

8 October 2007

Regulatory Burdens - Primary Sector
Productivity Commission PO Box 80
Belconnen ACT 2616

By email: regulatoryburdens@pc.gov.au

Re: NSW Farmers' Association comments on Productivity Commission draft report Annual review of Regulatory Burdens on Business: Primary Sector

The NSW Farmers' Association (the 'Association') welcomes the opportunity to comment on the Productivity Commission's draft research report on the Annual review of Regulatory Burdens on Business: *Primary Sector*.

The comments which are contained in this submission are in the context of the comments presented in the Association's original submission to the review and also with respect to comments made by the National Farmers Federation submission.

The Association acknowledges the work done by the Commission and the number of issues covered in the draft report however we are extremely disappointed with the responses provided in the report.

The Association saw this review as the opportunity to seriously question the regulatory burdens that are associated with agriculture and to provide alternatives that could be investigated to reduce the costs to business. The Association is cognisant that there is work currently being done by various government departments and that there are a number of reviews of regulations currently in progress. However, the Association feels that with the resources available to the Commission and under the principle of providing independent analysis to improve the productivity and economic performance of the economy this was an opportunity for the Commission to critically analyse regulatory requirements and provide constructive comments to assist in improving these requirements.

National Pollutant Inventory

The Commission correctly notes that there have been attempts to reduce the burden on individual farmers regarding reporting requirements under the NPI. However the Association believes there is still considerable changes that could be made to improve the situation further. There are two main concerns with the NPI reporting arrangements, the actual collecting and calculation of the information and the disclosure of personal identification information. In this sense the Association would support the increased involvement of industry organisations to reduce this burden on the individual.

Agricultural Chemicals

The Association recognises the comments on agricultural chemicals and the draft responses 3.12, 3.13, and 3.27 however it is noted with frustration that no constructive recommendations are forthcoming. Indeed the Commission notes on page 102 the number of previous overlapping reviews on this subject and we are now adding to this

list. While the Association supports the recently announced review of chemicals and plastics it feels that the information collected as part of that review will reflect much of the information provided in this review. The Association therefore does not understand why the Commission could not be more definitive with its response.

The Association would like to emphasise that the development of any regulation of security sensitive material as outlined in draft response 3.13 should not take place until the findings of this and the aforementioned review are released and considered.

Workplace relations

The Association is cognisant of the national reform agenda for the development of national Occupational Health and Safety standards as outlined on page 75. However the Association feels that it would be constructive if the Commission could make some recommendations that could then be considered as part of this framework.

The Association acknowledges that the areas of industrial relations legislation, workers compensation and federal workchoices reform do apply across the value chain and issues identified in the primary sector may also be relevant in the context of the broader economy. However a number of issues raised in the Association's original submission are of particular concern to the agricultural sector within NSW. The Association accepts that these issues will be considered in a later review. However, it would be appreciated by our Association if the Commission could indicate under which review they will be considering the issues raised in this review.

Drought Support

The Association welcomes the draft responses 3.17 on drought support. The complexities of having various departments, agencies and levels of government involved in the same program have often led to confusion and frustration among farmers when applying for drought support. These pressures are compounded when farmers are faced with deteriorating conditions and increased pressures on farm. The Association has been calling for a streamlining of the application process for a considerable period of time and this response will greatly reduce the time and resources required to complete applications.

The Association would generally support a review on drought support by all governments if its intentions were to reduce the application and administrative burden of drought support. However the Association would also like to express caution regarding any timeframes associated with such a review. An extended timeframe would raise questions on the value of such a review given the limited benefits it may provide under the current drought conditions. Conversely a shortened timeframe may result in administrative changes that could potentially lead to further confusion.

Biodiesel

The Commission correctly identifies the various pieces of legislation and the complexities associated with the production of biodiesel on farm. However the Association believes that although the misconceptions need to be clarified we would argue that providing clarification will not solve the problem. The current legislative requirements appear to have opposing policy intentions and the Association believes they need to be made more consistent. As they currently stand they dissuade farmers from producing biodiesel on farm for their own use. In the advent of any carbon trading regime disincentives to adopt cleaner fuels will have an additional cost on farmers.

Wheat Marketing

The Association would caution against the draft response 3.15 calling for a review of the *Wheat Marketing Act* as soon as practical. Current uncertainties in the market and in the structure of the industry would mean any further review at this stage would only add to the complexity of the problem. The Association would suggest that, in line with other recommendations in the draft report, the current timetable for a review under the National Competition Policy principles by 2010 would be adequate and allow some of the current uncertainties to be resolved before undertaking further action.

End Point Royalties

The Association is concerned that the Commission chose not to address the issue raised in our submission regarding a consistent end point royalties collection system be considered for plant breeders rights. The Association has provided a submission to the review by the Advisory Council on Intellectual Property referred to on page 28 of the report. However this review is in regards to the enforcement of plant breeders rights and will not cover the anomalies that arise out of the legislation In regards to consistency across jurisdictions.

Transport

The Association supports the comments made regarding the harmonisation of transport regulations and need to progress the interjurisdictional inconsistencies in a more timely manner. While the National Transport Commission has made some inroads with the development of Performance Based Standards and national registration charges the Association believes that there are a number of existing regulations that are not being addressed. The National Transport Commission appears to be concerning itself with new regulatory arrangements and not necessarily addressing the existing arrangements and discrepancies between states. As noted in the draft report and In a number of submissions, inconsistencies between states on issues such as weight limits, dimension limits, treatment of agricultural machinery, volumetric loading for livestock, grain harvest management schemes, and concessional arrangements for primary producers remain concerns for agricultural transport.

In concluding the Association questions the value of the current responses in the draft report to deliver many tangible outcomes. The non-committal nature of many of the responses outlined in the draft report are of concern to the Association.

Yours sincerely

[signed]

Shaughn Morgan
CHIEF EXECUTIVE