry representation or involvement, then this must be channelled through recognised industry peak bodies.

There also needs to be recognition by government of the resource commitments such representation involves. Often, producer representatives are the only ones participating in a consultative process at their own cost – and this cost is not insignificant. Not only are they contributing their time and expertise, but they often have to pay for backfilling of their duties on farm. Industry organisations too have extensive calls on their resources to participate in consultation processes – the cost in human resources is significant, especially in smaller organisations, let alone taking into account travel and other expenses. While this may well be seen as being part of our job, it is often resented when the process appears perfunctory or it seems as though input is not valued. One regular example of this is when a government agency puts out a significant policy statement or similar and expects a detailed response in a very short period of time. If industry bodies are to truly represent their stakeholders' views, then we need time to consult appropriately.