



18 November 2005

Mr Gary Banks
Chairman
Australian Government
Regulation Taskforce
PO Box 282
BELCONNEN ACT 2616

Dear Mr Banks,

Thank you for the opportunity of meeting with the Taskforce on Friday 11 November to give the National Farmers' Federation (NFF) the opportunity to outline some of the regulatory compliance burdens faced by Australian farmers and some possible reforms to alleviate this burden.

I would like to briefly highlight again some of the major issues for the consideration of your Taskforce.

In terms of specific areas of Australian Government regulation which are necessarily complex, our members are particularly concerned about:

1. Inflexible **Native Vegetation** laws. While this is principally State based legislation, there is the complicating factor of Federal legislation overlapping State legislation, and local planning considerations are also a concern. The Productivity Commission's report into this area clearly articulates the problems which jeopardise resource security and hinder farmers' ability to invest in sustainable production systems.

NFF seeks to ensure the implementation of legislation and policies that are flexible, efficient, accountable and equitable.

2. Cross border variations in regulations occur in relation to **agricultural and veterinary chemical regulations, fertiliser regulations, occupational health and safety standards, and food safety standards**. Such regulatory inconsistencies greatly increase the compliance burden facing farm businesses.

While some efforts are being made to harmonise the objectives of regulations between different States, to date no concerted effort has been made to harmonise regulatory processes or requirements. This issue must represent a high priority for a national reform agenda into the future.

NFF believes COAG has a leadership responsibility in this regard.

3. Efficient and adequate **Transport infrastructure** is a major priority for Australian farmers. NFF notes the recommendations regarding infrastructure regulation made by the Infrastructure Task Force this year. Given the distances from farm to market relative to our international competitors it is vital that Australia leads the way with efficient transport systems. Any unnecessary regulation hindering this efficiency must be removed.
4. NFF notes a recent announcement by the Federal Attorney-General to make practical reforms to the **Native Title** system. NFF agrees with the fundamental principle of native title but the current process is too slow, too time consuming and too costly. NFF will provide detailed input into the Attorney-General's review.
5. NFF is concerned to ensure the implementation of the small business **Capital Gains Tax** concessions is improved. The small business CGT concessions provide many farmers with potential access to beneficial tax measures which reduce impediments to investment and can assist in orderly succession planning.

NFF is seeking greater flexibility in relation to the way small businesses can access the various provisions. For example, farmers seek a simplification of the definition of an active asset.

6. **Workplace relations** regulation is currently being considered through the Work Choices Bill presently before Parliament that we believe is a significant step in the right direction in reducing red-tape in respect to the cumbersome workplace relations laws in this country. We would refer the Regulation Taskforce to the NFF submission to the Senate Inquiry into the Work Choices Bill that is available on our website if you require specific details.
7. **Occupational Health and Safety** is of substantial concern to Australia's farmers with the extraordinary complexity of compliance particularly in NSW. NFF is of the opinion that the problems associated with OHS red tape are such that workplace risk is simply being shifted as the sole responsibility of the farmer rather than being shared with employees as opposed to meeting the objectives of removing workplace risks in totality. The nature of the regulation is such that it is seen as an employee regulatory matter rather than the more appropriate focus of implementing behavioural change at the workplace for productivity growth purposes.
8. Other **employment** issues of concern relates to some of the indirect impacts of planning and heritage laws on accommodation development in regional Australia as acknowledged in the NFF Labour Shortage Action Plan. We also highlight the problems associated with the **employer notification requirements for superannuation**. The lesson learnt in relation to that situation was the need for Government to be smarter in determining the consequences of amendments to legislation in a rush to get legislation through without stakeholder consultation when the amendments were considered.

In terms of suggested solutions, NFF offers the following:

- o better targeting of measures/thresholds for small businesses/farmers as distinct from large entities;
- o promotion of industry led self regulatory measures;

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- increased investment in implementation resources to enable farmers to manage red tape, and
- COAG to take a leadership role in regard to best practice legislation implementation and cross jurisdiction harmonisation.

NFF trusts that these issues and solutions are taken into consideration during the Taskforce's deliberations and offers its assistance in further developing options to ease the burden faced by Australia's farm businesses in regulatory compliance.

Yours sincerely

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Chief Executive Officer

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