



April 2008 Edition 4/08

Dear Member of Parliament,

It is with great pleasure that the NSW Farmers Association ("Association") forwards to you this month's Parliamentary Update newsletter. Despite the much needed rain along the coast in recent days many rural communities continue to deal with drought conditions in their area, especially southwest NSW. In fact, nearly 43% of the State is still in drought. Yet, a recent rural confidence survey shows that confidence in the bush is rebounding with 52% of farmers confident of an improving agricultural economy. This is a huge turn around from just a few months ago. The Association has been talking with the Federal Government and Telstra in the lead up to the closure of the CDMA mobile phone network at the end of April. There is still a long way to go in making sure that farmers are not disadvantaged by the change over to the Next G network. The Association has outlined a number of issues with Telstra that continue to exist in some rural areas.

I hope you enjoy reading the April Parliamentary Update. Should you have any questions or seek further information please contact the Associations' Manager, Government Relations Mr Jeff Sorrell.

Until next month,

Shaughn Morgan
Chief Executive

Rural Confidence Survey

Rabobank has released their latest Rural Confidence Survey results for the end of March 2008. The survey, which monitors outlook and sentiment among Australia's primary producers, shows that rural confidence has rebounded strongly, based primarily on promising early summer rainfall and favourable commodity prices. The survey found that 52% of farmers expect the agricultural economy to improve over the next 12 months, up from 29% in the previous quarter. This is one of the largest increases in rural confidence in the survey's eight year history. Only 15% expected conditions to worsen, down from 42% in the previous quarter. Confidence was up in all sectors and States/Territories, with the exception of Tasmania which is still battling drought conditions in much of the State.

Drought and Exceptional Circumstance

The March drought figures announced on Sunday, 6 April 2008 showed a slight increase to 42.9% for drought declared areas; up from 40.3% the previous month, while 11.5% of the State is marginal (down from 16%) and the area experiencing satisfactory conditions has increased to 45.6% (up from 43.7%). The Association is continuing to work with the National Farmers Federation regarding assessment of Exceptional Circumstance declared areas and ongoing funding arrangements. The Association has recently written to State and Federal Ministers seeking clarification on the funding arrangements for the National Agricultural Monitoring System (NAMS). The proposed review of drought assistance was discussed at the Primary Industries Ministerial Council (PIMC) meeting on Thursday 17 April 2008.

CDMA out by months end

The Minister for Broadband, Communications and the Digital Economy, Senator the Hon Stephen Conroy has announced that Telstra has met the requirements to allow closure of its CDMA mobile phone network from 28 April 2008. The Association continues to be concerned about the following issues with regard to Next G:

- Major problems re: Next G Wireless Link (e.g. loss of USO/CSG; voice quality –echo on the phone; problems with faxes, delays in getting technicians, whole areas being without phone access for a number of days);
- Message Bank (calls going straight through to message bank despite a signal showing on the handset; frustration regarding having to pay to retrieve those message; delayed notification of messages);
- Patchy coverage; and
- Technicians not being able to identify a Next G handset to provide equivalent coverage to CDMA

UPDATE

NSW FARMERS' ASSOCIATION

Jeff Sorrell

Manager, Government Relations

NSW Farmers' Association

L25, 66 Goulburn Street

Sydney NSW 2000

t: +61 2 8251 1820

f: +61 2 8251 1750

m: 0403 890 717

e: sorrellj@nswfarmers.org.au

www.nswfarmers.org.au

UNITY ■ INTEGRITY ■ STRENGTH

Wheat Export Marketing Bill

The Association has lodged a submission to the Senate Rural and Regional Affairs and Transport Committee Inquiry into the Wheat Export Marketing Bill 2008 and Wheat Export Marketing (Repeal and Consequential Amendments) Bill 2008. The submission outlined the Association's concerns regarding the Bill.

AgStart Funding

The NSW Government has announced that it will provide an additional \$2 million for the young farmer AgStart program to enable a further three (3) rounds of direct assistance to young farmers and also ensure the continuation of the AgStart Advisory Board. The previous two (2) rounds of AgStart have provided approximately a hundred (100) young farmers with a total of \$1 million assistance which was used for:

- the reimbursement of stamp duty on property purchase;
- succession planning and generational change;
- capital improvements/purchases;
- short course training;
- skills acquisition and development in farming;
- business and financial management; and
- professional mentoring or coaching (including professional advisory services).

457 review and NFF launch workforce action plan

The Federal Government is reviewing the 457 visa scheme for foreign workers. Industrial Relations Commissioner Barbara Deegan will examine the integrity of the program, including minimum salary levels and English language requirements. Over the past year more than 46,000 overseas skilled workers have come to Australia on a 457 visa. The Government has also appointed an industry panel to improve the efficiency of the skilled migration program. The decision comes at the same time the National Farmers Federation (NFF) has launched a 42-point action plan to address the chronic labour shortage in agriculture, "*Workforce from Abroad Employment Scheme*". The proposal forms part of the NFF's Labour Shortage Action Plan as one of the many initiatives to reduce the crisis caused by severe labour shortages in rural and regional Australia. The proposal targets labour shortages in entry-level positions with low skill requirements.

Flood Assistance extension

NSW Treasury has announced an extension to eligibility for the flood assistance from late last year. Farmers in the additional areas of Narrabri, Brewarrina and Bourke, plus the Unincorporated Area, can now apply for assistance. Generally declarations are for 6 months from the date of the event (21, 22 December 2007), but given the late declaration, the Association understands that the Rural Assistance Authority (RAA) will be flexible in its assessments.

Pork Inquiry fails producers

The NSW Farmers' Association says the Federal Government needs to act now to save the local pork industry, despite the Productivity Commission's findings which doesn't appear to appreciate the seriousness of the situation facing growers. The PC suggests that any safeguard action against imports of pigmeat is not warranted, but Australian pork producers are baffled that the PC has chosen not to see the link between the record levels of pig meat imports and the worst producer profitability crisis in living memory. The Association's Pork Committee in conjunction with Australian Pork Limited will seek to hold a meeting with the Federal Minister for Agriculture, Fisheries and Forestry, the Hon Tony Burke MP, to discuss the findings of the PC Report.

Australia-China potential Free Trade Agreement

During Prime Minister Kevin Rudd's tour of China, there was agreement with the Chinese Premier Wen Jiabao to re-commence discussions regarding a possible free trade agreement ('FTA') between the two countries. Negotiations on a possible trade agreement had stalled last year, largely due to the then upcoming Federal election. Federal Minister for Trade, the Hon Simon Crean MP, has initiated discussions with his Chinese counterparts regarding key obstacles to an FTA. Reports suggest, however, that some sensitive markets, especially any agricultural related markets, will require significant work amid concerns over opposition from Chinese farmers.

Productivity Commission Study into Chemicals and Plastics Regulation

The Association's Agricultural Chemicals Committee is currently reviewing the Productivity Commission's draft research report and recommendations arising from the study into chemicals and plastics regulation in Australia. The study is assessing Australia's current system of chemicals and plastics regulation, including its effectiveness in achieving public health, occupational health and safety, and environmental outcomes, and its impacts on productivity, competitiveness and efficiency. The study will also aim to recommend reforms to the current system of regulation, including options to:

- enhance national uniformity and consistency;
- streamline data requirements and assessment processes; and
- use alternatives to regulation.

The Association's Agricultural Chemicals Committee will be providing comments on the report to the National Farmers' Federation for inclusion in their submission.

Murray Darling Basin Reform Meeting in NSW

On Thursday, 10 April 2008, the Department of Water and Energy held the first NSW consultation meeting on the COAG Memorandum of Understanding ('MoU') for Murray Darling Basin reform. Association representatives attended, along with a number of other stakeholders, including members of NSW Irrigators Council, Irrigation Companies and the Catchment Management Authorities. The MoU will establish implementation details of the Water Act 2007. The meeting was in the form of a presentation and there was no opportunity to discuss the content of the new Basin Plan. It was indicated that the Australian Competition and Consumer Commission ('ACCC') powers in relation to market rules and charging are to be strengthened. The ACCC has released an issues paper seeking Submissions on the development of water market rules.