

# **Agriculture and Food Policy Reference Group**

## **Issues Paper**

### **Tasmanian Farmers and Graziers Association Response**

**July 2005**

#### **A. INTRODUCTION**

##### **1. Purpose of the Paper**

This Response Paper includes contributions from the following organisations and individuals in Tasmania:

Fruit Growers Tasmania  
Tasmanian Women in Agriculture  
Primary Employers Tasmania  
Tasmanian Poppy Growers Inc  
Tasmanian Island Pork Alliance Inc  
Ian Sauer, Chair, Tamar NRM Strategy Inc

Tasmanian Farmers and Graziers Association wishes to thank these organisations and individuals for their valued contribution to this submission.

In responding to the Issues Paper, the Tasmanian Farmers and Graziers Association (TFGA) wishes to reinforce to the Reference Group that all the major issues identified in the Paper are issues that affect agriculture and rural communities in Tasmania. For instance, although not experiencing the extremes of drought that are occurring on mainland Australia, significantly lower than average rainfalls around Tasmania are affecting not only agricultural production but are also affecting our flora and fauna biodiversity and adding to energy costs through higher electricity charges.

Tasmania's heavy dependence on export markets is affected by the high value of the Australian dollar and also suffers the converse effect this is having on primary industry production, for example vegetables and pig meat, which are extremely threatened by low cost imports.

Access to markets through seamless quarantine, freight and logistics systems are particularly important for Tasmania, especially for the Bass Strait islands Flinders and King.

The recent boom in domestic property prices and wages has distorted the market for productive primary land, forcing farmers wishing to expand to compete for land and properties with lifestyle investors and alternative land use industries, particularly timber production.

Tasmanian agriculture generally has been buoyant in the last few years. The total value of agricultural production in Tasmania is around \$900 million.

However, there are strong signs that many industry sectors are threatened by significant structural changes and are suffering from the lack of consistent long term strategic approaches on both the macro and micro level, for instance, the wool and

vegetable processing industries. These industries will need a more co-ordinated and strategic approach by government and the community to adjust in order to remain a viable and sustainable major contributor to the economy of Tasmania and Australia.

This paper addresses issues raised by the Reference Group that are relevant to Tasmania and where appropriate has provided input on specific Tasmanian agricultural and rural community issues.

In addressing the issues raised in the Paper, it is essential that all Australian governments and society make a commitment to the future of rural and regional communities. Australian society needs to understand the importance to their wellbeing and prosperity of a buoyant agricultural sector, both directly through the consistent supply of high quality and safe food and fibre and the general contribution that the sector makes to the Australian domestic and export economy.

## **2. Future operating environment**

In general, TFGA agrees with the Reference Group's view of the future operating environment for agriculture. We would make the following points:

- Access to world markets must not come at the cost of increasing risks to Australia's biosecurity. The high health status of our plant and animal based industries is one of our valuable assets. Import risk assessments must be based on sound science and should leave no doubt that any "trade off" has been arrived at.
- Access to GM technology must be based on sound science and risk assessment or provide proven marketing and branding advantages in return for the withholding of the technology. These issues will be discussed in more detail further on in this response.
- A Supply Chain approach offers benefits as well as creating restrictions (detail later).
- Society must value and recompense farmers for the provision of Environmental Services (ES) (detail later).
- The farming and food sector requires consistency in food regulation across jurisdictions and mutual recognition. Governments must ensure that systems are simplified to increase participation across all areas of the sector.

How ever, there are particular characteristics of the Tasmanian agricultural sector that require consideration in the development of policy:

- The distribution of farms in Tasmania generally consists of relatively small, intensive, family based farms. Such a structure has unique properties when compared with large scale and corporate farming structures, from the perspective both farm and rural community needs.
- Tasmania's intensive vegetable industries are currently under severe threat from imported competition. The wider community needs to understand and accept the implications for agriculture and rural communities if they support the retail sector's on-going strategy of year round supply and lowest possible retail prices for food.

Fruit has traditionally provided a major contribution to the Tasmanian economy. The production mix in this sector is changing and developing to meet new markets and there are specific issues relevant to this sector.

- There is a lack of modern packing facilities (especially apples) which meet international food safety and quality standards. There is a need to increase the economic viability of packing fruit through modern packing methods. Growers are either unable to find capital to modernise or are uncertain of their

future and hence are not willing to attempt to borrow substantial amounts of money to upgrade.

- Terms of trade are reducing and therefore growers need to increase production to maintain viability. Increasing production may mean either new plantings and management systems or increasing the area under production. Capital may not be available for either or the risks are seen as too great to invest large amounts of capital.

## **B MARKETS FOR AGRICULTURE AND FOOD**

### **3. International Markets**

TFGA supports the Paper's analysis and the issues raised. Tasmania is increasingly dependent on export markets for food and agricultural commodities and trades strongly on the "Brand Tasmania" image. Increasingly our agricultural sector is threatened by imported products and it is critical that agriculture is not seen as being easily "traded off" in international trade negotiations for access by other commodities/services etc.

#### *Multilateral trade negotiations*

It is vital that farmers increase their understanding and ability to participate in and contribute to the processes of international trade negotiations. We believe that NEW funding should be allocated for regional workshops to assist farmers to increase their understanding of global markets and enhance negotiation and marketing skills. Farmers need information on the reality and politics of world trade, collective bargaining, how to position their family and farm in the global market and how to increase awareness of their legal rights.

It is particularly important for industry leaders to understand these issues and be informed advocates for agriculture. These leaders need assistance to disseminate the information to as many in the agricultural sector as possible so that all in rural and regional communities understand possible impacts on them.

International trade is built on direct relationships and contacts and government and parliamentary involvement can facilitate and add credibility to the trade development. Future policy should provide more support for trade missions and fact finding tours that include groups of farmers with sales and marketing personnel. These missions should be focused on achieving real outcomes for farmers and food producers.

In any WTO assessments of any funding that may be seen to be supporting Australian agriculture, support for R and D and training such as Farmbis should never be included in these evaluations.

International export markets are reflecting the changes in domestic supply arrangements as multi-national supply chains move to dominate trade. In Tasmania, sectors such as the fruit industry need to commit to developing a continuous presence in international markets to secure their long term future. To achieve this they will be required to become more competitive through increased production to maintain supply, improved productivity and reduced costs, particularly labour.

Ready access to affordable capital may be required in many cases to assist this increased commitment.

There is a strong case for Government support to assist agricultural industries to become more internationally competitive through a co-ordinated approach to

addressing the efficiencies and costs in the supply and marketing chain and by recognising and addressing the issues of both production and government impositions that reduce our competitiveness in world markets.

The potato industry is a good example where co-operative action with companies such as Simplot and McCains, agencies such State Department of Economic Development, Department of Primary Industries and Water, TFGA, ABARE , the National Food Industry Strategy Council, the Ag Food and Policy Reference Group, and Austrade etc could be focused and useful in maintaining and developing the industry.

Increasing the focus on export markets will require improved market information in the form in which farmers can react to. The fruit industry has identified in particular that current and relevant benchmarking data is often not available and that there is a lack of informed and reliable forecasting data on market trends and varietal trends.

Secondary and by-product industries, for example juicing and canning, will also benefit from increased mainstream production, increasing the multiplier effect of these industries.

#### **4. Domestic Markets**

Within the domestic market there are a range of programs and policies that we propose for consideration.

Communication and information flow must be improved through the supply chain. Farmers are vulnerable to becoming unequal partners in the development of supply chains without equity in the sharing of knowledge and benefits from participation.

Farmers require training in the value of market knowledge and the ability to access and use market intelligence. If farmers distance themselves from consumers and what consumers are thinking about their products, they will become more vulnerable. On-farm strategies such as breeding and cropping programs have long lead times and without forward knowledge of long term trends and market requirements, farmers run the risk of producing products that may not be acceptable to the market.

Industry representative organisations and supply chains must ensure market intelligence reaches the farm level in a form in which farmers can make realistic decisions for both short and long term strategies.

Supermarkets implement processes and procedures with little or no consultation with growers or industry and often with no or minimal lead times for implementation. Retail trends appear predominantly pushed by the supermarkets with minimal input from government or industry.

Industry requires a more co-operative approach to the development of and implementation of systems such as Environmental Management Systems rather than a regulatory approach.

Supermarket requirements have reduced packouts by imposing strict specifications on, for example, fruit size, colour, blemish, quality etc. There is a need to both educate consumers to accept product variability and to develop alternative markets for “reject” produce, both fresh and processing, that provide viable returns for growers.

Even with freight support Tasmanian fresh produce is often at a price disadvantage because of freight costs and “time to market”. For example, meeting strict shelf life requirements dictated by some supermarkets rules product out of some markets.

As suggested in the Paper, opportunities for niche marketing are increasing outlets for farmers who are able to take advantage of them. Future programs need to increase farmers’ knowledge of these niche markets and the requirements of entering them, for example, the organic sector.

Where major structural changes are required, for instance, for farm conversion to organic production, government should provide tailored support such as income and loan support to facilitate adjustment.

Increasingly “Home Brand” products are forcing traditional and new branded products from shelves. Although Government has little role in regulation to affect such changes, the effects on the production sector must be recognised, particularly in respect of the protection of local agriculture and food producers through accurate, informative and enforceable labelling requirements.

The recent campaign by Tasmanian farmers highlighting the anomalies in the labelling of imported food and food ingredients further emphasise the need for stringent and unambiguous labelling of “product origin” and “truth in labelling” that clearly identifies the source of not only fresh or frozen food and its ingredients but also clearly identifies the sources of foods that are used for further manufacturer, for example, smallgoods. Without this appropriate and accurate information, Australian consumers cannot choose to support Australian primary producers and food processors.

To achieve this requires

- Support for national (e.g. Home Grown) and regional branding with systems that are credible and verified at costs that are realistic for agriculture and food processors.
- Consistency and simplicity in food regulation and quality assurance systems across jurisdictions and mutual recognition.
- Recognition of primary industry food safety programs in regulation and labelling. Currently farmers undertaking food safety programs achieve no advantage over those who are not participating, for example, Cattlerecare, SQF, Australian Pork Industry Quality Program etc

An education campaign should be established to increase *consumer’s* knowledge of farming trends and requirements. Urban consumer education is an area that we need to address. Consumers need further education on seasonality and varieties – for example potatoes, apples, cherries and stone fruit varieties etc. Many varieties are just sold into commodity markets as generics and marketing opportunities based on varietal differences are not being exploited due to lack of market knowledge or capital to invest in segregation systems.

With increasing competition from lower priced imports, our consumers need to understand the reasons why they should be buying Australian and the implications that their support of not buying local has on regional communities. We need to build “city dwellers” understanding of “rural people’s” needs and the implications of their purchasing patterns. Australian rural communities need to give urban society the tools to understand, appreciate and have the power to affect positive change in rural areas.

# **C COMPETITIVENESS OF AUSTRALIAN AGRICULTURE AND FOOD BUSINESSES**

## **5. Supply chains**

Increasingly the battle for consumer spending will be between supply chains. In addition to the comments above, we make the following points regarding farmers positioning in the supply chain.

- Farmers need to be able to develop management and negotiation skills to attain equal status in the supply chain. Reducing links in the chain will in theory improve response times, improve communication and reduce costs. However this must not be at the expense of reducing returns to farmers. Messages and savings may not flow back through the chain if dominated by retail power
- There is a need to facilitate and encourage farmer's ability to negotiate in co-operative groups within the supply chain, rather than as individual suppliers. The opportunities arising from recent developments in ACCC exemptions allowing producer groups to negotiate with processors without contravening Trade Practices legislation, should be widely promoted and the formation of groups encouraged and facilitated.
- Because of the current disproportionate balance of resources and power in the processing and retail sector, vigilance is required by ACCC and ASIC to protect farmers rights within the supply chain to enable contract arrangements and obligations to be negotiated and enforced.

### *Competitive advantages through product differentiation*

Tasmania as a state is achieving greater product differentiation based on the Brand Tasmania concept. A number of individual farmers are differentiating product.

Significant market penetration is limited by the scale of Tasmanian farms and to achieve greater differentiation will require the facilitation of more co-operative production and marketing by groups of farmers. This will allow better sharing of resources and allow many farmers to achieve critical production mass.

Freight competitiveness an issue for market access, in respect of the both the domestic and export markets. Support for the Tasmanian Freight Equalisation Scheme, continuing reform on the waterfront and access to efficient international shipping and air freight are continuing requirements to maintain market access for Tasmanian agricultural scheme and food products.

## **6. Education, skills and labour supply**

The availability of seasonal workers during peak periods is likely to create a restriction on growth and increase costs during peak harvest periods for many of our labour dependent crops such as cherries, berries, apricots, grapes etc. Facilities such as cheap accommodation for seasonal workers are limited in some regional areas, a factor that also reduces the ability of farms to attract permanent workers. Australia's immigration and tourism policies should be expanded to attract seasonal workers to casual work in these areas.

The on-costs of labour (including regulatory costs such as superannuation, workers compensation etc) are too high especially when benchmarked with competitors.

Wages for management and supervisors in agriculture are low compared to other industries and it is therefore difficult to attract or retain workers in the long term. This is an industry problem that may be assisted with policies such as wider zoning for tax relief or compensation.

Farm based education has traditionally focused on production oriented technical and manual skills. With the introduction of Farmbis and the Agriculture Advancing Australia (AAA) packages has come the promotion and recognition of the farm as a business, requiring the development of business management skills for the farm team. This emphasis must continue and the ability of Farmbis to provide support for management training is essential to continue this change in emphasis and skills mix. Farmers increasingly require business management skills that will assist in managing for the future, skills such as strategic planning and decision making, risk management, finance management and succession planning.

Rather than being solely market driven in its response to farmer's requirements, Farmbis may be even more effective by commissioning the delivery of specific business skills programs for targeted groups and individuals.

In order to create the demand for training in these skills, farmers must recognise education as a "continuous learning" process. Processes and facilities must be in place to clearly identify and articulate industry training and education needs to training providers so that delivery can occur in the format that will induce the highest possible response rate. To this end, TFGA has commissioned a project to develop model infrastructure that will facilitate this process on a state basis.

The national shortage in all sectors of people with practical experience and well developed skills is reflected in the Tasmanian agricultural sector. In addition, agriculture nationally is suffering from a lack of new entrants to the industry. This is due to a multiplicity of factors; the image of agriculture as low paid, hard physical work, isolated and dirty. This shortage is also exacerbated by the reduced pool of farm labour as farm families numbers have been lower than in previous generations, increased mobility of regional work force, and the greater number of women working off farm for both personal development and financial need.

The reducing terms of trade for farming have seen farm labour numbers cut to the minimum in many areas, for example wool. The increase in agricultural contracting services reflects both the reduction in available labour and a more corporate approach to the efficient use of available capital. As farm labour numbers are reducing due to increased productivity, technology and scarcity, the skills set required is increasingly complex and requiring higher level training, particularly in IT and management. Agricultural training needs to reflect this shift in the skills base.

Industries such as the dairy, wool, horticultural and pig industries have programs designed to attract new entrants, both as farmers and staff. There is the opportunity to develop the synergies that programs can create to increase the overall effectiveness rather than be seen to be competitive so that entrants are attracted to agriculture but may then move around within the sector as their interests develop.

In order to attract new entrants into the sector, agribusiness must be promoted as a vibrant, technically challenging industry. Many of the challenges identified in this paper will require new approaches and innovative solutions, particularly in the area of natural resource management, new product development and marketing and will require "switched on" farmers and service providers.

Farmers are increasingly competing for labour in a scarce labour market. There is now a trend towards increased pay levels above award wages and towards employment agreements that include salary packages. There is also an increasing recognition of the need for a more “corporate approach” to workplace practices such as structured working hours that reflect the seasonal variation in labour rather than base rates with overtime. Industrial Relations training for farmers will need to reinforce the changes workplace attitudes that are required to attract and maintain labour. Proposed changes to IR legislation will assist the employment capability of farm businesses.

Continuous recognition, mentoring and training of industry leaders will be necessary to promote, advocate for and provide vision for the sector. Some of our strongest advocates are individuals that have only come to light in a crisis situation and have worked to improve the position for the good of all. We need to make sure that we do not just cover visible industry leaders but also consider our up and coming men and women with leadership potential. How can we develop and strengthen them to understand the issues and be informed advocates?

We have leadership programs for 18-35 year olds but we must not forget the 36-45 age bracket because this is normally the area where we see our leaders emerge. We should have targeted training to this age bracket on key issues affecting industry so we can get as many advocates as possible speaking for industry. The issues surrounding the sector are complex and will require in depth knowledge. New funding is required for grants and assistance to attend forums on specific issues such as “Free Trade Agreements and Supply Chain Management etc.

Characteristically, agriculture and much of the food industry is located in relatively remote areas of Australia. The continuation and restoration of strong rural communities will be vital to attract people to these areas. For example, infrastructure such as child care must be provided to support young women and families to move to or stay in rural communities.

## **7. Research development innovation and technology**

Traditional state based technology transfer systems have collapsed as states withdraw from providing extension and advisory services, allowing and encouraging the private sector to fill the gap. This model is working on an ad hoc basis and is largely market driven. Increasingly a “user pays” model for funding is being adopted requiring an approach that recognises the needs of the “user”. However R and D must be made up of the appropriate mix of applied direct response content and “over the horizon” work.

Applied R and D will in the future need to be industry driven, co-ordinated and co-operative to avoid duplication provide leverage and minimise inefficiencies, for example, the integration of CSIRO more effectively into the delivery of R and D.

Our industries need a more strategic approach to both applied and “over the horizon” research that co-ordinates and gives direction to our resources on a national basis, including CSIRO, CRC’s, industry and Natural Resource Management R and D Corporations, state based institutions, Universities etc. We need an appropriate model for the seamless co-ordination and transfer of R and D knowledge to farmers in a form that ensures high levels of adoption.

High level research, where the spin-offs may flow to a multitude of applications, is the responsibility of publicly funded research. We also need to facilitate on-farm

research by farmers to address practical farm level problems, where farmers have high ownership of the work and outcomes and subsequently there are high levels of adoption.

It is important to ensure that research is in the areas that industry requires and that industry has an influence on research projects. Research should be strongly linked to economics, for example, reducing costs, increasing efficiency, increasing outputs, minimising inputs etc

Financial incentives should be offered for the adoption of techniques, practices, technology etc where finance is identified as the barrier to adoption.

More research needs to be undertaken on rural social areas – a triple bottom line approach that takes into account the financial, environmental and social relationships. We need to understand more about the effects that natural disasters, loss of markets, mental health and loss of services have in our rural areas. The social research needs also to consider success stories and how they can influence change in other rural areas.

Further research is required into understanding women's valuable contribution to agriculture and the opportunities and barriers to take up that affect the ability of women in the rural community to meet their potential development. For example, through the use of telecommuting and the setting up of businesses such as value-adding in agriculture, a wider range of jobs could be created so that women can aspire to live and work in rural areas.

On farm safety has become a critical issue requiring further research into the multi-factorial causes, for example, the needs for employment related child care and the relationship to child safety on farm and the aging of the farm workforce in relation to farm accidents.

#### *Technology adoption*

New technology, particularly Information Technology (IT) is increasingly being developed and utilised in the agriculture and food sector. Web based information systems are increasingly becoming the primary source of information and news, for example technical, market and climatic information, email correspondence and remote financial management.

There is a risk that without either access to or familiarisation with this technology, members of the sector will become marginalised and uncompetitive. With the increasing average age of farmers, the promotion and introduction of new technology needs to be specifically "user friendly" and tailored to meet the learning needs of the age group.

This will be more easily achieved when technology adoption is linked to business needs and the factors that drive the farm business and provides solutions that farmers can relate to, for example remote sensing of soil moisture linked to irrigation scheduling.

#### *Biotechnology*

Farmers should not be denied access to biotechnology that is recognised by the accepted food safety conventions and authorities as being safe, based on sound science, meeting consumer needs, is environmentally sustainable and improves farm productivity.

The denial of access to technology in exchange for marketing advantage and brand support needs to be proven and to achieve returns comparable to those that could be achieved by the introduction of the technology.

The introduction of biotechnology needs education programs to familiarise consumers with the safety aspects and the benefits of appropriate technology, including an understanding of the technical aspects. Where appropriate, QA systems must be able to segregate and identify GM modified product when marketing requirements demand.

With respect to the introduction and trialling of GM modified crops it may be necessary to undertake technical feasibility trials to test the adaption of technology to local conditions. Protocols must be in place to facilitate this particularly in moratorium periods that restrict the commercial scale introduction of the technology, for example, poppies in Tasmania.

## **8. Infrastructure in the agriculture and food sector**

### *Criteria for infrastructure investment*

In the experience of TFGA, investment in infrastructure should be driven by

- Increased efficiency in access to markets
- Long term (25 year) net benefits, both public and private
- Providing solutions that overcome issues of critical mass for small scale operators and that facilitates development.

### *Transport*

Efficient transport handling and delivery systems are particularly essential for mainland Tasmania and the Bass Strait Islands, King and Flinders. Tasmania is increasingly dependent on regular and efficient export shipping service as well as cross Bass Strait services. Air freight capacity has been increased through the increased air traffic movement developed by the low-cost airlines. Continuity of management through the cool chain is particularly important in the transshipment of perishable goods, such as seafood, en route to export markets.

The movement of product north and south across the strait is supported by the Tasmanian Freight Equalisation Scheme (TFES) that provides support to ensure that Tasmania is not disadvantaged by the “over the water” cost element of cross strait transport of goods to and from domestic markets.

The Tasmanian Wheat Freight Scheme provides for the cross strait shipping of bulk wheat.

Despite currently anomalies that favour the containerised shipping of grain against bulk shipments, these schemes are both essential for the maintenance of Tasmania’s grain based agricultural and food industries. (Grain freighted in containers is eligible for around \$37/tonne compared with \$20.65/tonne for grain shipped in bulk.)

Continuing waterside and port reforms, such as the current amalgamation of the management of Tasmania’s four major ports, are steps in the right direction of improving the efficiency of freight handling. Efficiency in freighting of capital equipment such as irrigators also needs to be considered. Too often we see the most expensive freight component being from Melbourne to Devonport and freight equalisation does not cover these costs in all instances.

Government has a role to play in providing and improving the framework and infrastructure that increases efficiency in both the handling and movement of freight between nodes, both on the mainland and in Tasmania, including King and Flinders Islands.

Land transport linkages to remote areas and communities is essential for the maintenance of thriving rural communities, to both attract and maintain labour and their families and for the development of regional economies. A safe and efficient road network is fundamental to this strategy.

### *Communications*

As discussed above, without access to applicable technology, farmers' competitive position, productivity and profitability are increasingly at risk. Rural communities will be increasingly disadvantaged in comparison to urban dwellers in respect of communication services, particularly when conventional services, for example banking and bill paying, are being increasingly provided by web enabled systems.

As a fundamental premise for the provision of communication services, farms and rural communities require equity with urban homes and business in access to communications technology. There should be no disadvantage in Tasmania's rural or Bass Strait island areas for access, speed or cost –parity in service and price.

### *Water*

The provision of affordable water is the long term key to the development of Tasmanian agriculture. This has been identified in the Tasmanian Government's State of Growth strategy and the State Water Plan.

Future water development must be based on the identification and development of new water sources, more efficient and sustainable delivery and application technology and the ability to trade water so that water can flow to the greatest need without compromising the environmental requirements or without compromising other users' needs in a catchment.

To facilitate this development, government should be responsible for facilitating the identification and assessment of water development opportunities. The "user pays" principle should apply for water use to encourage efficient utilisation and distribution but government must bear the costs for the public good element of water development.

In order to increase opportunities and the uptake of water, government must minimise regulation in the development and operation of water development infrastructure.

As one of the world's driest countries, Australia is one of the least efficient recyclers of water. Further opportunities for the application of recycling water for agriculture must be developed and further education provided to the civic population to capture and use water wisely.

### *Energy*

Both generally and in respect to Tasmania;

- Cost reducing and sustainable alternatives to conventional power sources need higher priority
- Bass link and natural gas offer potential to reduce costs in the agribusiness Supply Chain.

The Government's failure to sign the Kyoto Greenhouse gas reduction protocols send negative signals to agriculture regarding the strength of the government position on greenhouse gas reduction, alternative energy and climate warming.

## **9. Biosecurity and Quarantine**

Tasmania's island status provides a natural barrier to the introduction of many animal pests, weed and diseases. Greater movement of people and freight is increasing demands on the resources of quarantine and surveillance. However, the costs of maintaining this barrier are considerably lower than the on-going cost of managing or eliminating invasions that could occur. The recent example of the requirement to fund the "Fox Task Force" to eliminate a small number of foxes in Tasmania is an example of the disproportionate level of resources required to find and identify a pest once it is even suspected of entry.

However, complete elimination of risk also has significant costs in barrier control and opportunity costs. For example, the restriction of the entry of feed grain with only nil weed seed tolerance would deny access to lower priced feed grains for many low risk grain based animal industries.

To maintain and manage an appropriate level of risk management and barrier control requires increased resources, both human and technology, for quarantine surveillance and border protection.

Tasmania (and Australia) MUST maintain area freedom from various diseases to:

- ensure access to various 'restricted' export markets
- reduce costs of production through not having to control a range of pests and diseases that we currently do not have.

On the national level, recent examples of apparently flawed import risk assessments with respect to pork and fruit products indicate that further reform and improvement in the process and wider recognition of industry input is required by Biosecurity Australia. This process must result in improved confidence and transparency in the process so that farmers' perception is not one of commodity trade-offs in trade negotiations.

Products assessed for entry must not only be scrutinised for plant and pest risks but also to ensure that they meet food safety and quarantine requirements.

## **D. USING AND MANAGING NATURAL RESOURCES**

### **10. Natural Resource Management**

#### *Role of farm business in environmental management*

Farms are at the cutting edge of environmental management and are constantly balancing protection of the environment with sustainable farming practices. Farmer funding for environmental protection and rehabilitation work requires that farms are operating at profit levels that can provide the surpluses required for ongoing work – "you can't be green if you are in the red!"

Greater recognition is required for the public good element of Environmental Services provided by farmers and ongoing, co-ordinated support for on-ground work will be required. There needs to be fair and just return for Environmental Services (ES) provided by farming infrastructure and practices and to do this requires more transparent and accurate assessment of ES, a process that is still in its infancy.

To enhance the potential returns and to encourage further rehabilitation, particularly through farm forestry, an efficient market for trading “carbon credits” for carbon sequestration must be established. This will significantly increase returns and consequently the integration of farm forestry into conventional farming systems.

Balancing that, farmers must maintain property rights to allow for responsible decision making at the farm level. State and local government regulatory processes must be minimised to encourage farmers to manage for ES, for example, shelter belts may currently require Forest Practice planning requirements, a requirement that adds costs to establishment.

Landholders are confused by the support services and funding provided by a plethora of service providers and agencies. A co-ordinated and “one stop shop” approach for service delivery is required to achieve sustainable farming that is both profitable and utilises sustainable practices (a triple bottom line approach). The Regional Outcomes On Farm for Sustainability (ROOFS) project currently being run in the Tamar region of northern Tasmania is an innovative approach to this concept.

TFGA fully supports the strategic regional approach to NRM and emphasises that joint government funding for NRM should be based on regionally identified and scientific priorities, not political expediency.

We support the regional approach that prioritises local issues and encourages community involvement. The Landcare movement is strongly supported by farmers. To support the locally based on-ground work requires the continuation of group driven funding such as provided through Landcare.

#### *Climate variability and change*

Recent changes to relief for Exceptional Circumstances have improved the delivery of support to farmers. However, further reform is still required, particularly regarding relief intervention at the early stages of hardship. Grants are more appropriate to ensure recovery rather than the burden of increased debt, even with interest subsidy.

Further development funding is required for the science of climate forecasting and the extension and training of farmers in the appropriate practices to mitigate exceptional circumstances, for example, drought preparedness, risk assessment and management, local specialist services such as Rural Counsellors and services such as Agriculture Advancing Australia, in particular Farm Help.

FMD's provide a suitable financial instrument for drought preparedness. Their benefits and use should be more widely promoted to encourage greater uptake.

This training and promotion will allow greater preparation, intervention and management in the early stages of an exceptional event.

On a regional basis, the preparedness of “Drought Management Plans” is recommended for areas of High Risk so that a regional approach can be taken to prepare for de-stocking, fodder banks and the supply of grain etc.

## **E. RURAL AND REGIONAL COMMUNITIES**

### **11. Rural businesses and communities**

When the only vision is the market, planning for rural businesses and the communities often takes a back seat. We must not forget people and the environment in our considerations. We also need to be inclusive in our approaches to ensure that indigenous people be actively included in natural resource management and community planning.

Regional people should not be told that they are no longer entitled to services of reasonable quality, if any services at all, in their communities. People in rural Australia are finding access to services difficult and for those who are suffering financial hardship, these are often services that might assist them to escape their predicament.

Services such as Rural Counsellors and the AAA Farm Help Program need specialised communication strategies to engage with farming families. Rural counselling services are under resourced for the need that exists. Tasmania has only two counsellors to service the State. These staff are only partially funded from government and require sponsorship and in-kind support to continue.

Policy makers need to recognise and engage the potential that women have to contribute to rural businesses and families. Rural communities need flexible, economic and reliable delivery systems that allow rural and remote women and their families to access education and training to unlock this potential.

The Rural Partnerships program has provided significant funding to rural enterprises in Tasmania. Unfortunately, it is likely that many deserving schemes and ideas do not reach the application stage because of the inability of potential applicants to cope with the application process. Governments should consider funding field officers who are familiar with rural networks to identify and work “hands on” to assist potential applicants.

The Government needs to consider applying revised income and asset tests to farm families who may be “asset rich and income poor”. The best known problem is encountered when asset testing renders parents ineligible for a pension even after they have handed the farm over as an inheritance. This can create problems for not only the parents but the inheritors of the property. The increasing age of the farm population is creating a situation in which many people are unlikely to be able to work their way out of poverty either on or off farm because of these testing regimes.

Another situation arises with assistance programs such as Exceptional Circumstances. Many women seek off farm income to support the farming operation during these tough times and this income is used in the assessment of support. In the majority of cases, this then renders the farm ineligible for Exceptional Circumstances support and creates extra stresses on the farm family unit.

For many farming families, retirement is not generally envisaged or prepared for, either emotionally or financially, when compared with the wider population. Particular consideration needs to be applied to preparing for the special needs of older rural men and women preparing both financially and emotionally for retirement.

The “right to farm” concept includes the protection of agricultural land under land use planning schemes. Governments must protect the scarce resource of productive

land to ensure that agriculture is not forced to marginal and more remote areas with subsequent pressures on resources and labour supply.

The ever increasing burden placed on individuals and community volunteers by Government is unacceptable. This is resulting in a deepening divide between those people and communities that have inherent advantages and those that do not. Support programs need to be put in place for those regional communities that struggle economically so that they can be assisted in identifying opportunities for development and reduced dependence on volunteers.

Rural health issues are as relevant in Tasmania as they are to rest of country Australia. In particular, agencies must ensure that mental health services in regional and remote areas are adequately and securely funded, with an emphasis on education and training programs so that people recognise earlier symptoms and issues that may trigger mental health issues.

It is a national issue that Australia cannot continue to grow our urban coastal fringe. The current population patterns are creating an imbalance in the demographics of the "city and the bush" resulting in overburdening of urban services and the environment and under servicing of rural regions and the lack of critical mass to support infrastructure and services. The development of a national "Population Policy" would encourage decentralisation of cities into rural communities. There is a strong case for the "selling" of the benefits of regional lifestyle and agricultural pursuits that when linked to regional development programs, could shift the pattern of population distribution without increasing pressure on national resources.

Such a policy would ensure that incentives are sustained for the retention, recruitment and support of health service professionals in rural regional and remote areas and would address many of the issues of labour and service retention in regional areas generally.

Domestic violence is still a major issue in rural communities that should not be tolerated. Resourcing still needs to be increased as transport and access to support services remains a major issue.

Rural women's organisations, such as Tasmanian Women In Agriculture (TWIA) and the Country Women's Association (CWA) have significantly raised the profile and needs of women in rural Australia. Rural women's input to communities and farms and their further potential to contribute to industries and economic development is gradually being recognised. Official statistics and government research still obscures the work of farm women and we need to ensure that statistics and research is improved so that women's contribution is fully recognised and therefore valued.

There needs to be a concerted effort to target and address the barriers to women's representation and participation on industry programs, boards and committees. Often the selection process and criteria is exclusive or creates a barrier for women.

Board appointments should be transparent. Board data bases should be for both men and women and government, statutory bodies and non statutory bodies should be encouraged to resource their board appointments from these inclusive databases.

TFGA  
July 2005