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Secretariat
Agriculture & Food Policy Reference Group GPO
Box 858
CANBERRA ACT 2600

Fax: (02) 6272 2060

**SUBMISSION ON ENSURING A PROFITABLE AND
SUSTAINABLE AGRICULTURE AND GOOD SECTOR IN AUSTRALIA**

The National Institute of Accountants (NIA) is one of three professional accounting bodies in Australia and given that the vast majority of our members either work for, own or advise small business across all segments of the Australian economy, including agriculture, we welcome the opportunity to provide a brief submission to the Reference Group on matters of interest to our membership and the broader small business community.

In particular, the NIA wish to concentrate on section C "Competitiveness of Australian agriculture and food business". While the NIA recognise that many primary producers have to grow larger to compete with farmers in China, Chile and South Africa, the NIA is concerned that the focus of suggested reforms that may come out of the Reference Group will overly emphasise increasing the international competitiveness of the Australian agricultural sector.

While the NIA recognise the importance of improving our international competitiveness, we are concerned that it may be done at the expense of small business and the needs of the domestic market, which is by far the most important market for Australian primary producers.

To this end, the NIA strongly encourages the Reference Group to consider appropriate policies that facilitate small business remaining and/or entering the agricultural sector. We believe that this issue is particularly acute in the processing and retailing sector. The NIA believe it is in the national interest to ensure that small business remains actively involved in the processing and retailing of food. Ensuring active small business participation is essential to ensuring a competitive market.

The NIA believe that the ACCC should be vigilant to ensure market power in the processing and retailing of food is not abused. Government should also do more to encourage small business into the processing and retailing of food. Policy initiatives the Reference Group could explore include:

- reforming industrial relations laws to make it easier for business to employ and manage workers;
- provide appropriate visas to fill the labour shortage;
- provide greater information to small business in trends (consumer and technological) in food processing and retailing; and
- consider tax and other regulatory reform that support and encourage small business to compete with dominant companies in food processing and retailing.

NATIONAL OFFICE

Level 8
12-20 Flinders Lane
Melbourne VIC 3000
Australia

PO Box 18204 Collins
Street East Melbourne
VIC 8003 Australia

Telephone:
61 3 8665 3100
Facsimile: 61 3
8665 3130

Email:
natoffice@nia.org.au

www.nia.org.au

ABN 81 004 130 643

Should you require any further information, please do not hesitate to contact me on (03) 8665 3114 or by fax on (03) 8665 3130 or by e-mail on gavan.ordena.org.au

Yours sincerely,
Gavan Ord
Technical Policy Manager

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