



**SOUTH AUSTRALIAN  
FARMERS FEDERATION**

# **Regulatory Burdens on Primary Industries**

**Presented to the Productivity Commission 14 May 2007**

Prepared by the South Australian Farmers' Federation May 2007

## **Regulatory Burdens on Primary Industries**

**1) *NFF has identified the following Australian Government regulations which are unnecessarily complex:***

- Inflexible Native Vegetation laws
- Agricultural and veterinary chemical regulations, fertiliser regulations, occupational health and safety standards, and food safety standards
- Transport infrastructure regulations
- Native Title compliance regulations
- Taxation (GST, BAS, Capital Gains Tax, Fuel Tax Credits) compliance requirements
- Workplace relations regulation
- Occupational Health and Safety regulations
- Drought support access requirements.

## 2) **Reality Check Hotline**

For two weeks in June 2006, SAFF conducted a “Reality Check” hotline where South Australian farmers were invited to ring with their issues of concern. Of the 129 calls received, the second largest category of issues received was in relation to Government Policy (86 responses). [Largest category was financial/economic issues with 137 responses.]

The report on the Reality Check Hotline provided the following in relation to Government Policy:

*“Does the Government really want farmers?” Female from the Mallee.*

*“Paperwork is increasing and courses necessary to keep up and now it is necessary to learn how to market our own grain.” Female from the Mallee.*

*“Too much red tape which inhibits business; need an accreditation for almost everything.” Male from the Mid North.*

There were 86 mentions for this theme. The sub-themes mentioned in this group include:

- Time taken to complete Business Activity Statement (BAS).
- Issues of costs and time meeting farm compliance including licensing, Occupational Health and Safety, Vermin Control, Chemical use and Animal Welfare.
- Assistance for rural tertiary students - eligibility criteria.
- Anomalies between values of agricultural land and urban family homes in relation to financial assistance eligibility e.g. Aged Pension eligibility.
- GST charged on top of Stamp Duty ('tax on a tax').
- GST charged on top of Fuel excise and Fuel ('tax on a tax').
- Diesel rebate questions regarding indexation.
- 'Right to Farm' policy.
- Where is Agriculture in the South Australian Strategic Plan?
- Questions about eligibility for Common Youth Allowance, Rent Assistance (Parents Farm Assets/Income/Independence requirements).

**3) Previous SAFF submissions on regulatory burdens include:**

- “*The Last Export Impediment*” which was prepared and submitted to the Federal Treasurer in September 2004 as part of the Change National Competition Policy”.
- “*Red Tape the Last Export Impediment*”, a submission to the Review of Government Red Tape and Impediments to Export Steering Committee in 2004.

**4) At the SAFF Grains Council meeting on 13 April 2007 the following regulatory burdens were identified:**

- Farm machinery
  - Australian standards for machinery: imported machinery does not need to comply with these standards
  - generally US machinery does not comply but European does.
  - cost to make machinery compliant
  - need to consider whether standards need to change
- Chemicals and fertilisers
  - use of 2, 4-D esters
  - use and storage of ammonium nitrate
  - insecticides
- Road rules
  - travelling with farm machinery at night
    - cost of compliance to not travel on roads at night
    - new technology means more night work
  - grain harvesting in fire season (code of practice needs to be workable)
  - varying speed rules depending on which Australian State
  - 2 trailers behind a utility is not allowed, but 2 trailers behind a tractor is allowed.
  - timesheets for trucks – inconsistent rules on when needed
- Transport
  - B double and road train access issues
  - cross border permit issues: commonality needed
  - vehicle registration rules prohibiting movement of oversize augers etc
  - over dimension loads
  - regulations on securing loads
  - regulations on oversize machinery (anomalies between WA which works on compliance to allow machinery on roads to Eastern States where there is strict compliance)
- Native vegetation
  - clearance of remnant vegetation
  - need to remove isolated trees and to replace
- Employment
  - short term employment: ease to do without resorting to cash payments
  - contractor v employee

- Stamp duty
  - immoral to have GST in addition to stamp duty: rather pay income tax
  - slows down productivity
  
- Training
  - compulsion of training and retraining
  - inefficiency of the training structure (i.e. retraining time appears to be stretched out)
  - has led to a “training industry” which has expanded for its own sake
  - lack of recognition for prior training
  
- Administration (time and frustration)
  - amount of paperwork
  - cost of phoning call centres (particularly ATO, Telstra)
  - no comeback for wrong or misleading advice, and often get conflicting advice
  - time taken to get forms witnessed and signed by appropriate witnesses (varies from JPs [not easy to find] to local police)
  - obtaining forms (need for one stop shops)
  - enforcement costs (often dependent on the compliance officers and their attitudes)
  
- Occupational Health and Safety
  - on farm expense
  - auditing costs, frequency of auditing
  - penalties for Work Cover
  - employees need to take some responsibility for their actions (all onus on employer)
  - need to pay Work Cover on superannuation (tax on a tax)
  
- Compulsory superannuation
  - pay the person and then pay their super fund
  - virtual book keepers for employees

## 5) ***Drought support***

The following has been compiled following discussions with rural financial counsellors, PIRSA officers and others showing some of the difficulties with EC and other aspects of drought support access requirements.

- Different requirements in different States
  - farmers with properties both sides of the South Australian/Victorian border are finding different rulings on whether to include both properties
  - different forms are required even though applying for the same assistance (EC interest rate subsidies) because administered by State authorities
  
- Centrelink procedures
  - long waiting list
  - lack of staff knowledge
  - 100 points for ID causing difficulties for farmers under stress
  - long waiting times for applications to be processed with applicants being contacted up to four times for further detail
  - sometimes estimates are needed, other times not
  
- Applications for EC declarations
  - differing amounts of detail required
  
- Confusion with assessments
  - exempt assets vary
  - when older people retire, what assets remain is not clear
  - what happens when property on the market
  - long term viability assessment varies
  
- Need to repeat procedures
  - different forms for Farm Help and EC Relief Payments (both Centrelink) and EC Interest Rate Subsidies (State Authority) – should there be the one organisation assessing these with the same form?
  - once eligible for Centrelink payments, become eligible for various State concessions but need to find out about these and make separate applications: consideration needs to be given to altering this procedure so that following a checklist, applicants will automatically receive these.