**Policy idea 1—Building new transport infrastructure:** The Government is committed to working towards filling Australia’s infrastructure gaps to meet the infrastructure needs of the 21st century. Some specific stakeholder suggestions included:

1. improving links between public and private freight lines and port infrastructure;
2. investigating all-weather access rural roads that may increase productivity of interstate freight movement, including sealing a third east–west continental road through central Australia;
3. identifying air freight hubs in regional Australia as potential opportunities to significantly reduce transport times to markets; and
4. examining infrastructure for greenfield developments that may support growth in new areas and open up new opportunities for Australian farmers.

**Policy idea 2—Improving existing infrastructure and transport regulation**: The Government is committed to upgrading existing infrastructure across Australia and reducing transport costs.To address these needs, stakeholders have suggested that mechanisms are required to incorporate information on local infrastructure needs and bottlenecks into infrastructure planning and funding decisions. Options are also sought on areas where transport regulation can be amended or removed to improve the efficiency of the transport system and reduce business costs. For example, the Government is considering reform of coastal shipping regulations to reduce costs faced by producers.

**Policy idea 3—Enhancing communications**: The Government is committed to ensuring that farmers and regional communities have access to reliable and affordable communications systems. Views are sought on areas of focus for future government and commercial investment in communications infrastructure and options to assist farmers and regional communities to use the communications infrastructure currently being deployed.

**Policy idea 4—State government deregulation:** Deregulation is a priority for COAG, with governments already looking at ways to reduce red tape and duplication and improve the performance of regulators. Stakeholders suggested some ideas for deregulation including:

1. removing excessive native vegetation laws;
2. removing excessive work health and safety requirements; and
3. improving the efficiency of the native title system.

**Policy idea 5—Protecting the resource base:** A strong agriculture sector requires the natural resource base to be maintained for future generations. Stakeholders made a number of suggestions for the States and Territories, including:

1. limiting the adverse impacts of mining on the agriculture sector, including by providing a royalty stream for land holders affected by mining, ensuring that access to freehold land is granted with the agreement of the landowner and ensuring that no long-term damage is done to aquifers so as to change the agricultural capacity of the district as a result of extraction activities;
2. providing opportunities for farmers to convert leasehold land into freehold; ensuring greater consistency in biosecurity regulations between Australian jurisdictions; and
3. quarantining prime agricultural land from mining.

**Policy idea 6—Strengthening farm businesses:** There are a number of State and Territory policy changes that could be made to allow farm businesses to operate more effectively. These include:

1. implementing a nationally consistent and mandatory approach to farm debt mediation;
2. subsidising farm energy audits;
3. streamlining development application processes by assigning a single government official to assist a farm business as they work through the different steps;
4. enforcing animal welfare legislation and strengthening laws to stop trespass on farms; and
5. adopting the Co-operatives National Law to make it easier to run a cooperative across different states.

**Policy idea 7—Improving market competition:** The Government aims to facilitate and support a regulatory environment that allows agricultural markets to operate efficiently and transparently to support competition. Many stakeholders argued that there was a lack of transparency and certainty in the price of agricultural products and that this had led to difficulties in planning or investing. Stakeholders also argued that producers had been unfairly dealt with by other players in the supply chain. Stakeholders suggested that the Government:

1. introduce options to increase price transparency throughout the domestic supply chain;
2. introduce new marketing mechanisms that might restore balance of power to the producer; and
3. facilitate greater use of cooperative structures.

**Policy idea 8—Strengthening competition laws:** The Government is committed to ensuring that competition laws in Australia provide a sound basis for ensuring firms act in a competitive manner. Current competition laws generally seek to prevent the misuse of market power and allow for collective bargaining (including by farmers) in certain circumstances, to negotiate better deals. The Government’s Competition Policy Review is examining these issues and the Review Panel released its draft report on 22 September 2014.

Stakeholders consulted as part of the Agricultural Competitiveness White Paper suggested improvements to competition laws, such as making it easier to prove that market participants had misused market power (strengthening s46). They also raised other issues including divestiture, exclusive dealing (s47), powers to obtain information, documents and evidence (s155), the unconscionable conduct provisions of the Competition and Consumer Act (CCA), and whether there are barriers to the emergence of major Australian agribusiness companies (‘national champions’) of global scale for exporting to international markets. Specific changes suggested include:

1. revisions to the CCA to make it easier to prove breaches of market power provisions; introduce a flexible anti-competitive ‘effects test’ in the misuse of power provisions; and increase penalties for breach of the CCA including a general divestiture power enabling courts to break up a business that repeatedly breaches the CCA;
2. reviewing competition laws to consider whether there are any barriers to greater consolidation among agribusiness firms;
3. increasing the resources of the ACCC, including specialist agribusiness knowledge, and requiring the ACCC to publish more information on investigations and their outcomes; and
4. creation of a supermarket ombudsman with penalty powers and a mandatory code of conduct for supermarkets (across all commodities) backed by direct financial penalties.

The Government will consider views on these issues in the context of responding to the Competition Policy Review.

**Policy idea 9—Improved regulation:** The Government is committed to making sure that unnecessary red and green tape is removed, and that necessary regulation is effective but imposes the least possible costs for business and individuals. Stakeholder suggestions included:

1. changes to the regulation of AgVet chemicals, such as through relying on the advice of trusted foreign regulators and allowing the Minister to issue temporary permits for chemicals; and
2. improvements to Country of Origin Labelling to ensure that consumers clearly understand the origin of their food.

**Policy idea 10—Improving access to finance**: The Government wants effective finance mechanisms to provide farmers with the capital they need to grow. Stakeholders suggested a number of options for assisting Australian farmers to better meet their financing requirements including:

1. making the existing concessional loans scheme permanent; and
2. creating incentives to encourage greater institutional investment in agriculture. Options could include creating superannuation products that exchange cash for partial equity in farms and the issuing of special Government bonds to finance agricultural infrastructure investments, with taxation concessions for investors.

**Policy idea 11—Improving tax system efficiency and equity:** It is important that Australian farmers are subject to fair taxation arrangements that recognise the unique circumstances of farming. In general, taxation policy changes should be considered in the context of the Government’s Tax White Paper. However, specific policy changes that relate only to the agriculture sector could be considered in the Agricultural Competitiveness White Paper. Suggestions include:

1. revising the non-commercial loss rules to encourage investment, by i) removing the $250,000 maximum income threshold or raising it to $1 million; and ii) increasing access to the primary producer exception to the non-commercial loss rules by raising the income threshold;
2. increasing thresholds and extending eligibility for the Farm Management Deposits Scheme (FMDs)—for example by increasing the deposit limit for FMDs to $1 million—raising the   
   off-farm income threshold, extending access to FMDs to companies and trusts and   
   re-establishing early access provisions in times of drought;
3. reducing the complexity of depreciation for farm plant and equipment by changing the effective life schedules for farm plant and equipment, which would result in a positive effect on productivity;
4. realigning the Zone Tax Offset scheme to be representative of the true cost of isolation from publicly funded amenities such as health and education services and public transport;
5. allowing farmers to trade tax losses to non-farm businesses, such as banks, to assist farm cash-flow in low-income years;
6. allowing farmers to opt back in to the income tax averaging provisions after a period of time to recognise changing circumstances; and
7. reducing and better targeting the rebate of the Wine Equalisation Tax.

**Policy idea 12—Farm business improvement:** Farm businesses need to consider the most appropriate business structure for their circumstances, and access business information and rural services that allow them to operate at their best. To promote more competitive farm businesses with better support for farmers, stakeholders suggested:

1. establishing a programme offering independent business advice and assistance to farmers to improve decision-making and performance;
2. expanding the role of Rural Financial Counselling Service to assist ‘at risk’ businesses, promote learning and extension activities and provide links with mental health support services; and

establishing a programme to encourage collaboration between agricultural businesses by providing a networking service to bring interested parties together.

**Policy idea 13—Improving the transparency of foreign investment**: Expanding the coverage of the register of foreign ownership of agricultural land to water and agribusiness enterprises would improve transparency and allow for a more informed debate about foreign ownership.

**Policy idea 14—Strengthening agricultural education:** Young people, including those in rural and remote Australia, should have access to a comprehensive education. This should include a clear pathway for agricultural education and training from high school to tertiary level, to training opportunities for lifelong learning for those in the industry. Stakeholders frequently raised the difficulties faced by young farmers in getting a foothold in the industry, due to lack of clarity about career options and growth possibilities and high capital costs. Options include:

1. working with States and Territories to ensure agricultural high schools and colleges have the resources to continue to specialise in agriculture in the future;
2. establishing a young farmers’ mentoring and networking programme to help new entrants, including offering clear advice and information on education pathways for agricultural careers;
3. increasing financial support for regional education by extending the Assistance for Isolated Children (AIC) allowance and providing living away from home allowances for students from remote areas studying tertiary agriculture; and
4. creating national agricultural tertiary centres of excellence in regional areas for education, training, research and extension.

**Policy idea 15—Strengthening labour availability:** While the Government is strongly focused on strengthening the domestic labour market and creating jobs for Australians, visa programmes can be an important means of supplementing domestic labour supply for the agriculture sector. Stakeholders emphasised the importance of labour market flexibility and the ability to access labour when needed, and recommended broadening the scope of existing visa schemes. Options to improve the flexibility and reduce the compliance burden of existing visa programmes include:

1. expanding the Working Holiday Maker (417) visa by increasing the qualifying age, expanding the country coverage and allowing a second application;
2. broadening the skill coverage of the Temporary Work (Skilled) visa (subclass 457);
3. expanding the Seasonal Worker Program to all agricultural industries;
4. streamlining visa application processes to reduce administrative burdens (i.e. shorter application waiting periods, less onerous superannuation requirements and automatic provision of tax file numbers); and
5. providing clearer pathways to residency for visa holders in farm management.

**Policy idea 16—Increasing drought preparedness:** While a strong and profitable farm business is the best way to prepare for and manage drought, there were a number of specific options that were suggested to improve preparedness:

1. introducing accelerated depreciation—for example, at 100 per cent in the first year—for new water and fodder infrastructure;
2. encouraging multi-peril crop insurance by providing a grant to reduce the cost of the risk assessment process for commercial insurance products or the States and Territories removing stamp duty on insurance products; and
3. improving climate information through better tools for use by farmers and additional weather stations.

**Policy idea 17—In drought support:** There are community expectations of a role for government in providing appropriate support to farm families and otherwise viable farm businesses suffering severe droughts. Options include:

1. additional mental health support in times of drought; and

provision of additional assistance for prolonged and severe drought that is beyond any capacity of farmers to prepare for, such as a one in 75-year drought.

**Policy idea 18—Improving water infrastructure and markets:** Developing our water infrastructure and improving the efficiency of water trading markets are integral to the competitiveness of Australia’s irrigation industries. Stakeholders suggested some ideas to improve water infrastructure, markets and administration. These included:

1. investment in new dam and infrastructure projects and opportunities to improve water-use efficiency or increase the amount of water available to agriculture through infrastructure projects;
2. providing a 50 per cent per year deduction over three years for investment in on-farm water reticulation infrastructure; and
3. improving the functioning and flexibility of water trading markets, such as through   
   counter-cyclical temporary trade of environmental water by the Commonwealth Environmental Water Holder and regulating trading of water by speculators.

**Policy idea 19—Natural resource management initiatives:** Environmental legislation provides important protections for our natural assets. However, regulation needs to appropriately recognise the interests of rural landowners. Ideas included:

1. amending the *Environmental Protection and Biodiversity Conservation* *(EPBC) Act 1999* to remove onerous on-farm conditions and provide right of way to national transport and infrastructure goals; and
2. promoting more targeted approaches to pest and disease management and control.

**Policy idea 20—Strengthening the RD&E system:** Collaboration, cross-sector and transformational research and extension have been identified as current gaps in Australia’s RD&E system. The Government is interested in ways to promote better rural RD&E coordination, reduce duplication, and facilitate the development of private markets in extension services. Options include:

1. updating the rural RD&E priorities to better align with community needs;
2. establishing a new body, or tasking existing research bodies, to coordinate cross-sector research;
3. enhancing access to the R&D Tax Incentive;
4. promoting the development of extension services;
5. decentralising Government agricultural research functions (such as RDCs and agencies of the Department of Agriculture) to regional areas, as appropriate; and
6. regular five-yearly assessments of the RD&E system.

**Policy idea 21—Improving the rural RDCs:** RD&E funding to RDCs should drive tangible outcomes for farmers to improve farm profits by targeting priority areas and minimising research overheads. Options include:

1. administrative changes to the RDC model to increase transparency and reduce costs, including giving RDCs a targeted set of objectives; and increasing the flexibility of levy arrangements.

**Policy idea 22—Improving legislation:** The biosecurity legislative framework should be clear, transparent and simple. The proposed Biosecurity Bill 2014 will go some way to achieving this, but the Government could also update other parts of the biosecurity legislative framework—such as the *Export Control Act 1982* and the *Australian Meat and Live-stock Industry Act 1997*.

**Policy idea 23—Improving the biosecurity system:** Australia’s biosecurity system protects our native flora and fauna and underpins our agricultural exports. To ensure that it remains robust and resilient to new and emerging pests and diseases, stakeholders suggested the need for:

1. improved information and intelligence gathering tools, supported by increased investment in high-risk areas and priority pests and diseases;
2. enhanced onshore monitoring, including by developing reporting tools and establishing a public Biosecurity Information System to share information; and
3. collaborating with industry associations to extend traceability systems to better facilitate responses to outbreaks and expand market access.

**Policy idea 24—Strengthening Australia’s overseas market efforts:** Maintaining international competitiveness requires an understanding of, and engagement with, our overseas customers and competitors. Stakeholders have called for improvements to the Government’s capacity to assist farmers to access international markets through:

1. undertaking further trade research;
2. improving exporter services and our understanding of overseas markets;
3. providing more exporter readiness training;
4. accelerating the development of technical market access and commodity strategies to prioritise market access efforts;
5. developing national promotion efforts (such as through a national brand);
6. increasing Australian Government positions and considering options for industry-funded positions, on the ground in foreign missions, to underpin increased focus on agricultural market access; and
7. increasing engagement in bilateral and multilateral forums to promote use of international standards in food regulation.

**Policy idea 25—Improving Australia’s export and import systems:** The Department of Agriculture provides a range of export and import certification systems and databases that enable exporters to comply with different countries’ import requirements, and domestic importers to comply with Australia’s biosecurity requirements. A review of these systems with a view to improving functionality and reducing compliance costs is seen as crucial by many stakeholders to their own cost competitiveness. These systems could also be improved by ensuring the Government’s review of biosecurity cost recovery arrangements explicitly considers export certification systems. Improving these systems with enhanced functionality through new ICT investments would enable existing exporters, as well as potential exporters exploring overseas requirements, to improve understanding of different countries’ import requirements, helping them with their access to international markets.