

HD Improving Australian Agricultural Competitiveness

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The Commonwealth Government has released its Green Paper exploring a range of policy options to expand the competitiveness of the Australian agriculture sector and its share of the global market. See the paper [here](#).

The Green Paper serves to progress the Government's long-held ambition to take advantage of the changing food demand profile of the rapidly expanding middle class in Asia. The Organisation for Economic Co-operation and Development (OECD) has predicted that Asia could account for 66% of the world's middle class by 2030 up from about 30% today. As the Green Paper notes, "the Government has prioritised agriculture as one of the five pillars of the economy for good reason". The 700 submissions received from industry stakeholders earlier this year also demonstrate the enthusiasm for the opportunities that exist in these markets.

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The Green Paper discusses policy ideas under 11 separate categories. Set out in the table below is a summary of:

the key objectives of such policies

select legal and regulatory reforms the Government has done, or is doing, to pursue these objectives

certain policy ideas which have been proposed by stakeholders in the submission process.

Policy objectives

Select

recent and current legal / regulatory reforms

Further proposed reforms

A.

Infrastructure

negotiate in good faith with wheat exporters for access to port terminal services
disclose information regarding available port terminal services. Implementing the new Port Terminal (Bulk Wheat) Code of Conduct (effective from September 2014) obliging port terminal operators to:

Not discriminate or hinder access to port terminal services. Commencement of the Heavy Vehicle National Law aimed at improving productivity and safety through regulatory harmonisation. Improving regulation (eg coastal shipping regulations) to

reduce costs faced by producers. Building new transport infrastructure (including all weather access rural roads and promoting air freight hubs in regional Australia) to reduce transport times to markets. Building efficient and cost-effective transport and communications infrastructure for supply chain enhancements, opening new markets and innovations in agricultural production.

B.

Federation	Preparation of White Paper on
Reform of the Federation - due to report in 2015.	Reducing red and green tape through
the Council of Australian Governments. (COAG)	Consider deregulation in native
vegetation and work health and safety laws and improve efficiency of native title	
systems. Implement the Co-operatives National Law to make it easier to run a co-operative across different states and to issue hybrid	
securities to attract external capital.	

Remove duplication in regulation between States and Territories and the Commonwealth to improve agricultural competitiveness. C. Competition and Regulation

'Root and branch' review of the Competition and Consumer Act 2010 (Harper Review). This is due to report to Government by March 2015. Extending unfair contract term protections to small **business**. Considering whether to prescribe the Food and Grocery Code as a regulation under the Competition and Consumer Act 2010. Improving market competition by increasing price transparency throughout the domestic supply chain and restoring balance of power to the producer. Strengthening competition laws to make it easier to prove misuse of market power and to remove barriers to consolidating agribusiness companies - designed to facilitate 'national champions' of Australian agribusiness. Facilitate greater use of co-operative structures to increase farmers' bargaining power. Ensure fairness and transparency in the supply chain (notably between farmers and wholesalers/retailers) and amend regulation to create least possible costs for agriculture participants. D. Finance, **business** structures and taxation Concessional loans through Farm Finance Concessional Loans Scheme. White Paper on Reform of Australia's Tax System by end of 2015 (Tax White Paper). Regulatory developments to encourage crowd-sourced **equity** funding. Encourage greater institutional investment in agriculture (eg superannuation products for potential **equity** in farms or special concessionally-taxed Government bonds to encourage agricultural investment). A range of tax concessions to be explored in the Tax White Paper (eg income tax averaging, zone tax offsets and tax loss trading for farmers).

Improving access to financial, **business** information and advice and ensuring the tax system encourages investment. E. Foreign investment

	Register of foreign ownership of agricultural land. appointing an agriculture
industry executive to the FIRB board	lowering thresholds for FIRB
security of private foreign purchases of agribusinesses.	Reforming FIRB scrutiny of
agricultural investment proposals including:	

Improving transparency by expanding the coverage of the register of foreign ownership of agricultural land to water and agribusiness enterprises.
 Continue to encourage foreign investment to build new production capacity and ensuring the regulatory framework takes account of the needs of the agriculture sector.
 Education, skills and training, and labour Vocational, Education and Training (VET) reforms. Temporary
 Work (Skilled) visas (subclass 457)
 Working Holiday Maker visas (subclass 417).
 Enhanced visa availability including:

Financial support for regional education.
 Further liberalisation of visa availability including streamlining application processes and providing clearer pathways for residency for such visa holders.

Expanding the pool of labour servicing agribusinesses by increasing education, providing geographic and seasonal flexibility and attracting new entrants.
 Drought Various government support measures including concessional loans, tax concessions to manage income variability and environmental resilience. increasing accelerated depreciation for water/fodder infrastructure grants and concessions to improve access to insurance.
 Promote drought preparedness by:

Continue to promote drought resilience and risk management capabilities.
 H. Water
 and natural resource management One-stop shop for environmental approvals. Identify
 new water infrastructure projects.
 Reviewing the Water Act 2007.
 Providing a 50% p.a. deduction over three years for on-farm water reticulation infrastructure investment. Improve functioning and flexibility of water trading markets.

Identifying and building necessary water infrastructure and ensuring sustainable and productive use of natural resources.
 Research, development and extension Investment in various Research Development Corporations (RDCs)
 (eg Australian Grape and Wine Authority and Meat & Livestock Australia). Providing R&D Tax Incentives.
 Decentralising Government agricultural research functions to

regional areas.
costs of RDCs.

Increase transparency and reduction in

Improve productivity by increasing strategic and co-ordinated research and development. J.
Biosecurity

Updating the Quarantine Act 1908 with a new
Biosecurity Act. Pressing for
transparent and science-based approaches to
biosecurity in all countries to facilitate market access. Expand legislative
improvements to Export Control Act 1982
and the Australian Meat & Livestock Industry Act
1997. Enhance onshore monitoring including by developing reporting
tools and establishing a public Biosecurity Information System to
share information.
Protecting current animal and plant health status to maintain productivity and
access to export markets. K.
Accessing international markets

Concluded Free Trade Agreements with Korea and Japan and
Declaration of Intent with China. Re-opened markets for live exports
in the Middle East and
Asia. providing more exporter readiness
training increasing
engagement in bilateral and multilateral forums to
promote use of international standards in food regulation. Improving overseas
marketing efforts by, for example:

Assist exporters to capture high-value markets by addressing technical
barriers and ensuring trade negotiations deliver real commercial benefits for
the sector.

Submissions on this Green Paper are due by 12 December 2014.

A more deliberative White Paper on Agricultural Competitiveness in 2015 will build on past and current
policies and the proposals generated by this Green Paper. It will set out the Government's long-term
strategic direction to maintain and increase agricultural production while securing farm-gate profitability
and ongoing investment and jobs in the agricultural sector.

We encourage all participants likely to be impacted by some or all of the proposed policy developments,
or indeed who have any interest in Australia's agriculture future, to make submissions or otherwise
engage with the process. If you have any questions, or would like assistance with any submissions,
please contact us. We will update you once the White Paper is released.

The content of this article is intended to provide a general guide to the subject matter. Specialist advice
should be sought about your specific circumstances.

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