



September Edition (9/08)

Dear Member of Parliament,

It is with great pleasure that the NSW Farmers Association ("Association") forwards to you this edition of the Parliamentary Update Newsletter. The Association's Annual Conference at the end of July was a great success with over 400 farmer delegates in attendance. Our delegates were appreciative of those Members of Parliament who took the time to come out to the Conference opening session. Thank you.

This past week I had the opportunity to meet with around 50 horticulture farmers up at Dural. At this meeting we discussed the growing problem of the grey headed flying fox (i.e. fruit bats) in the Sydney basin. Recent changes in Queensland for the management of the flying fox have NSW farmers concerned. As of 1 September Queensland has removed the use of culling as a management tool used by farmers to protect their crops. Culling is the only cost effective way to humanly control the flying fox. Without culling farmers will be forced to net their entire crop against the flying fox. The Association will be watching with interest the outcomes of the NSW Department of Environment and Climate Change review on flying fox management as well as participate in the NSW Flying Fox Consultative Committee.

Farmers were also pleased to hear on Tuesday 19 August 2008 the Federal Government announcement regarding the 26 areas of NSW that were due to have their Exceptional Circumstances ('EC') declaration status expire on 30 September 2008. The majority of areas have now been extended for 6 months until 31 March 2009.

Until next time,

Shaughn Morgan  
Chief Executive

### Management of Flying Foxes - Sydney Basin

The Association has responded to concerns by Members following the announcement that the Queensland Government will no longer permit the culling of flying foxes from 1 September 2008 for crop protection because shooting has been determined an 'inhumane' practice by the Queensland Animal Welfare Advisory Committee. The Association understands that the Minister for Environment and Climate Change has asked the Department of Environment and Climate Change to establish a review of the current licensing arrangements, as a result of the Queensland Government decision and research being undertaken in NSW. The report of the review is due prior to the commencement of the 2009/10 fruit growing season. The Association has written to the Minister for Primary Industries and the Minister for Environment and Climate Change seeking a meeting to discuss the concerns of horticulture Members.

### Review of Exceptional Circumstances Areas

On Tuesday 19 August 2008 the Federal Government made an announcement regarding the 26 areas of NSW that were due to have their Exceptional Circumstances ('EC') declaration status expire on 30 September 2008. The majority of areas have been extended for 6 months until 31 March 2009. The areas of Casino, Armidale and South Coast/Moss Vale will not have EC assistance extended beyond 30 September 2008. The Federal Government has also decided to revise the boundaries in the Central North/North West and North-East Northern New England following consultation with the NSW Department of Primary Industries. The EC declaration will not be rolled over after 30 September for the majority of the area that spans from Goondiwindi to Merriwa and Gilgandra to Tamworth. The Association has welcomed the timely announcement allowing farmer's time to plan business decisions and assess the outcomes of this year's harvest. The Association has further information on our website <http://www.nswfarmers.org.au/>.

### Oysters - Kalang River closure

The Kalang River in Northern NSW has been closed for Oyster Harvest following the detection of human norovirus in oysters collected from the river. Norovirus is linked to human faecal contamination and therefore the only potential source is human sewage. The actual source of the pollution is unknown at this stage, but potential sources include on-site sewage management systems and reticulated sewerage systems in the area. Human noroviruses are the most common cause of

UPDATE

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nonbacterial gastrointestinal illness worldwide. Noroviruses are spread via contaminated food and water or via person-to-person contact. A Working Group comprising of representatives from the NSW Department of Premier and Cabinet, NSW Food Authority, Bellinger Shire Council, NSW Department of Primary Industries, NSW Health, NSW Department of Environment and Climate Change, NSW Department of Water and Energy, Northern Rivers Catchment Management Authority and Kalang River Oyster Growers Association has been formed to deal with the issue. The NSW Food Authority confirmed that all Oyster farms have ceased harvesting in the affected area. All Oysters purchased through commercial seafood outlets are not affected and consumers can be confident of the safety of oysters in the market place.

#### **Heavy Vehicle Driver Fatigue Reforms**

The Association has written to the NSW Roads and Traffic Authority regarding a concern with the proposal to eliminate the provision which allows drivers a '100km limit' from their base or garage address before they are required to make a record of their driving in their log book. The removal of this provision will add unnecessary and onerous regulation on farmers who, on occasion, are required to travel short distances either to pick up farm inputs or drop off goods at primary receiver points, such as abattoirs and feedlots. This proposal is part of the Heavy Vehicle Driver Fatigue reforms which are planned to come into effect as of 29 September 2008. The Association is aware that other States are maintaining exemptions in their Heavy Vehicle Driver Fatigue reforms, including Queensland (200km Local Area exemption), Victoria and South Australia (100km if operating under the Standard Hour provisions).

#### **Perpetual Lease Extension**

The Association has welcomed the announcement by the Minister for Lands, the Hon Tony Kelly, that there will be a 6 month extension to the concessional conversion offer to 9 March 2009. Once the concessional period has lapsed on 9 March 2009 the Minister has indicated that rental prices for farmers using perpetual leases will be increased to market-based values. The continuation of the concessional arrangements means that farmers will be able to maintain the nominal rental charges currently applied to perpetual leases, and leaseholders will continue to be able to lodge their application to convert the land to freehold.

#### **Pig Biosecurity Workshop**

The Association was represented at the Pig Biosecurity Workshop funded by the Australian Biosecurity Cooperative Research Centre on 21 and 22 August 2008. At the workshop the University of Sydney presented their research findings on the biosecurity risk of periurban producers to the mainstream pig industry and the participants discussed methods to reduce this risk. The issue is of relevance to the extensive livestock industry because of the threat of FMD from feeding swill.

#### **National Centre for Dairy Education**

The NSW Steering Committee for the National Centre for Dairy Education met on Thursday, 28 August 2008, in Sydney. The purpose of the meeting was to create a strategic plan to get the program (which includes agricultural certificates and diplomas) established at TAFE and Tocal College in NSW. Discussion occurred around ensuring resource materials are constantly reviewed and upgraded to reflect changes in industry practices. Steps were also established to ensure registered training officers are of a high standard and that their experience is of a practical nature to ensure students are learning the most relevant skills for use in the dairy industry. Discussion also occurred around surveying employers and students to ensure that trainees are learning the required skills for employment within the dairy industry.

#### **Australian Competition and Consumer Commission Fertiliser Inquiry**

The Australian Competition and Consumer Commission ('ACCC') has recently released the findings of their Fertiliser Inquiry. In summary, the ACCC found that: The significant rises in fertiliser prices in Australia are mainly attributable to rapidly increasing global fertiliser prices. These increases have been caused by a substantial increase in world demand for fertilisers associated with an expansion in agricultural production (particularly grains for food, feed for livestock and bio-fuels) and by rises in costs of production associated with the increasing cost of energy. This is occurring in a market where the global supply capacity is limited in the short-to-medium term; much of the conduct that raised concerns (including allegations of price gouging, refusal to supply, failure to honour supply arrangements, refusal to commit to prices) was caused by a situation of deficiency in short-term supply associated with an unexpected bringing forward of demand by end users in the context of rapidly increasing world prices; and The ACCC has not been provided with any evidence suggesting a likely breach of the Trade Practices Act by any participant in the Australian fertiliser industry.

#### **Senate Inquiry to Fuel and Energy**

The Association has provided comment to the National Farmers Federation for their submission to the Senate Select Inquiry into fuel and energy. The Inquiry was established to report on issues including the impact of increasing petroleum prices on different sectors of the community, the role of alternative fuels on petroleum and diesel and the impact of an emissions trading scheme on the fuel and energy industry. The Association comments included recommendations for incentives to make on-farm biodiesel production more commercially attractive, ensuring the Petrol Commissioner maintains a strict vigilance on the differences between metropolitan and regional fuel price disparities and support for increased funding for investment into renewable energy development.

### **Rural Lands Protection Board System Review**

The NSW Government has announced that it would provide the Rural Lands Protection Board ('RLPB') with \$3 million to assist in funding the implementation of the recommendations proposed in the recent review of the RLPB System. The NSW Government has allocated this money to help deliver the major structural and administrative changes and one of the key recommendations from this review was a reduction in the number of Boards from 47 to 14. Independent consultants, Pricewaterhouse Coopers, have been appointed to work with State Council to ensure a smooth transition to the new structure. The NSW Government announced the final boundaries of the new 14 Boards that will make up the new RLPB system in NSW. The Association has written to the Minister for Primary Industries and the Minister for Lands in order to seek clarification on key issues regarding the review recommendations.

### **Locust Update**

The NSW Minister for Primary Industries has urged farmers in the Far West, Central West and Riverina to closely monitor their properties and to report any locust activity to their local RLPB as warmer conditions are expected to trigger hatchings in some parts of the State. The latest forecast from the Australian Plague Locust Commission has indicated that hatchings could occur around White Cliffs and Wilcannia and the next earliest prediction was for hatching to occur in the Central West around Dubbo in the middle of September, followed by Molong, Peak Hill and Forbes later this month. Hatchings are also predicted in the Riverina during early October 2008 starting at Narrandera, Deniliquin and Jerilderie, followed by Wagga Wagga later in the month. The DPI has enough insecticide on hand to treat more than 30,000 hectares of locust bands, and supplies of alternative products for environmentally sensitive areas.

### **Accreditation of Bulk Wheat Exporters**

The Wheat Exports Australia ('WEA') has announced that it has issued bulk wheat export accreditations to Cargill Australia Limited, Elders, Toepfer Grain Pty Ltd, Goodman Fielder Consumer Foods Pty Ltd, Grain Pool Pty Ltd under the Wheat Export Marketing Act 2008. The accreditations were issued following a thorough review of information provided to WEA by the applicants and an assessment of their suitability to be accredited against the criteria as per the Act. These are the first wheat export accreditations issued by WEA since commencing their new role under the Act which commenced on 1 July 2008. WEA is continuing to assess other applications.

### **AWB and El Zorro Rail Freight Agreement**

AWB has announced a new rail freight agreement with El Zorro and the commissioning of 84 new rail wagons to ensure that grain delivered to AWB Grain Flow on the east coast of Australia continues to move rail on a commercial basis. AWB announced that the agreement with El Zorro provides the use of four trains for moving grain from our network storage and handling sites in Victoria and NSW and other bulk handling country grain storages. Additionally, the new contract will also include the use of 84 new rail wagons. The wagons will be delivered early in 2009 and will be built to run on standard gauge rail track. However they can be converted to broad gauge if required.

### **Sydney Basin Farm Dam Water Licencing**

The Association has written to the Hon Nathan Rees, Minister for Water, noting concerns regarding changes to water licence invoices for farm dam irrigators in the Sydney Basin. Members have reported changes in their most recent invoice for the 2006-2007 water year from an area basis to a unregulated irrigation volume entitlement with a licenced quantity. The Department of Water and Energy ('DWE') has indicated that farm dam volumes were estimated for planning purposes only and that this data was never intended to be used for billing purposes or to establish volumetric entitlement. The Association is concerned that volumes given in the current water bills are not an accurate reflection of actual entitlement. The Association is seeking a meeting with DWE to discuss this issue further.

### **Coorong and Lower Lakes Senate Inquiry**

The Australian Senate has moved to conduct an Inquiry into the availability of water for the Murray River's lower lakes and Coorong region. There are two parts to the terms of reference for the inquiry, the first is to report by the end of September and includes options for sourcing and delivering water, including possible incentive and compensation schemes for current water holders who participate in a once-off voluntary contribution of water, alternative options for the acquisition of sufficient water, Commonwealth powers to obtain and deliver water and possible legislative or regulative impediments, assessment of the potential contribution of bringing forward irrigation infrastructure spending under the COAG agreement to deliver water to save the lower lakes. The second part of the terms of reference, to report in December, looks at the long term sustainable management of the Murray Darling Basin, including the governance arrangements of the Basin, long term prospects for the management of the RAMSAR wetlands, risks to Basin posed by unregulated water interception and the adequacy of existing State and Territory water and natural resource management legislation and enforcement arrangements.

### **Emergency Water (Murray- Darling Basin Rescue) Bill**

South Australian Senator the Hon Nick Xenophon has introduced a Private Members Bill into the Senate. The Bill would allow: For empowerment of just terms acquisition of water products (compulsory acquisition – Clause 18); and For the Federal Minister to require the Murray Darling Basin Authority to prepare an Interim Basin Plan within 30 days if required. Clause 17 of the Bill indicates that under the Interim Plan corporations cannot allow the planting of crops as a means of diverting water from the Basin without consent of the Minister or Authority. The Association made recommendations to Government via NFF and NSW Irrigators Council on the content of the Intergovernmental Agreement ('IGA') on Murray

Darling Basin Reform, which is in serious conflict with the details mentioned in the Bill. The IGA outlines that the Commonwealth has made commitments that water will be bought from willing sellers only and that a Basin Plan is to be developed by 2011. In no way does the IGA or the Water Act 2007 aim to place restrictions by way of seeking consent from the Minister to plant crops. It is anticipated that the IIGA will be incorporated legislatively into the Water Act 2007.

#### **Draft Flood Plain Harvesting Policy**

The Association attended a consultation meeting, facilitated by the Department of Water and Energy ('DWE'), on the Draft NSW Flood Plain Harvesting Policy on Thursday 28 August 2008. The meeting was attended by approximately 20 stakeholders, including irrigator groups, flood plain graziers and environmental groups. The Association did not present a formal position on the policy, however, indicated, that we represent a range of water stakeholders. DWE has called for written submission on the Draft Policy and the Association's Conservation and Resource Management Committee is currently liaising with Association Members and considering this issue.

#### **Council of Australian Governments (COAG) Water Update**

The Association attended an update from the Commonwealth Department of Environment, Water, Heritage and the Arts on the activities of the Council of Australian Governments ('COAG') on water reform. At the update it was highlighted that there is more pressure to account for water interception activities, such as stock and domestic and plantation forestry and that the Commonwealth is concerned that these interception activities have the potential to undermine environmental activities. COAG is keen to see consistency in the way the trade out rule is applied (4% trade out of an irrigation district) and it was highlighted that States such as Victoria may not be applying the rule as was intended are leading to an increased block in trade. It was confirmed that the new Basin Authority is to be established in November, and it is expected that one of their priority tasks will be to appoint members to the Basin Community Committee, and that this group may become functional in early 2009.

#### **Australian Bureau of Statistics**

The Australian Bureau of Statistics has released a report titled "Water use on Australian Farms 2006-07", which estimates agricultural water use, pastures and crops irrigated, sources of water for agricultural use, irrigation water management and financial data relating to irrigation. Water use has decreased by 29% from the previous year including a decline in volumes for rice, cotton and pasture of 81, 50 and 30 per cent respectively. NSW has reported the largest decrease in water use since 2005-06 at 42%.