



Submission to:

Western Australian Standing Committee on Legislation

Agricultural Production Commission (APC) Act 1988

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Submission from WAFarmers WA

Inquiry into the Agricultural Produce Commission (APC) Act 1988

WAFarmers represents 1000 farm businesses and has 4000 individual members across the Wheatbelt, Great Southern and South West of the state.

As a peak body to the grains, bees, dairy and livestock sectors we welcome the opportunity to provide a submission to the Standing Committee on Legislation on the Agricultural Produce Commission Amendment Bill 2019.

Given that WAFarmers is the industry body with the highest representation of broadacre farmers with around 40% of production covered by our members, we believe that the following views should be carefully taken into consideration.

WAFarmers Position

WAFarmers notes that most of the proposed amendments within the Agricultural Produce Commission Amendment Bill 2019 are of an administrative and operational nature and supports these changes.

The focus of this submission is on the amendments relating to Sections 3, 14 and 16 with respect to the removal of the exclusion of broadacre cropping and grazing from the definition of "agricultural industry", the inclusion of a right to make regulations providing for an opt out to paying a fee for service and for weighted voting.

WAFarmers undertook an extensive community engagement process during 2019 which included 8 regional meetings to review how the APC structure worked and the way in which other sectors have benefited.

WAFarmers found that an overwhelming number of growers plus our grains, dairy and livestock councils were strongly supportive of having the APC funding model opened to all farmers and pastoralists subject to two conditions:

- 1: producers not being forced to pay an additional levy with no opt out option; and
- 2: voting being on a basis that is proportional to production (ie a weighted voting system).

WAFarmers has written to the Government asking for the current exemption on broadacre cropping and grazing to be removed with an opt out provision included along with a mechanism for weighted voting.

Weighted Voting / Opt Out

WAFarmers believe that it is important to note that the inclusion of Section 16A will allow for weighted voting and changes to Section 14(5) provide the legislative framework for the creation of regulations which offer an opt out option similar to the mechanism that exists in the Biosecurity and Agricultural Management Act 2007

The inclusion of broadacre cropping and grazing within this framework means that if, or when, a broadacre cropping or grazing industry is prescribed, these industries will have the same opportunity to use the Act as any other agricultural industry and their producers.

We note the advice provided by the State Solicitor's Office of the legal merits of placing the opt out provisions in the regulations and accept that it is the most workable approach and that the risk of legislators moving to impose new fees on growers is not born out by past experience. However, we would urge the Government to fast-track the preparation of these regulations. Ideally, they should take effect at the same time as the amendments to the Act. Otherwise, opponents of the Bill will (perhaps rightly) suggest that there is no guarantee that the opt out will be implemented. For WA farmers, this is a crucial plank in this whole proposal, so it is critical that the Government is very clear about its intentions in this regard.

No doubt others will put the case that there is no need for the APC to establish producer committees and growers are free to come together to establish their own industry good groups. But past experience shows that growers have struggled to address industry good issues (such as wild dogs or biosecurity threats) without a State coordinated scheme that allows for the efficient collection of a fee for service.

The fact that the BAM Act has successfully operated for nearly a decade and that the vast majority of growers and pastoralists have shown their support by not opting out and none of the existing APC producer groups have called for the end of the APC structure demonstrates that there is value in a simple government backed industry funding scheme.

For a small section of producers to call for all farmers and pastoralists to continue to be excluded because they are ideologically opposed to government levies in general, fails to recognise the benefits that the APC funding model offers, or that the free association model has consistently (and recently) failed to effectively fund important industry good programs (such as the science around the live export trade).

Also, detractors need to acknowledge the difference between the State and Federal levy structures, and the fact that both the BAM Act and the proposed changes to the APC Act offer growers an opt out option.

Also, to exclude all growers and pastoralists based on the views of a minority is plainly unfair.

To protest against the APC funding model ignores the fact that many farmers & pastoralists have spent years comfortably working with the BAM Act to raise funds to protect their livestock.

Examples of Possible Producer Groups

There is no logical reason why the current exclusion exists and why seemingly similar farming operations should be treated differently.

For example, why should:

- a 1000ha bulk vineyard wine producer at Frankland with access to the APC funding model be treated any differently to a 100ha hay operation on the same farm when both operations could easily be classified as broadacre;
- a 100ha seed potato farmer who specialises in bulking up new varieties for other growers have access the APC funding model but a 10ha chia seed producer doing the same thing on a

neighbouring farm not have access to the same structure simply because the smaller operation is classified as broadacre;

- a 1000ha 1000 head dairy farmer producing their own branded milk at their Boyanup farm have access to the APC funding model to establish a producers committee (under the latest interpretation by the Commission) but they can't establish a veal producers group for their 500 head 500ha premium veal program run on their Boyup Brook property - same owners; both products come from dairy cows; one is excluded simply because it is classified as broadacre, even though it's off a relatively small property;
- a 100 head a week free range pork farm on a 200ha property in the wheatbelt be part of the Pork APC Scheme while the same farm's 100 head fat lamb program is outside the scope of the APC Act;
- a group of corporate feedlot cattle producers be able to use the APC funding model in the South West to collectively raise money to develop a brand, but a group of indigenous cattle land corporations on stations in the Kimberley be excluded;
- a group of grain farmers who have come together to set up a multiperil crop insurance scheme be denied access to the APC funding model but the banana growers in Carnarvon can;
- a group of people who wish to establish a producer's committee under the APC Act to support women in wine, but it's not possible to establish one seeking to support women in wool;
- a group of hops growers can establish a producer's committee under the APC Act for beer, but a group of farmers wanting to produce a specific specification of barley to match the beer are excluded;
- a 10ha corn production farm for human consumption using broadacre machinery be treated differently to 100ha of corn produced for cattle fodder;
- broadacre farmers who support Farmers for Climate Action or AgZero2030 not raise funds via the APC funding model to develop a carbon calculator, but the wine industry can.

The current exclusions discriminate against broadacre farmers for no valid reason and adds costs and inconvenience to those farmers who want to establish a collective funding program to address a common cause.

If the argument is so overwhelming that the APC funding model is a risk to farmers, then the Act should be abolished rather than limited to some sectors and not others.

The APC offers a simple and efficient fee for service mechanism that should be available to all farmers and pastoralists across the state, or to none at all.

Possible Future Broadacre Schemes

The current Act directly impinges on the ability of broadacre farmers and pastoralists to access a legislative instrument that has proved to be a valuable tool for producers to raise funds to address a problem in an efficient manner that is not being addressed via other government or statutory schemes.

For example, the following are all possible future APC funding schemes that have been proposed to

WA farmers as part of their consultation process:

- Sheep producers that wish to raise funds to undertake an independent animal welfare review into heat stress or stocking densities on live export ships.
- Grain growers that are interested in addressing the claims made against the safety of glyphosate.
- Indigenous Northern Cattle producers who are interested in developing an Indigenous Kimberly Marketing Brand.
- Grain growers on the Tier 3 Line wanting to examine the costs and benefits of sub leasing the Tier 3 lines.
- Growers wishing to undertake a review of the merits of funding their own mobile phone towers to address black spots.
- Growers looking for a mechanism to fund the recycling of hay bale wrap and grain bags.
- Organic grain growers looking to develop a branded product and market it up the value chain.
- Broadacre farmers who support Farmers for Climate Action and AgZero2030 wanting a mechanism to develop a carbon calculator.

At the moment, none of these groups of growers have access to the APC funding model to collectively, simply and efficiently raise funds to address a common issue.

Agricultural Levies

The arguments of those opposed to these amendments are highly inconsistent. If they truly do not support agricultural levies, then they should have been actively calling and lobbying for the abolition of all the State's three existing industry funding schemes and would have a collective public track record of having regularly opted out. They have not done either.

Currently all of these schemes offer similar benefits to the APC legislation and have been actively embraced by farmers and pastoralists to deal with common issues.

The fact that in 34 years none of the existing APC schemes have seen a strong backlash from producers should be noted. In fact, quite the opposite has occurred. Producers have been overwhelming supportive of the schemes and value the wide range of services that they enable.

The amendments within the Bill will simply level the playing field for broadacre agriculture and should be passed.

Those who are against these amendments should be making the case for the abolition of the entire APC Act as there should be no discrimination between different sector bodies across the State's farming communities.

The APC is in the interest of all farmers and pastoralists.