



National Farmers' Federation

Submission on the Issues Paper to Inform the Development of a National Food Plan

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Prepared by Dr Sam Nelson



National Farmers'

Member Organisations



CANEGROWERS



COTTON AUSTRALIA

GrainCorp



Goat Industry Council of Australia Inc.



RICEGROWERS' ASSOCIATION OF AUSTRALIA INC

RIDLEY



The Pastoralists' Association of West Darling



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1. Executive Summary

The Issues Paper produced to inform the development of a National Food Plan has highlighted the breadth of policy and regulatory matters related to food production and food security in Australia. The difficulty lies in how the complexity of these issues can be addressed, and focus attention on meaningful outcomes that can make a real difference for the agricultural industries. Previous attempts at developing a national approach to food and agriculture, such as the “Creating our Future” report which was developed by the Agriculture and Food Policy Reference Group in 2006, recognised the scope of issues, but there was not sufficient thought given to how the issues needed be addressed or how the report recommendations should be implemented.

Key messages from the NFF response to the Issues Paper are:

- Food Security is a strategic issue, which will become increasingly important over time. The Food Plan should be a fundamental element of Australian Government policy which is periodically reviewed to account for emerging challenges and priorities.
- The good work done to develop the Issues Paper for the National Food Plan, including the coordination and discussion between Ministers and Departments, should be recognised and the Government should continue to develop and support forums to improve coordination and develop consistent policy on food issues across government.
- Clear guidelines and processes need to be established to ensure that when government develops policy and regulation it can account for the impact on food and agricultural production, to ensure that food production is maintained and innovation and productivity improvements are encouraged.
- The NFF believes that aspects of the food plan related to food consumption and driven by public health concerns are different to the physical production and supply of food, and should be dealt with through different, but complementary, strategies.

The key outcome from the National Food Plan should be a shared view, across government, on the operation and priorities of the food production sector in Australia. Coordination is required across government departments to ensure there is consistency in policy and regulation to deliver on these priorities. NFF members have provided feedback and highlighted a range of issues and priority areas for the National Food Plan, particularly related to food production, and a large number of these have been highlighted in the Issues Paper.

Given the breadth of the issues identified and the need for real change, the NFF has suggested that it may be useful to break the food plan down into a set of three outcome areas: economic outcomes, social outcomes, and environmental outcomes which can be delivered through a National Food Plan. Relevant government departments could coordinate their work around these areas where they have regulation and policy responsibilities that have shared elements. Examples the sort of work coordinated under each of these three outcome areas is described below:

Economic outcomes: Examples of policy and regulation coordinated under this area include work related to markets and trade; research, development and innovation; infrastructure; investment and capital raising; regional development; and skills and labour.

Social outcomes: Policy and regulation coordinated across this outcome area could include education and improving “agricultural literacy” in the community, as well as issues related to domestic food consumption that are relevant to food security. The NFF notes that the issues related to the appropriateness of modern diets, including issues related to access, affordability, availability and appropriateness of food in the Australian community and explored in the food plan may also be addressed under this outcomes area. The NFF does not have strong experience in this area, but does note that these issues can impact on people in regional and rural Australia.

Environmental outcomes: Policy and regulation coordinated across this outcome area could include water; biosecurity and quarantine; biodiversity and stewardship; land use planning and conflicts (including mining); greenhouse and carbon policy; and environmental services.

It is important that clear actions and outcomes are identified under each of these outcome areas, and that there is clear accountability for their delivery and coordination across government on these issues. There will also need to be overall coordination across the three areas suggested. This is particularly important where government needs to understand and deal with policy and regulatory issues where there are strong interactions and trade offs between economic, social and environmental outcomes (for example, trade offs between mining and agricultural land uses, water policy in the Murray Darling Basin, and policy on carbon).

In general the NFF does not support the development of further bureaucracy, however this coordination role is not currently undertaken by government and a mechanism may need to be established which ensures that outcomes from the National Food Plan are delivered. The role in coordinating policy and regulation across government, including reporting on outcomes from the National Food Plan, may be a role taken on within a central government agency such as the Department of Prime Minister and Cabinet under a Parliamentary Secretary. It would be the role of this coordinating group to review major government initiatives within government and seek opportunities for closer alignment with the National Food Plan (where appropriate) and provide alerts if conflict with the National Food Plan becomes apparent.

2. Introduction

The National Farmers' Federation (NFF) has welcomed the development of a National Food Plan both as a step towards securing a sustainable food supply chain in Australia, but also to underpin the economic performance of the agricultural sector. Ongoing profitability of the agricultural industries will allow Australian farmers to continue to feed Australians and make a contribution to the Australian economy more broadly. Food production through agriculture is fundamental to achieving food security in Australia, and the economic prosperity of agricultural industries is critical to ensuring Australian farmers continue to produce food to meet the food demands of Australian and international markets.

The breadth of the policy areas covered in the issues paper illustrates the complexity of dealing with policy and regulation related to food and agriculture. It serves to highlight that food and agriculture cannot be seen as the responsibility of a single government agency, but requires a whole of government approach. Over the past decade it has been NFF's experience that we have knocked on the doors of different government departments and met with officials only to find they are unaware of work being undertaken by other government departments or engaged in work that duplicates or is at odds with other areas of government policy. The NFF sees the National Food Plan as an opportunity to address this issue and develop a whole of government approach to food and agriculture.

Frustration from duplication

A recent example of duplication and government departments working at cross purposes encountered by the NFF is the development of the National Dietary Guidelines by the National Health and Medical Research Council (NHMRC). Early working papers developed by the Council attempted to incorporate sustainability of agricultural production into recommendations of daily food intake. In approaching the NHMRC to discuss this work it was clear that the activities were being undertaken in isolation from efforts of government departments and industry to understand and improve the environmental footprint of Australian agricultural systems.

The NFF continues to be frustrated by duplication which occurs within government, the existence of policy silos and an apparent unwillingness of officials to work across government departments, but also the poor understanding of agricultural practices by officials who are developing policy in the area. A National Food Plan needs to promote a consistent approach on agriculture and food issues across government.

The NFF has been actively working on the issues of food scarcity and food security for many years. The NFF welcomes the opportunity to contribute to the development of a National Food Plan that provides tangible outcomes and solutions. Policy related to food and food production is complex, and should not be addressed as an afterthought in the Government's broader policy agenda.

The NFF believes that it is appropriate that government develop a consistent approach to policy and regulation in the food sector in order to foster innovation in the sector and ensure that Australian agriculture and the food sector contributes to the Australian

economy for the benefit of all Australians. Despite the worst drought on record, Australia's farm exports earned the country \$32.1 billion in 2008/09. This represents 11.9 per cent of total commodity exports and 14.7 per cent of all Australian merchandise exports¹. Australian agriculture not only contributes to domestic food security, but also makes a valuable contribution to the Australian economy.

Australian agriculture and the food sector provide diversification of the national economy, and ensures that the Australian economy is not overly exposed to the fortunes of one sector of the economy. It is appropriate for the Government to develop strategies to underpin productivity across the portfolio of sectors that make up the Australia economy. The multi speed economy that is currently the subject of much media and public discussion would appear to be a symptom of the Australian economy being linked to the fortunes of one sector. This has significant ramifications for other sectors of the economy and their ability to access resources, such as labour, and compete in international markets.

It must be noted that past efforts to deliver a national plan for agriculture has had limited success in generating lasting change in the Government's approach to food production policy and regulation. The Report 'Creating Our Future: Agriculture and food policy for the next generation' was a comprehensive report produced by the Government's Agriculture and Food Policy Reference Group in 2006, and which sought to identify the gaps in programs and policy which exist. Unfortunately many of the report findings still remain valid and remain un-actioned. This must not be allowed to happen with the development and implementation of the National Food Plan.

The 2006 Report 'Creating Our Future' identified a range of issues and challenges that needed to be addressed, and it recognised that there is no single area of highest priority, but rather a range of challenges for the sector. From our experience in developing our response to the Issues Paper, the NFF would observe that this situation remains the case and the National Food Plan will need to identify a series of outcomes and actions across a range of policy areas to have a lasting impact. There are many challenges for food production in Australia that need to be addressed, from the importance of achieving balanced water reform to the impact of development on Australia's best agricultural land. A useful outcome of the National Food Plan is to ensure the impact of policy and regulation on food production is properly considered during policy development and that there is greater coordination and consistency in government decision making across departments.

From the comments received by NFF during the development of its response critical needs related to the future of food production in Australia include the need to secure increased funding and better coordination of agricultural research, enhance our biosecurity to maintain productivity, improve agricultural 'literacy' in the Australian community to better inform consumer choice as well as regulation and policy development, secure our 'clean and green' reputation, increase the investment in infrastructure to ensure we have an efficient road, rail and port network and find a resolution to the current trade negotiations. However, this is a subset of issues and there are many other areas that should be recognised.

¹ ABARE, Australian Commodity Statistics, 2009 and Australian Government Department of Agriculture, Fisheries and Forestry, At a Glance, 2010

The National Food Plan is an important first step in providing a platform for Australian farmers to build a profitable and sustainable future and secure Australia's food supply. Sustainability of agricultural production in this country is a critical area for the National Food Plan to consider, and it is also important that productivity and profitability of the agricultural sector is addressed and incorporated in the National Food Plan. Agricultural industries need to be engaged and empowered through this process, to ensure government priorities are consistent with the direction of the sector.

Therefore in parallel with the National Food Plan, the NFF also plans to develop a Blueprint for Australian Agriculture that will look at all issues affecting our farmers, including how we can address the challenge of growing more food, more sustainably, in order to continue to provide for Australia's own food security and make a contribution to meeting global food demand.

To inform the development of the National Food Plan, the NFF has sought to articulate its vision for agriculture in Australia and this will be further developed through the NFF's Blueprint for Australian Agriculture. The NFF recently examined and sought to prioritise the issues affecting Australian agriculture through its 2010-13 Strategic Plan, and this has been included for consideration as Appendix 1.

The number and breadth of questions raised in the issues paper has made it difficult for the NFF to respond in detail to the issues paper. The NFF has focussed on providing comments regarding the set of questions included in the Executive Summary of the Issues Paper, which have significant cross-over with questions elsewhere in the document. This response is included as Appendix 2.

In developing its response the NFF has also considered the issue of implementation, and how to generate a lasting legacy through the National Food Plan. The NFF's comments on implementation are discussed as part of the NFF vision for agriculture.

Key messages from the NFF submission

- Food Security is a strategic issue, which will become increasingly important over time. The Food Plan should be a fundamental element of Australian Government policy which is reviewed to account for emerging challenges and priorities.
- The work done to develop the Issues Paper to inform development of a National Food Plan, including the coordination and discussion between Ministers and Departments, should be recognised and the Government should continue to develop and support these forums across government on food issues.
- Clear guidelines and processes need to be established to ensure that when government develops policy and regulation it can account for the impact on food and agricultural production, to ensure that production is maintained.
- The NFF believes that aspects related to food consumption and driven by consumer demands are different to the physical production and supply of food, and should be dealt with through different, but complementary, strategies.

3. NFF vision for agriculture

The NFF is conscious of the need for sound and consistent policy development at the national level. The NFF advocates for the development of clear policy that sets the framework within which our food and fibre producers and supply chains can operate and prosper and articulates the Government's role in this. To achieve this outcome, we reflect briefly on the past and then look at where Australian agriculture may be in the future and what is required to achieve this vision.

Australian agriculture's role in domestic food security

Food and food security in Australia is intimately linked with the agricultural industries. Australian farmers produce almost 93 per cent of Australia's daily domestic food supply, with food imports contributing 7.5 per cent of the total value of Australian retail food sales². The Australian public has been in the fortunate position that they have enjoyed a secure food supply. For Australian farmers, who have maintained this food supply, have faced significant pressures as a consequence of challenges such as drought and the relatively high value of the Australian dollar in recent times. In many parts of Australia farmers are now looking to recover, and there is some renewed confidence through Eastern and Central Australia.

Australian agricultural industries are world class food producers and pride themselves on their resilience. Despite a 50 per cent fall in agricultural terms of trade since 1960, Australian farmers have tripled their production, as well as quadrupled the real gross value of their produce (from \$10.6 billion in 1960-61 to \$43.3 billion in 2007-08). There is a misconception among some Australians that this productivity is built on handouts from the public purse. Government support for Australian farms represents just 4 per cent of farming income. By comparison, according to the Organisation for Economic Cooperation and Development (OECD), in Norway it is 61 per cent, Korea 52 per cent, European Union 23 per cent, Canada 17 per cent, and in the United States 9 per cent. In fact, Australian farmers are among the most self-sufficient in the world.

While the Australian agricultural industries are productive and resilient, the business of farming and producing food has become more demanding and more complex. The NFF and its members have been strongly supportive of investment in research and development, and the need for policy and regulation which encourages innovation in the sector. The stereotype of farming as a traditional 'low tech' sector, dominated by tradition and 'old ways', fits the purposes of advertisers and the media but does not reflect the modern realities of the agricultural industries. The reality is that farmers do not fit these stereotypes, and many farmers are looking to adopt new practices, technologies and change their farming systems to improve profitability and reduce exposure to a range of business risks, including drought.

Australian farmers have enjoyed a strong social license, but are becoming increasingly aware of changes in expectations not only with regard to the quality of food that is produced, but also how it is produced. The integrity and the ethics of our production systems, including environmental sustainability, are now part of the expectation in the

² Australian Government Department of Agriculture, Forestry and Fisheries, Australian Food Statistics 2007

meal decisions of today's consumers. Agricultural supply chains have shortened and agricultural industries have responded with a culture of through chain accountability and improved transparency. The NFF acknowledges that Australian farmers must act responsibly in order to retain their social license with the Australian community. The production systems used by Australian farmers are strongly shaped by the expectations of the Australian public, despite Australia exporting 60 per cent (in volume) of total agricultural production to international consumers (76 per cent of the total gross value of Australian agricultural production)³.

Coherent natural resource management policy

The National Food Plan provides an opportunity for government to better coordinate policy across agencies. For example, the NFF believes that the Australian Government lacks a cohesive strategy that recognises the environmental outcomes delivered by Australian farmers and this is one area which could benefit from greater coordination. The sustainable production of food is a key interest of Australian farmers, but also the broader community. Farmers occupy and manage 61 per cent of Australia's landmass⁴ and of land managed by farmers 9.2 million hectares has been set aside specifically for conservation/protection purposes⁵.

A strategy for focus on agriculture and the environment is required. The NFF would suggest that policy silos exist which hamper better outcomes in this area, and this is evidenced by the poor process that occurred in the development of the Murray Darling Basin Plan, the lack of action on Environmental Stewardship programs and the continuing conflicts and confusion that exists on issues relating to the management of Native Vegetation.

Competition between land uses will only get more intense in the future, particularly the trade off between land for food production, environmental services, urbanisation and mining. A framework is required that can give Australian industries and the public confidence in planning decisions which have implications for future land use and the production of food, along with coherent strategies to support the production of food and the management of environmental assets.

Engagement with stakeholders on natural resource issues, as well as other major policy initiatives, must be strengthened and be meaningful to ensure that the Australian public has confidence in government policy. This means that the Government needs to increase lead times in the development of major policy initiatives, provide repeated opportunities for engagement with stakeholders and undertake clear public reporting on progress in policy development.

Concerns exist within the agricultural sector that urban Australia is losing its connection with the agricultural industries. Without an understanding of how food is produced and how the agricultural sector operates, Australian consumers are becoming 'agriculturally illiterate'. Whilst we may joke about children thinking milk and fruit juice come from supermarket shelves, 'agricultural illiteracy' has significant implications for the agricultural industries.

³ ABARE, Australian Commodity Statistics, 2009 and Australian Government Department of Agriculture, Fisheries and Forestry, At a Glance, 2010.

⁴ Australian Government Department of Agriculture, Fisheries and Forestry, At a Glance, 2010

⁵ Australian Bureau of Statistics, Year Book Australia 2009-10

NFF has concerns with the potential for over-regulation that may result from unrealistic or poorly informed community demands which may drive barriers to the adoption of innovation by industry. Poorly developed regulation and poorly informed community understanding of agricultural practises or the agricultural supply chain has the potential to increase costs, reduce efficiency, delay or deny farmers access to new technology and reduce international competitiveness.

The trend towards costly regulation and poor policy is exacerbated where government attempts to second guess community and market demands, and works to impose standards and regulations which add cost and complexity. The NFF believes that the role of government should be to legislate in areas of food safety and biosecurity and work with industry in developing a framework of outcomes with delivery based on partnership as opposed to punitive legislation and regulation. The agricultural industries would prefer to work in consultation with government to achieve outcomes in the most efficient way, rather than resort to regulation.

Australian agriculture's role in global food security

It is generally agreed that world population will continue to grow, driving demand for arable land and water. This will bring pressure to bear on Australia's natural resources and the environment but may also change the way these resources are valued and used, increasing demand for arable land. World population is projected to expand to over 9 billion by 2050, an increase of over 50 per cent. At present it is estimated that Australian farmers feed about 60 million people each day, with 40 million of them overseas in our export markets⁶. Whilst there are many uncertainties in global trends affecting Australia's future, we can be certain that there will be more mouths to feed and an increased demand for food and fibre to match. Over recent years the mismatch between demand and supply of food has been witnessed in famines, civil unrest and even high prices at Australian checkouts for some commodities. It is appropriate for Australia to seek to understand these trends and develop strategies to address it.

Critics would argue that Australia's contribution to global food security is minimal. Indeed, some would suggest that Australia should not focus on improving agricultural productivity and as Australia's population increases allow a larger proportion of our agricultural production to be consumed domestically, consequently reducing the proportion of agricultural produce exported. The NFF disagrees with both of these assertions. As mentioned earlier, Australia defrays the food demands of 40 million people in export markets. If Australia did not produce food for these markets, food purchasers would respond by accessing other sources, competition and prices for food would be higher, and more people would be forced to go hungry. With an increased global population these demands are only going to increase and the moral obligation to feed the hungry will be more acute. The NFF believes that the Australian Government needs to be serious when it considers the Nation's role in domestic, regional and global food security, and that the agricultural industries need to work in partnership with government to support improvements in agricultural production and the productivity of the sector generally.

⁶ <http://www.csiro.au/news/Brisbane-international-soil-conference.html>

The NFF believes that there are opportunities to increase agricultural production in Australia. Efficiency gains through new technologies and farm management practices, achieved on the back of research and development, have enabled Australian agriculture to stay a step ahead of our international competitors, returning average productivity growth of 2.8 per cent a year over a 30 year period⁷. Key to this productivity growth have been advances in knowledge and technology, improved use of available technologies and management practices, and structural changes that have seen increased farm size and shifts in enterprise mixes. To realise these productivity gains into the future will require a continued focus on, and investment in, innovation but also a focus on ensuring the regulatory environment encourages the adoption of innovation and keeps pace with the introduction of new technology. As mentioned earlier, it will be important that the Australian community is aware of, and brought along with, these changes.

A focus on improved domestic agricultural productivity has benefits for international food security. The Australian Government makes a significant investment through the Australian Centre for International Agricultural Research (ACIAR), which supports Australian agricultural scientists to use their skills for the benefit of developing countries. Independent studies of the benefits from ACIAR's investment in international agricultural research identified an average benefit cost ratio of 54 to 1 across a set of 37 impact assessments⁸. The skills, knowledge and experience drawn upon by ACIAR have been developed by agricultural scientists working with Australian industries through domestic agricultural research programs supported by the Rural Research and Development Corporations, Cooperative Research Centres, CSIRO and Universities. Without a strong domestic research and development effort to support innovation in Australian agriculture and the development of agricultural scientists, Australia would not be able to: improve the productivity and sustainability of Australian production; adapt technologies and knowledge developed internationally to Australian farming systems; or support Australia's continued contribution to agricultural production in developing countries.

Challenges for food production and agriculture

Large increases in domestic and global agricultural production will be hard to win, with limited new arable land to bring into production and few opportunities for significant increases in agricultural production, as occurred during the Green Revolution, on the horizon. In addition sovereign policies around trade protection, food security and bio-fuels have not assisted in driving increases in food production and have diverted and restricted the movement of surplus food away from areas of need. These trends represent great opportunities and challenges for Australian agriculture and food production.

The importance of biosecurity

Many Australian's have had the experience of throwing out fruit at state borders to stop fruit fly, and seeing signs warning of the spread of Phylloxera on grapevines. These signs are a visible reminder of the importance of biosecurity, and that the presence of these diseases and pests represent an ongoing cost to agricultural industries. Incursions of weeds, pests and diseases can result in a permanent reduction in agricultural productivity and/or ongoing costs for both the industry and the broader community. The risk of introducing new pests and diseases into Australia, such as foot and mouth disease, would

⁷ Australian Government Productivity Commission, Trends in Australian Agriculture 2005

⁸ <http://aciar.gov.au/node/8941>

have far reaching consequences for Australia agriculture but also for the lives of every Australian. Transparent, science-based quarantine and biosecurity measures to protect Australia's environment, biodiversity and agricultural systems assume even greater importance in this modern era of global movement of people, animals and goods.

Biosecurity is fundamental to Australia's food security, the integrity of Australian agriculture and the continued health of Australia's environment. Australia needs to invest in the integrity and transparency of its quarantine system by investing in our biosecurity and quarantine system according to the recommendations under the Beale Review. While reforms to date focused on the export elements of the Beale Review, the NFF remains concerned that many review recommendations, particularly those relating to import quarantine reforms, remain unactioned.

Drought and climate variability will continue to have an impact on Australian agriculture and productivity in the agricultural sector. Farmers will continue to implement practises to better manage the risk of drought and adapt to climate change. As demand for food increases it is likely that the mismatch between demand and supply may be exacerbated, which makes food security issues more acute. It is important that government and industry continue to work on policy and programs to improve industry preparedness to deal with drought and other climate risks to ensure Australian agriculture continues its contribution to domestic and global food security. The drought policy pilot currently being undertaken in Western Australia is a critical step in improving government and industry responses to drought and has the potential to contribute to improved food security.

Australian agricultural production for export has focussed on competitive production of agricultural commodities, but there are opportunities in the expanding regional markets using our high quality clean food and fibre as a selling point to differentiate Australian produce. An advantage for Australian produce in these markets is the guarantee of transparent supply chains that meet ethical and environmental requirements, which can be backed by industry systems. The challenge for Australian producers is to produce these quality products with the most efficient use of inputs, including inputs such as energy, water, fertilizer, chemicals and labour.

Australian farmers understand that there is no single technology in the research and development pipeline that will give Australian farmers the production and efficiency boosts they need to meet these challenges. Biotechnology and the development of genetically modified crops are one opportunity but they will require the development of farming systems to support their use and will not suit all farmers. A new suite of agricultural innovation is required. Australian farmers have been good at combining technologies and innovation in the past, but recognise that a lift in spending on production research is required. Australia has lead the world in dry-land agricultural technologies, tropical livestock production, irrigation and genetics but we are in danger of losing this competitive advantage. The NFF believes that as a country, we have taken our foot off the research pedal at a time of our greatest need and our rate of farm productivity improvement is sliding.

A comprehensive innovation strategy to drive growth

Unfortunately Australian's have preconceptions of the agricultural industries being behind the times and unsophisticated. At times it would seem that this view extends to

government innovation policy, despite a \$1,495 million investment in rural research and development in the 2008-09⁹ made by across involving CSIRO, Cooperative Research Centres, Australian Research Council, DAFF, Rural Research and Development Corporations, State Departments as well as through levy contributions by farmers and the private sector (including access to R&D tax concessions). Few outside the sector realise the importance of innovation to the agricultural sector and the need for research and development to improve efficiency and productivity in Australian farm systems. Without innovation it is unlikely that modern society would enjoy our current levels of food security. Research and development was the source of many innovations in fertilisers, pest and disease control which occurred during the ‘Green Revolution’ of the 1960s.

The benefits from agricultural research and development to the Australian community are tremendous, with analysis by the Rural Research and Development Corporations indicating that the return on investment delivered an average return of \$11 for every dollar spent. The NFF has continued to call for government to work with the sector and across it various agencies to develop a plan to ensure sustained productivity gains and to continue to re-enforce Australia’s position as a leader in international rural research. The NFF believes that it is appropriate for Rural Research and Development to be recognised as a National Research Priority to drive greater coordination, address the global imperative to improve food production and ensure there is a consistent approach to rural innovation across government departments.

Research and development is fundamental for Australia to maintain its food security, and meeting the various challenges for food production and agriculture. In Australia research provides farmers with the tools to improve their international competitiveness. However, in the context of international food security, research and development is much more than simply about developing export opportunities. The adaption of this research in a practical way for use in developing countries needs to be the cornerstone for Australia’s engagement on global food security. The majority of food, particularly in developing countries, is consumed where it is produced, and the adaptation of technologies and Australian low input farming systems can assist. As an example our ‘precision farming’ technologies retain stubble and place nutrients and water to match plant requirements. This translates into the smallholder ‘conservation farming’ systems that work so well in Africa and Asia.

The NFF believes that Australia needs to expand the base of research funding for work on agricultural productivity, including better engagement with Australian and international agribusiness to increase private investment in research and development. Australian research can support farmers, allow Australia to take up new knowledge and innovations as they are developed internationally and, at the same time, provide road-tested technologies that contribute to our international food security obligations.

A vision for Australian agriculture

⁹ Productivity Commission 2011, Rural Research and Development Corporations, Report No. 52, Final Inquiry Report, Canberra.

Food production in Australia and the future of Australian agricultural industries will be shaped by the trends described above, but also by policy implemented by government. The challenge for decision makers in industry and government is to understand these drivers of change and develop appropriate responses to underpin the performance of the agricultural industries in Australia and contribute to international food security outcomes. The NFF believes that Australia should aim for a future where farmers will be valued for the healthy and sustainable food they produce, and respected for the environmental services delivered through agriculture.

Australia's population is projected to increase and as a consequence domestic consumption of Australia's agricultural production will also increase; however, the agricultural industries will still depend on external markets to sell the majority of food and fibre produced. The global food price spikes in recent years and declining food reserves have put paid to the notion that food security can be delivered through policies to control food imports and exports at borders. Increasingly food will need to move freely from areas of surplus to areas of need, and policies of free trade are required to support this. Consumer tastes in Australia's Asian export markets will continue to change and the expectations of agricultural produce in these markets will increase.

The importance of free trade in underpinning food security

The NFF has been a strong advocate for free trade. Free trade is an important way of dealing with international food security issues. Food is a fundamental human need and is essential to stable societies. Free trade policies ensure that food is exported or consumed where there is a demand for it, and that farmers are rewarded appropriately for producing food. The NFF has continued to argue that the unimpeded trade of agricultural goods will make a significant contribution to ensuring the supply of food and the economic, social and environmental sustainability of its production.

Distorted markets and over-regulation of production and trade in food have been demonstrated to be ineffective. When there are international price spikes and countries ban exports then prices in these countries can be depressed and the local farmers are not rewarded for their efforts and do not have the incentive to produce more to meet food demands. Similarly, it is well understood that trade distorting food policies inhibit growth and poverty reduction in developing countries. Trade reform can help to ensure that these communities are appropriately rewarded for their production, and must continue to be championed by the Australian Government.

In Australia the family farm will continue to dominate our production base but there will increasingly be family and corporate investments that stretch through-chain, recognising the investment opportunities for soft commodities in the Asian growth region. The NFF believes that foreign interest as a source of capital will need to continue to be encouraged, but will need to be monitored by government to ensure that monopoly investments do not dominate industries at the critical control points of processing and marketing.

Water reforms that have allowed the separation of land and water assets from operations provide the opportunity for a new stream of development capital allows farm families to maintain their production and, at the same time, better manage their succession assets. Diversification of farm revenue streams remain important for the viability of farm businesses, and emerging potential for stewardship payments for the delivery of environmental services, and mechanisms such as carbon offsets, provide additional

revenue streams. The development of market based instruments to promote the delivery of environmental services is an area which needs to continue to be developed by government.

A strong research and development investment will remain pivotal for securing Australia's food supply and underpinning agricultural production in Australia. NFF believes that a re-investment by government and the private sector in agricultural research is required, with a view to establishing Australia as the 'Silicon Valley' of low input agriculture. This warrants a national approach to research and development in agriculture, which is coordinated across government. Innovation is a fundamental driver if Australia is to remain world competitive, increase domestic food and fibre production, and allow adapted Australian knowledge and technologies to support international food security. Undertaking the research and bringing the research together into farming systems presents rewarding career paths for scientists, entrepreneurs and farmers. A challenge is to ensure these opportunities are visible and suitably rewarding in order to attract the talent needed.

As has occurred in the past, Australian farmers will continue to adapt to our variable climate and integrate new innovations and knowledge developed through research and development into Australian farming systems. Drought will continue to present a significant business risk, and farmers will look to develop better ways of preparing and managing through drought events. An important element of achieving this is to make sure that regulatory frameworks that support innovation, such as biotechnology and chemical registrations, operate efficiently and focus on ensuring Australia can access technologies as they become available internationally. It is clear that Australian farmers will have to continue to focus on sustainably producing more food with fewer inputs.

The need for skills and labour

Access to labour and skills remains a priority for the NFF and a significant challenge for the Australian agricultural industries. Access to skills and labour has a significant bearing on the productivity of the sector, but also impacts on the potential for innovation in the sector. In the short term the agricultural industries faces challenges from competition for labour with the mining sector, as well as changes in labour demands as a consequence of the seasonal nature in some industries and the need to recover the rural workforce after a period of extended drought. In the longer term the retirement of farmers from the industry as well as professionals in roles which support the agricultural industries is a significant concern for the industry, and strategies to address these shortages need long term support.

The section above describes a broad direction in which the agricultural industries are likely to head, based on what is known and what is currently being discussed with government. Over the coming 12 months the NFF is looking to consult broadly with industry to develop a 'Blueprint for Agriculture' which describes what industry will seek to achieve and how it is looking to respond to these drivers.

So how do we get there?

Australian agriculture plays an important role in domestic and international food security. Agricultural industries are looking to ensure that they continue to improve their productivity and build on the credibility and social license already held by the industry.

Australian farmers need a policy and regulatory framework that encourages innovation and which empowers and enables the farm sector to get on with the job.

The NFF believes that government policies need to focus on delivering outcomes for the industry and the Australian community which minimise regulation, and works with industry to build on its strengths and promote innovation. To achieve this will require some funding commitment from government, but many reforms and initiatives will simply require tenacity and commitment to ensure they are delivered.

Trade and market access remains one of the single most important initiatives to underpin food security domestically and internationally. Promotion of free trade arrangements will free up the movement of goods and services around the world and ensure that food goes to where it is needed and that farmers get the right market signals to produce food where it is required. Multilateral reform remains one of the greatest challenges, but can provide the greatest benefits in this regard. A successful Doha Round can address barriers to trade but, most importantly, can set up a rules-based system to underpin future negotiations. Free Trade Agreements and regional agreements are useful, but good outcomes for food security and the prosperity of Australian agricultural industries requires trade in agricultural commodities to be included in these negotiations.

The development of water policy over recent years has important implications, not just for agriculture and food production, but how to balance the needs of communities, the environment and industries and certainty around the future access to this resource. It will not be possible to develop a long term solution and give certainty to the communities or industries unless this is achieved. The NFF has continued to call for full and open accounting for all water, including the environment, and savings need to come from a combination of engineering efficiencies and transparent open market buy back. However, taking a bigger picture view; it is important that the lessons learnt from the process and managing tradeoffs between stakeholders are learnt and applied to similar challenges including land use competition from mining and urbanisation and the use of ground water. This will require government to adopt new ways of working to ensure that the mistakes made are not repeated.

The need for infrastructure to support productivity

Investment in communication and transport infrastructure has been a continuing priority for the NFF and represents a strategic need for the movement of agricultural produce as well as to service regional communities.

The NFF has called for a sweeping strategic overhaul of freight transport infrastructure. The publication of the National Ports Strategy and work to develop a National Freight Strategy represent plans to support this outcome, resources need to be dedicated which turn these reports into on-the-ground infrastructure. Transport infrastructure, as well as the regulations which govern their use, need to be a continued focus to reduce the cost of food and improve the efficiency of transport.

Access to quality broadband and telecommunication services is essential for Australian agriculture and its associated industries. The development of the National Broadband Network provides an opportunity to improve productivity and efficiency in the sector along with benefits to regional communities. Mechanisms to facilitate the uptake and

adoption of broadband services by the industry are required to ensure these opportunities are maximised.

Agriculture and food production in Australia will continue to occur in regional Australia. The challenge of moving produce from regions to the cities and supporting the families and workforce that make their living in regional Australia will remain. The NFF has continued to highlight the importance of ensuring that regional Australia has access to appropriate transport and communications infrastructure. The NFF has focussed on this to ensure that Australian produce can be transported efficiently, and that regional Australia has the infrastructure to attract the skills and labour it requires. The NFF has advocated for measures to support regional development, such as regional tax concessions, to recognise the additional cost of doing business in regional Australia and to diversify and grow regional economies to provide these communities with greater economic stability. The NFF has the strong belief that policy support is required to foster the growth of regional businesses and provide viable choices for regional population growth.

Amongst all of these issues, the NFF recognises that Australian agriculture's biggest task is to maintain the trust of the wider community and address the misconceptions which exist about the industry. The majority of Australians now, and potentially a greater proportion of the population in the future, do not understand the agricultural industries, what farmers do and why they do it. This has important implications for Australia's food security and for the successful operation of the agricultural sector. By addressing these misconceptions and raising the profile of agriculture, the NFF believes that the broader Australian community will be better equipped to follow debates on resource use and allocation; understand the level of innovation and technologies that are being used in the agricultural industries; value and support the need for vibrant regional communities; and better recognise the value, safety, ethics and sustainability embodied in Australian agricultural produce.

The NFF is acutely aware that Australia as a nation holds romantic notions about the bush and the food we eat. At the same time, Australia takes agriculture and Australian produce for granted as Australians have never gone hungry. The Issues Paper covers a range of important and relevant factors which impact on agriculture and the future of food production in Australia, and many are recognised in NFF's Strategic Plan. The NFF has developed its Strategic Plan around five policy areas, which have been described in this response but are highlighted below:

1. The need to increase the productivity and competitiveness of the farm sector
2. The need to secure and grow domestic and international markets
3. The need for effective and sustainable natural resource management
4. The need for a focus on people
5. The need to improve community perception and awareness of Australian agriculture

These five policy areas are described more broadly in Appendix 1, and the NFF believe that they are critical to underpinning agricultural production in Australia. The NFF looks forward to working with government as it develops Australia's first National Food Plan to ensure that these five critical areas are addressed.

Implementation of the National Food Plan

Addressing the challenges identified through the development of the National Food Plan will be challenging without a clear strategy for implementation. The “Creating our Future” report produced by the Agriculture and Food Policy Reference Group in 2006 identified many of the issues highlighted in the Issues Paper, and many of these issues still remain relevant for the agricultural industries. Implementation of the “Creating our Future” report was made difficult because there was no mechanism to coordinate the delivery of its recommendations across government departments, and potentially limited ownership of these recommendations by government departments.

Successful delivery of the National Food Plan will need to ensure there is a coordinated response from across government. The NFF suggests that it may be useful to group the issues identified in the Food Plan into a set of themes and that different government agencies be responsible for coordinating their activities to deliver against these themes. One suggestion would be to have themes around economic outcomes, social outcomes and environmental outcomes related to food and agriculture. These themes are expanded upon in the text box below.

Three themes for the National Food Plan

The broad range of issues that the National Food Plan needs to address could be grouped into three outcome areas: economic outcomes, social outcomes, and environmental outcomes. Relevant government departments should coordinate their work around these areas, particularly where departments have responsibility for developing regulation and policy which has the potential for impacts on industry productivity and efficiency. Examples of the policy work coordinated under each of these three outcome areas is described below:

Economic outcomes: Examples of policy and regulation coordinated under this area include work related to markets and trade; research, development and innovation; infrastructure; investment and capital raising; regional development; and skills and labour.

Social outcomes: Policy and regulation coordinated across this outcome area could include education and improving “agricultural literacy” in the community. The NFF notes that the issues related to the appropriateness of modern diets, including issues related to access, affordability, availability and appropriateness of food explored in the food plan may also be addressed under this outcomes area. The NFF does not have strong experience in this area, but does note that these issues do impact on people in regional and rural Australia.

Environmental outcomes: Policy and regulation coordinated across this outcome area could include water; biosecurity and quarantine; biodiversity and stewardship; land use planning and conflicts; greenhouse and carbon policy; and environmental services.

Consultation and feedback from the Issues Paper would inform priorities under these outcome themes. It is important that clear actions and outcomes are identified under each of these outcome areas, and that there is clear accountability for their delivery and coordination across government on these issues. In general the NFF does not support the development of further bureaucracy, however this coordination role is not currently

undertaken by government and a mechanism may need to be established which ensures that outcomes from the National Food Plan are delivered.

The 2010 Prime Minister's Science, Engineering and Innovation Council's (PMSEIC) report "Australia and Food Security in a Changing World" recommended that a standalone agency, the "Australian Food Security Agency", be established to coordinate the development and implementation of policies and programs to improve Australia's food security. The NFF does not support the establishment of a new agency, however the role in coordinating policy and regulation across government, including reporting on these outcome areas, may be a role taken on within a central government agency such as the Department of Prime Minister and Cabinet. A Parliamentary Secretary role could be established to deliver the Government's policy objectives described in the National Food Plan and report back to government. It would be the role of this coordinating group to review major government initiatives within government and seek opportunities for closer alignment with the National Food Plan (where appropriate) and provide alerts if conflict with the National Food Plan becomes apparent.

Appendix 1. NFF priorities taken from the 2010-13 NFF Strategic Plan

The NFF has already undertaken an extensive consultation process with Australian farmers to identify the priority policy needs for food and fibre producers. This has materialised as the NFF *Strategic Plan 2010-13* and forms the basis for the organisations engagement within the National Food Planning process.

This NFF *Strategic Plan 2010-13* sets about meeting the needs of Australia’s growing and vibrant farm sector, which employs over 300,000 Australians directly on farms (some 1.6 million jobs across the supply chain), underpins 12 per cent of GDP, generates \$32 billion per year in exports and 93 per cent of Australia’s daily food supply.

The sector is increasingly being called upon for food and fibre production – both in Australia and globally, so ensuring our farmers can get on with the job of meeting mounting demand is essential.

The strategic drivers and headline issues forming the basis for the *Strategic Plan 2010-13* include:

- Global demand for food and fibre increasing, with the United Nations stating that food production will have to increase 70 per cent by 2050 to meet population projections.
- Changing industry structure and demographics, including increased foreign investment, heightened farm consolidation and the rise of peri-urban agriculture.
- Emerging new markets for food and fibre, as well as in the areas of carbon and water trading.
- Ever-changing consumer demand and expectations, expanding to niche products and through-chain traceability and quality assurance schemes.
- Innovation in the face of productivity growth slows.
- Need to access new technologies.
- Red tape and regulatory issues on the rise.
- Natural resource management pressures, including investigation of opening northern Australia to agricultural development.
- Mining, environmental and farming interaction becoming more prevalent.
- Climate variability and change.
- New biosecurity threats emerging in relation to weeds and pests.
- Succession planning remaining an unresolved and deeply dividing issue for many farming families and, more broadly, agricultural management.
- Drought and drought policy reform.

The goals outlined below are designed to tackle and address the opportunities and obstacles to farmers being able to fill the order.

1. The need to increase the productivity and competitiveness of the farm sector

Through:

- 1.1 Driving a competitive economic framework for farmers (through issues such as taxation, investment and competition policies).
- 1.2 Minimising costly red tape and regulation.

- 1.3 Integrating infrastructure to efficiently link regional Australia to domestic and international markets – not only transport, but via high-quality and equitable telecommunications services.
- 1.4 Investing in productivity growth through agricultural research and development.
- 1.5 Accessing burgeoning technologies, including genetic modification, in its application to farm production.

2. The need to secure and grow domestic and international markets

Through:

- 2.1 Reducing and, where possible, removing trade and market access barriers for agricultural products.
- 2.2 Eliminating unfair and trade distorting practices in Australia's domestic and export markets, such as subsidised farm products.

3. The need for effective and sustainable natural resource management

Through:

- 3.1 Enshrining natural resource certainty for farmers (land and water).
- 3.2 More efficient delivery of government environmental programs, including broadening the Environmental Stewardship to enable farmers to perform tangible environmental services on behalf of the community.
 - 3.2.1 Proactively managing the impacts of climate and greenhouse gas emission reduction issues.
- 3.3 Ensuring a robust, effective and science-based biosecurity and quarantine system is in place.
- 3.4 Developing continually improving standards of animal care and health, which are recognised by the farm, and broader, community.
- 3.5 Clarifying appropriate land use interaction, including in relation to mining and indigenous access.

4. The need for a focus on people

Through:

- 4.1 Ensuring a competitive and flexible labour market.
- 4.2 Improving access to labour (unskilled, semi-skilled and skilled).
- 4.3 Developing high-level skills levels and capacity in the farming population.
- 4.4 Enhancing farm safety information and resources, and improving awareness of Occupational Health and Safety practices.
- 4.5 Improving succession planning in the exchange of farm businesses from one generation to the next.
- 4.6 Driving better access to services for people – farmers, businesses, communities – in regional Australia.

5. The need to improve community perception and awareness of Australian agriculture

Through:

- 5.1 Proactively raising the positive profile of farming issues and the innovative practices involved in modern, dynamic, competitive and sustainable farming practices.
- 5.2 Building awareness of farming, its role, contribution and value to the broader community and stakeholder groups.
- 5.3 Establishing confidence, trust and credibility in the information, services, expertise and endeavours of the farming community – bringing the broader community and stakeholder groups along on relevant issues – and focusing community and stakeholder attention accordingly.
- 5.4 Influencing community and stakeholder – including the media and political interests – attitudes, behaviours, decisions and choices.

Appendix 2. NFF response to issues paper questions

- 1. What is the most important thing you think a National Food Plan should try to achieve?**
 - The National Food Plan provides an opportunity to clearly articulate the importance of agricultural production, and food production more generally, in Australia's economy, and provide a framework to ensure that there is consistency in government policy which impacts on the sector. The NFF continues to be frustrated by the lack of consistency in government policy and approaches across agencies. The National Food Plan provides an opportunity to provide clear objectives to drive outcomes for the sector from government policy and regulation.
 - The NFF would expect that the National Food Plan will need to be reviewed, developed and adapted over time to ensure it remains relevant and recognises emerging challenges for Australia's food security and food production sector. Reports and projections published by a range of experts indicate the challenges associated with access and supply to food will only become more acute over time as resources become constrained and the costs of production are likely to continue to rise.
 - The danger is that a National Food Plan becomes a list of challenges, opportunities and potential actions which are never dealt with. Implementation of the National Food Plan is critical, including a clear set of strategies for addressing the risks and opportunities recognised in the National Food Plan. The NFF's suggested outcomes from the National Food Plan are set out earlier in this submission.

- 2. What do you think the vision and objectives for a National Food Plan should be?**
 - It is important that agricultural industries drive the development of the national vision for agriculture in Australia, including how the agricultural industries will perform and grow into the future. Agriculture is an important contributor to the Australian economy, and it is appropriate that there is a national vision that articulates how the industry will continue to make this important contribution into the future. The NFF is seeking to develop a blueprint for Australian agriculture which will establish this vision.
 - The objectives of the National Food Plan should be to bring industries vision to reality through addressing regulatory barriers and ensuring there is consistency in policy across government. An important element of the National Food Plan is that it should facilitate innovation and improved efficiency within the sector.

- 3. What do you see as the major risks to Australia's food supply in the coming years and decades? How could they be avoided or managed more effectively?**
 - Australian agriculture faces a large number of strategic risks, which have been discussed in various reports (for example the October 2010 PMSEIC report "Australia and Food Security in a Changing World") and in previous papers developed by the NFF (including NFF Federal Budget Submissions). Many of

these risks have been touched on in the Issues Paper, and a number of the key risks and opportunities identified by the NFF are outlined below.

Managing climate variability

- Managing variability in climate, particularly drought, remains a significant challenge for farm businesses and a key risk for agricultural production in Australia. Climate events, such as frosts and storms, also have significant impact on agricultural production in Australia. The development of a National Food Plan needs to recognise the impact of climate variability on agricultural production, and ensure that policy and programs are in place to improve the management of climate and adaptation to climate change.
- As mentioned earlier in this document, it is important that government and industry continue to work on policy and programs to improve industry preparedness to deal with drought and other climate risks to ensure Australian agriculture continues its contribution to domestic and global food security. The drought policy pilot currently being undertaken in Western Australia is a critical step in improving government and industry responses to drought and has the potential to contribute to improved food security. The existing Natural Disaster Relief and Recovery Arrangements (NDRRA) are valuable tools to assist farmers and communities recover from severe climate events.
- Ongoing investment in research and development to improve seasonal forecasting is required to assist in managing for poor seasons, prepare and manage for damaging climate events (such as frosts and storms) but also to manage the natural resource base. The work undertaken through the Managing Climate Variability Program, supported by the RDCs, has been valuable in developing tools and delivering climate information in a form relevant to the agricultural industries. However, the challenge of developing better seasonal forecasts that can inform these tools and improve their accuracy still remains.

Innovation in agriculture

- The slowing pace of productivity growth in the Australian agricultural industries and in agriculture globally presents risks to Australian and international food production. The slowing growth of agricultural productivity has implications for the volume of food produced and the stability of food prices and supplies both in Australia and internationally.
- The NFF has raised the concerns held by agricultural industries at the petering out of benefits from the green revolution, and drawn attention to the declining trend in productivity growth in many of the agricultural industries. These concerns are echoed in expert reports, including the PMSEIC report on “Australia and Food Security in a Changing World” and the National Strategic Rural Research and Development Investment Plan.
- Research and development is required by the agricultural industries to underpin future productivity growth and maintain the sustainability of Australian agricultural industries. The NFF has called for a re-investment in Australian agricultural research to underpin Australian agricultural productivity, and this has spill-over benefits to international agricultural production through the work of agencies such as ACIAR. The NFF has also called for rural research to be made a national research priority to ensure there is greater coordination and collaboration on research across government agencies which undertake work in this area, and to focus the attention of Australian scientists on this pressing issue.

Access to skills and labour

- Access to appropriate skills and labour remains a challenge for the agricultural sector, both in terms of addressing immediate unmet demands for skills and labour in the industry but also ensuring that this workforce will exist in the future. The NFF has discussed the issues of access to labour and skills in its labour shortage action plan, published in 2008, and have worked with government and the mining sector on these issues in the past. Concerns with the future agricultural workforce have been raised in a number of forums and reports, including the National Strategic Rural Research and Development Investment Plan and the PMSEIC Report on Australia and Food Security in a changing world.
- The nature of agricultural production, which often has a strong seasonal component, needs to be recognised in developing solutions to labour shortages. Flexible employment arrangements are often required to account for these peaks and troughs in labour demand. The NFF has also actively engaged with the Government in the development of strategies to deal with acute labour shortages, for example 457 visa arrangements and the Pacific Seasonal Worker Pilot Scheme. It is important that long term solutions to regional labour supply are developed.
- To better understand both the immediate and longer term labour demand and supply issues it is important that better data is collected on the scope of skills and the labour required, including both demand and availability at seasonal as well as long-term timescales. The skills of the agricultural industries as employers must also be improved to ensure that industry has the workforce planning and human resource management skills to identify, attract and retain staff. Regional and community approaches must also be considered when attracting skills and labour to rural Australia to both promote the opportunities but also to assist in the retention of the regional workforce.
- Limited surveys and anecdotal evidence indicate that there has been a decline in the visibility of the agricultural industries, particularly among urban Australia. A challenge for industry is to improve the profile of the sector and awareness of the opportunities that it provides. Engaging in the education system through school based programs such as the Primary Industries Education Foundation (PIEF) and the Primary Industries Centre for Science Education (PICSE) to improve ‘agricultural literacy’ provides a mechanism to encourage young Australians to consider a career in agriculture, but also to improve the awareness and understanding in the broader Australian community on agricultural and rural issues. It is important that there is a long term commitment to school based programs to ensure these programs bear fruit.

Biosecurity

- The ‘Beale Review’ of Australia’s biosecurity system served to highlight the importance of Australia’s favourable pest and disease status. Australia’s freedom from many pests and diseases has been an important asset to the agricultural and food sector, but also the integrity of Australia’s natural environment. The potential introduction of exotic pests and diseases threatens trade in Australian agricultural produce, has the potential to reduce productivity and add significant costs to the sector but also threatens Australia’s unique plants and animals.
- The recent spate of pest and disease incursions, including myrtle rust, asian honeybees and equine influenza serves to highlight the potential threat posed to

Australia's food security and the agricultural sector from inadequate biosecurity arrangements. Despite the Beale review findings highlighting the need for reform of the biosecurity system and continued commitments from government to resource these reforms, very little progress has occurred.

- Implementation of the Beale reforms is an important step in ensuring there is integrity in Australia's biosecurity system, and restoring industry confidence in the value and benefits that Australia's science based biosecurity system provides. The continued resourcing of biosecurity is fundamental to both the productivity of the agricultural industries but also the integrity of the Australian environment.

Access to farm inputs

- Australian agriculture draws on a range of inputs, including energy, fertilisers, chemicals as well as new plant and animal varieties. There are many emerging cost challenges associated with being able to access these inputs, from increasing costs of energy, the potential for scarcity of nutrients for fertilisers as well as the cost of developing and accessing agricultural innovations, many of which are developed internationally. Tariff barriers also still remain on a number of farm inputs, increasing their cost. Experience has shown that it has been difficult for farmers to pass increases in costs down the value chain to recoup these costs, and the agricultural industries continue to seek innovation as well as policy and regulatory outcomes which can help to facilitate innovation.
- Research and development will remain a critical strategy for addressing these challenges and further developing agricultural systems which operate efficiently and sustainably. It will also be important that regulatory barriers and costs impacting on agricultural industries and access to farm inputs, including new farm chemicals, crop and animal genetics are minimised with a view to encouraging innovation and productivity improvement in the sector.

The need for re-investment in infrastructure

- The NFF welcomed the establishment of Infrastructure Australia as a new opportunity to strategically invest in Australia's infrastructure for the future. Australian farmers have witnessed a running down of assets that are integral to producing and distributing food and fibre in Australia, and this needs to be addressed. Running down these assets mean that food is more expensive and Australian farmers cannot be as productive or efficient as we strive to be. The development of Plans, such as the National Freight Strategy and the National Ports Strategy, as well as agreements made under the Murray Darling Basin Plan identify priorities and needs but this needs to be backed up by real investment in infrastructure for Australia's future.
- Australian farmers have invested significant time and effort to improve their businesses. Much has been done on-farm to improve the efficiency and productivity of Australian agriculture. However, once past the farm gate significant inefficiencies exist as a result of infrastructure bottlenecks. Australia needs a sweeping strategic overhaul of freight transport infrastructure. Overtures have been made towards this vision with the publication of the National Ports Strategy and work to develop a National Freight Strategy. Resources need to be available to ensure that these strategies are turned into on-the-ground infrastructure.
- The NFF supports the investment by Governments, in partnership with Irrigation Infrastructure Operators (IIO) and irrigators, in infrastructure to improve water

efficiency. In a future of climate change water infrastructure investment by Government, IIOs and irrigators will ensure that irrigation sector is climate ready. Improved water infrastructure can reduce water losses from irrigation delivery systems, improve the capacity of farms to irrigate more efficiently and save water, ensure the efficient watering of environmental assets, and improve the management of water along delivery systems. There have been significant nominal investment in water infrastructure in the Murray-Darling Basin, and the NFF is adamant that these funds be expended and that the Australian Government looks at other measures for more efficient irrigation systems outside the Murray-Darling Basin.

- The NFF acknowledges that government intends to make a significant financial commitment to improving access to information technology in regional Australia. Farmers and others living and working in regional Australia are looking and telecommunication solutions that are affordable and can be upgraded as technology advances. Modern farming practices are increasingly reliant on information technologies for production, risk management and marketing activities. The NFF is looking for clear information on the roll out of the NBN, but also how government and industry will support the delivery of broadband to ensure the infrastructure is used to realise productivity gains and diversify regional economies.

A consistent approach to competing land uses

- Agriculture and the production of food and fibre requires the management of the environment and environmental resources. Farmers seek to understand and manage tradeoffs between agricultural production and the environment to ensure their farms can sustainably produce food. Careful management of agricultural systems generates both food and environmental outcomes (including clean air and water, the management of weeds and pests, as well as protecting biodiversity including remnant vegetation), which are valued by the broader community. The challenge is to continue to increase agricultural production and maintaining the integrity of the environment.
- Australian farmers are frustrated by inconsistent approaches to decision making on resource use. Regulation related to the Environment Protection and Biodiversity Act and preventing land clearing place significant restrictions on farming operations in order to generate environmental outcomes. Whilst the agricultural industries comply with these requirements, the perception is that different rules exist for mining and urban development. A consistent framework is required to ensure the land resource conflicts are managed in a transparent way, and that the tradeoffs from different uses are understood and accounted for in planning decisions.
- Resource conflicts and resource scarcity will continue to be a challenge and are likely to become increasingly difficult over time as demand for arable land and mineral resources intensify. The Australian Government will need to address these challenges and develop a mechanism for assessing tradeoffs and making decisions about resource use for the future of all Australians. Research and development, including policy research, is required to underpin this area as well as strong engagement by government policymakers.

4. What does food security mean to you? How would this be achieved? How would we know if/when we are food secure?

- The NFF recognises that food security is a complex issue and covers both the physical availability of food as well as social aspects such as affordability and appropriateness. The NFF recognises that people in regional Australia may have personal and community issues that relate to food security, but the organisation does not have the expertise to comment on these issues. NFF comments are restricted to the physical production and availability of food.
- Many of the challenges to the production and availability of food have been described in the preceding section, along with broad strategies for dealing with the challenges. Australian farmers will be able to make a significant contribution to global food security and underpin Australian food security whilst these challenges are addressed.

Ensuring the integrity of and maintaining access to Australia's natural resources

- For Australian agriculture, a key aspect of maintaining Australia's food security is ensuring that agricultural production opportunities are maintained, and there is potential for flexibility and adaptation in Australia's agricultural system to respond to a changing climate maintain the viability of agricultural industries. In recent years Australia agriculture has witnessed increasing pressure over land and competition for access to natural resources between agriculture, mining, forestry, and urban encroachment as well as the growth of public conservation reserves. Mining and coal seam gas development have been an emerging issue, and the negative impacts on agriculture (including water, reduced capacity to produce livestock and crops, and the negative consequences from poor land access arrangements) need to be better understood and addressed.
- The agricultural industries have seen significant change in access to natural resources over the past decades, and it is likely that challenge will continue. A key aspect of being able to respond to change is maintaining the integrity of our land and water resources, ensuring they are used sustainably and are not degraded over the long term. To understand if Australia is food secure relies on an understanding and assessment of the quality and condition of Australia's natural resource base, which we use to produce Australia's food. Natural resource management is one area of policy which tends to keep falling through the cracks, and the demise of Land & Water Australia is an example of the lack of a coherent approach from government in understanding, monitoring and managing Australia's natural resource base. Challenges such as managing natural resources under climate variability and climate change will continue to be poorly addressed.
- The increasing pressure to convert agricultural land to public conservation reserves. With nearly 40 per cent of Australia currently under some type of conservation management (including covenants, Indigenous Protected Areas and formal legal title), increasing pressure to preserve at least 10 per cent of all vegetation types and to assist management biodiversity climate change adaptation, there needs to be a public discussion on how better to manage this issue. This discussion must include the contribution of private land ownership to conservation management and particularly connectivity (currently excluded), how private land managers might be used to assist in managing adjoining public land and how to manage the real issues of pests, weeds, fire, fencing and disease impacts between private and public land.
- Increasing listings of threatened species, ecological communities (at State and Federal Governments) and possibly new category of national ecosystems of

significance (at the Federal level) will adversely affect the ability of the agriculture sector to continue to produce food and fibre. In particular, how policies such as continuing use provisions and prior exemptions will affect normal farming practice and the adoption of new technologies.

5. What are the most important benefits that Australian consumers get or should get from our food supply? Why?

Fresh, healthy and sustainable food at a fair price

- The NFF contends that Australian consumers benefit most from their access to fresh produce which is safe to eat and is produced at internationally competitive prices. It is very easy to take the stability of Australia's food supply and the safety of our agricultural produce for granted. Australian farmers are proud of their record of producing agricultural produce in a sustainable way, and Australian consumers benefit from the work that Australian farmers undertake to protect biodiversity through the management of pests and weeds, as well as minimising impacts on soil and water resources.
- A challenge for the agricultural industries is communicating the value of the benefits received by Australian consumers. Australian consumers are food secure, they do not experience the dramatic price shocks and fluctuations in availability that are experienced by consumers in other countries. The growing disconnect between urban and rural Australia also means that fewer Australian's understand farming practices and farming systems, and are not well placed to follow public debates on the impact of issues such as water, carbon and climate change on the agricultural industries.
- Australian consumers benefit significantly from access to Australian agricultural produce, but are not well placed to understand or perceive the benefits delivered through food produced by Australian farmers. The NFF is concerned that this growing lack of familiarity with Australian agriculture not only reduces the perceived value of Australian produce in the eyes of consumers, but also may result in perverse outcomes for the industry and Australian taxpayers as a consequence of unnecessary regulation to address unfounded concerns about Australian agricultural production systems.

Valuing the environmental services delivered by Australian agriculture.

- The agriculture sector provides a number of benefits to the Australian society from environmental services, these include: biodiversity, clean water, clean air, management of pests, weeds and diseases. There is a lack of recognition by the Australian consumer of the breadth and depth of these environmental services. The development of market based mechanisms such as the Environmental Stewardship Program in high value conservation areas is recognition of these services. Further work on these services may be useful in providing transparency and could build on work commissioned by the MDBA to look at enumerating via multiple criteria analysis the benefits of the Basin Plan.

6. What two or three actions:

- a. by the Government sector would most benefit food consumers?**
- b. by the non-Government sector would most benefit food consumers?**

- This submission has highlights a number of areas of work that could be undertaken by both government and industry to benefit food consumers. Improved management of climate variability and drought, innovation in agricultural production, and investment in infrastructure are a few of the many examples of areas of work which would impact on continuity of food supply, food affordability and access to food and deliver benefits to food consumers.

Agricultural literacy in the community

- In recent years there has been a significant debate about the need for subjects such as financial literacy to be taught in schools because of the benefits it brings to the society. The NFF argues that agricultural literacy is also required, so that Australians are able to understand food production and make informed choices about food but also better participate in public debate on the issues affecting Australian agriculture and global food security.
- Australian agriculture is a knowledge and innovation intensive industry, and stereotypes of a basic, undeveloped industry persist in the community. Whilst the Australian community trusts Australian farmers, they do not connect this with the reality that farmers are running modern businesses and many rely on export markets and the need to compete in international markets. There are many good stories about the agricultural industries, including the innovations and the successes of farm businesses. It is important that both the Government and industry promote the reality of modern agriculture and challenge the stereotypes.
- In recent years there has been a continuing, and growing, trend for the credibility of regulatory systems that support Australian agriculture to be questioned. The NFF has continued to see public questioning of the work by the APVMA to support the regulation and safe use of chemicals, and the work by the Office of the Gene Technology Regulator in ensuring the safety of biotechnologies and GM varieties. It is important that government communicate the role and effectiveness of these agencies in undertaking their regulatory function to maintain community confidence.

7. What do you see as the major opportunities for Australia's food industry in the coming years and decades? How could they be realised?

- The Australian agricultural industries are diverse and provide produce to a range of different markets. Major opportunities exist in food export markets whilst the world population continues to grow and the affluence of Australia's neighbouring economies continues to rise. The challenge is build on Australia's reputation as a clean, green and safe source of food and meet the expectations set by domestic and international markets.
- Growth in trade, particularly in the Asian region, will be a significant opportunity for Australian agriculture. For Australian farmers to be able to grow our farm businesses with confidence into the future we need access to open markets. At present, Australian farmers are shut out of many markets due to their high tariffs and other barriers at, and behind, borders. Achieving improved market access by addressing these barriers through multilateral and bilateral negotiations must remain the highest trade policy priority of the Government.
- Individual industries within the agricultural sector are best positioned to set their own goals on the development of their industries, and the NFF is proposing to develop a 'Blueprint for Australian Agriculture' to better articulate the goals and

aspirations for Australia's agricultural industries. It is important that the agricultural industries work in partnership with the Australian Government to understand the opportunities and work to ensure that regulatory and policy frameworks are in place to support the agricultural industries in meeting these opportunities.

8. What two or three actions:

- a. by the Government sector would most benefit businesses that make, distribute and sell food?**
- b. by the non-Government sectors would most benefit businesses that make, distribute and sell food?**

- The NFF has provided some examples of actions which the Government and non-Government sectors could take to benefit farm businesses, as well as businesses in regional Australia more broadly, earlier in this submission as well as numerous other submissions made to government.
- The NFF has continued to engage with government on issues such as the need to invest in productivity based research and development in agriculture, the need for a reinvestment in transport infrastructure and better transport regulation, improved access to labour and a strategic approach to labour shortages and the need for improved market access for Australian produce in international markets.
- A key issue for Australia's agricultural sector is that, whilst the industry is productive and exports a significant volume of produce, the Australian agricultural sector represents a relatively small industry in international terms. In some cases this has made attracting finance and capital, as well as innovation, difficult for the agricultural industries. It is important that strategies are developed to ensure these issues are addressed.

9. What specific food policy and regulatory functions within or between governments:

- a. overlap?**
- b. are at cross-purposes?**
- c. have gaps?**

- The NFF has highlighted a number of areas where it views government policy and regulation is at cross-purposes, has overlaps or gaps elsewhere in this submission. Examples of areas with overlap and cross purposes include a range of areas related to the environment, including water, biodiversity, carbon and land use competition and where productive agricultural outcomes are in tension with environmental regulation. Better ways of understanding and managing these tradeoffs are required. A significant gap in government policy related to agriculture is innovation, where there is no coordination between research and development undertaken under DAFF and the mechanisms that support innovation and research and development in DIISR (including CSIRO and the CRC Program) or in Australia's rural research and development effort to support international development outcomes through AusAID.
- A coordination mechanism is required which continues the effort begun through the National Food Plan Issues Paper, and seeks to harmonise policy and address gaps in the Government's strategy to addressing the challenges for Australian agriculture.

10. Which regulation or regulatory regime poses the greatest burden on the food industry along the food supply chain (production, processing/manufacturing, transport and logistics, wholesale, retail)? What could be done to reduce this burden?

- The NFF works across a range of regulatory issues which have implications for the agricultural industries. Examples include transport regulation, environmental regulation, taxation, chemical registration and use, occupational health and safety, food and food standards and water management. These examples are expanded on elsewhere in this submission, as well developed in details of separate submissions made by the NFF to government. It is important that industry and government work together to avoid over regulation and to seek solutions which can minimise regulatory costs whilst still delivering the required outcomes. In NFF's experience regulation presents particular problems where policy areas fall across government departments and where jurisdictions develop separate regulation.
- National consistency in regulation (for example, transport regulation) to reduce barriers and costs at state borders would assist the agricultural industries, as well as other industries. Similarly different government departments can act as policy 'silos', and develop policy and regulation without a broader view of the work being undertaken in other government departments and where cross over or duplication may exist. Examples of government departments acting as policy silos include the lack of a cohesive innovation strategy across government for the rural industries, or the development of water policy for the Murray Darling Basin.

11. What two or three actions:

- a. by the Government sector would most benefit communities that are highly dependent on food production, processing, distribution or sale?**
- b. by the non-Government sector would most benefit communities that are highly dependent on food production, processing, distribution or sale?**

- While agriculture underpins 12% of GDP when factoring in flow-on economic activity, it is estimated that the farm sector represents more than 40% of the GDP of regional economies. Once multiplier effects are taken into account, this escalates to 70-80% in many communities. These figures illustrate that many of the communities in regional Australia are highly dependent on food production, including agriculture and related industries. The NFF has recognised and sought to address the significant and long-standing biases which exist for businesses and communities in regional Australia.
- This submission has already touched on a number of areas of work which impact on the costs of doing business in regional communities. Investment in infrastructure, including transport and communication infrastructure, is an opportunity to reduce the cost of business in regional Australia and increase the attractiveness of regional locations for workers. It is important that the Government also consider the implications of carbon prices on food production sectors such as agriculture, or indeed, regional communities in general. The NFF has also continued to call for the Tax System to recognise the higher cost for businesses in regional Australia and to take steps to alleviate such disproportionate pressures. For example, the NFF has advocated for a review of Tax Zone Rebate Scheme as one way of overcoming these pressures.

