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Biosecurity Consultation
Department of Agriculture
GPO Box 858, Canberra ACT 2601

Agricultural Export Regulation Review

To Whom It May Concern

The Pastoralists and Graziers Association of WA (Inc) (PGA) is aware that the Commonwealth Department of Agriculture is undertaking a review to assess current export regulation.

The PGA is a non-profit industry organisation established in 1907, which represents primary producers in both the pastoral and agricultural regions in Western Australia. As a state farming organization, the PGA has a genuine interest in maximizing the business returns of its membership.

Western Australian agriculture is largely export focussed. The importance of agricultural exports to WA's regional economy is critical. It exports over 80 per cent of its total grain production (2008/09 estimates), and in 2014, Western Australia supplied 21.6% of Australia's live cattle exports and 84.6% of its live sheep exports (MLA May 2015).

Consequently, the viability of Western Australia's agricultural industries is dependent on the industry being internationally competitive. Western Australia's reliance on the export market for wheat and livestock sales mean that decisions made by the Commonwealth government have a greater impact in WA than in other states.

Broad acre farm businesses mostly export to overseas markets through buyers and agents; however as the representative body for Western Australia's farmers the PGA make the following general comments;

Continuing access to overseas markets is vital to take advantage of Australia's comparative advantage in suitable land available for the grazing of livestock, superior knowledge in animal husbandry and breeding practices, transport logistics and infrastructure, and proximity to Asian markets.

The PGA supports a free market system without the government interventions that distort markets, such as tariffs and taxes.

However, internal regulation applied by both the Commonwealth and state governments can and does add to the costs of running agricultural business enterprises and reduces international competitiveness.

It is imperative that government regulation is cost effective. It must not act as an impediment to market access by increasing compliance costs that would reduce the competitive position of Western Australian farmers by comparison with their global counterparts.

Consequently, Australian Government policy must include the removal of unnecessary regulations and the streamlining of burdensome regulations if productivity is to be improved.

The PGA notes that the current government has a strong deregulation agenda, and has formed an Office of Deregulation within the Department of the Prime Minister and Cabinet. Although the tone of this review seems to indicate a genuine desire to do things better, it is a moot point if a body of government administrators working in concert is capable of doing so.

The PGA observes that the fountainhead of legislative sovereignty for Australia's export regulation is the Export Control Act 1982.

It is generally accepted that this Act was a response to the 1981 'meat substitution scandal' and some of its subsequent regulations and orders have similar origins.

As such, there appears to have been an element of extemporized reactions that may have resulted in inconsistencies in application, complex systems that incur costs in meeting them, and has resulted in a culture of government control over the export community.

Consequently, this export regulation review needs to be thorough, with a view to harmonizing documentation and terminology, reducing complexity, and aligning Australian export requirements with international agreements and importing country requirements rather than internal departmental policy.

It should seek to peel back the layers of interpretation and temporary solutions.

As an example of the complexity of export regulation, the PGA points to the system of registered establishments, licences and permits.

To most casual observers, a registration, and a licence and a permit mean the same thing.

To the department it appears that a registration means an exporter can think about exporting, a licence means the government might let them export, and a permit means that the government says they can actually export.

In particular, the PGA makes comment on the certification of organic produce.

According to page 9 of the review discussion paper, third party organizations accredited by the department certify produce with organic, bio-dynamic, biological or ecological trade descriptions in compliance with the National Standard for Organic and Biodynamic Produce.

The current 'organic' standard has a zero percent tolerance for genetically modified organisms, when the US standard is 5% and the EU standard is 0.9%.

It actually appears that this standard is designed to prevent export of these products, and is in fact a mechanism to exert control over domestic markets.

Yours Faithfully

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