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OVERREGULATION IN WESTERN AUSTRALIA'S AGRICULTURAL SECTOR



Saxon Davidson, Research Fellow
Lachlan Clark, Research Fellow

 **Institute of
Public Affairs**

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Summary

Farmers and agriculturalists have long been the backbone of Western Australia's economy, history, and way of life. Some of Australia's earliest and most significant pioneers, such as Sidney Kidman and the McDonald brothers, were key to the establishment of WA's successful agricultural industries.

Farmers in Western Australia are not immune to the economic challenges facing the nation today. These challenges include inflation, labour shortages, red tape, and low private investment. And these challenges are felt more acutely when industries are overregulated. Recent analysis by the Institute of Public Affairs (IPA) has found that red tape is at a record high across the nation,¹ and that state environmental red tape (or green tape) has grown at approximately six times the rate of growth of Western Australia's agriculture sector since 2000.²

This growth in environmental red tape has seen farmers in Western Australia become the most regulated state regarding four of Australia's most important agricultural commodities – wheat, barley, oilseed, and livestock.

Western Australia plays an important but under-appreciated role in ensuring that Australians, and people around the world, are well fed. WA is the leading producer in Australia of the nation's three most valuable crops, being wheat, oilseed, and barley. The state is also a critical producer of livestock, which is the nation's most valuable agricultural commodity.

The Australian Business Licence and Information System (ABLIS) is an online government tool which informs businesses of the regulatory categories they are required to comply with in order to operate. Regulatory category is an umbrella term, under which sit hundreds of further individual regulatory mandates and requirements.

These categories are determined by the entity business type, location, and structure. Using ABLIS, this paper has calculated the total number of federal and state regulatory categories that wheat and barley, canola and livestock farmers are required to comply with, on a state by state basis. In these three sectors, farmers in Western Australia are the most regulated in the country.

For the purpose of this paper, the number of categories represents the maximum number of regulatory categories a farming company in each state would have to comply with.

1 Saxon Davidson, *The Growth of Regulation in Australia: 2023 Update* (Institute of Public Affairs Research Report, Forthcoming 2023).

2 Daniel Wild and Dr Kevin You, *Australia's Green Tape Army* (Institute of Public Affairs Research Report, September 2022).

This report finds:

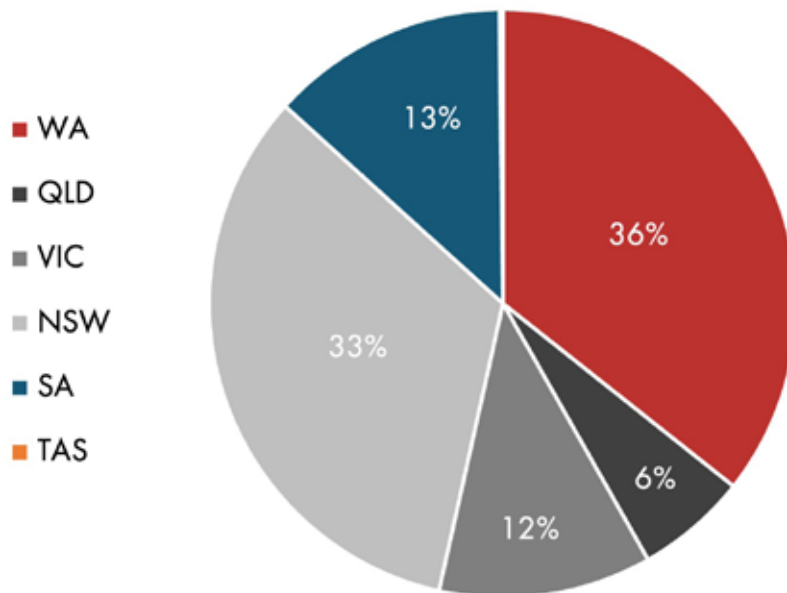
- Western Australia's agricultural sector is the most heavily regulated in the nation, across the most critical industries of wheat and barley, canola, and livestock.
 - Wheat and barley growers face 123 regulatory categories.
 - Canola growers face 119 regulatory categories.
 - Livestock farmers face 146 regulatory categories.
- Farmers in Western Australia face regulatory obligations imposed by up to 33 separate federal or state government agencies or departments, up to 19 of which are federal, and 14 of which are state.
- Farmers in Western Australia face far higher levels of regulation compared with their main competitor state NSW, and the nation-wide average.
 - WA wheat and barley growers face 16 per cent more regulation than NSW growers, and 12 per cent more than the national average.
 - WA canola growers face 17 per cent more regulation than NSW growers, and 13 per cent more than the national average.
 - WA livestock producers face 24 per cent more regulation than NSW growers, and 15 per cent more than the national average.

Grain and Crop Growing (Wheat and Barley)

Wheat and Barley production is a substantial part of Australia's agriculture sector. It represented more than 20 per cent of the total value of the nation's agricultural output in 2022.³ Wheat ranks first and barley third as Australia's most valuable crops in 2022. The gross of wheat and barley production in 2022 was \$13.1 billion and \$4.4 billion respectively.⁴

Western Australia produces the most tonnes of wheat and barley in the country, accounting for 36 per cent of Australia's production of wheat and 40 per cent of Australia's production of barley.

Chart 1: State share of the national production of tonnes of tonnes of wheat

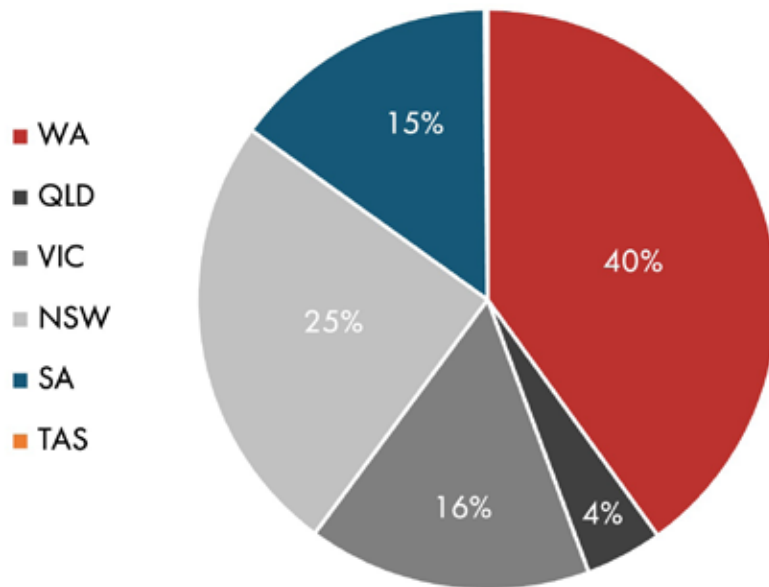


Source: Australian Bureau of Statistics, 'Agricultural Commodities, Australia – 2021-22' (2023).

3 Australian Bureau of Agricultural and Resource Economics and Sciences, 'Snapshot of Australian Agriculture 2023' (ABARES Insights, March 2023) 3.

4 Australian Bureau of Statistics, 'Value of Agricultural Commodities Produced, Australia – 2021-22' (2023).

Chart 2: State share of the national production of tonnes of tonnes of barley



Source: Australian Bureau of Statistics, 'Agricultural Commodities, Australia – 2021-22' (2023).

The total number of regulatory categories wheat and barley farmers are required to comply with depends on the state they operate in. Using ABLIS 'definition of' grain and crop growing' as a proxy for wheat and barley, it is found that wheat and barley farmers in Western Australia are subject to the highest number of regulatory categories in the country, followed by Victoria and Tasmania.

Chart 3: Number of regulatory categories applied to wheat and barley farmers by state



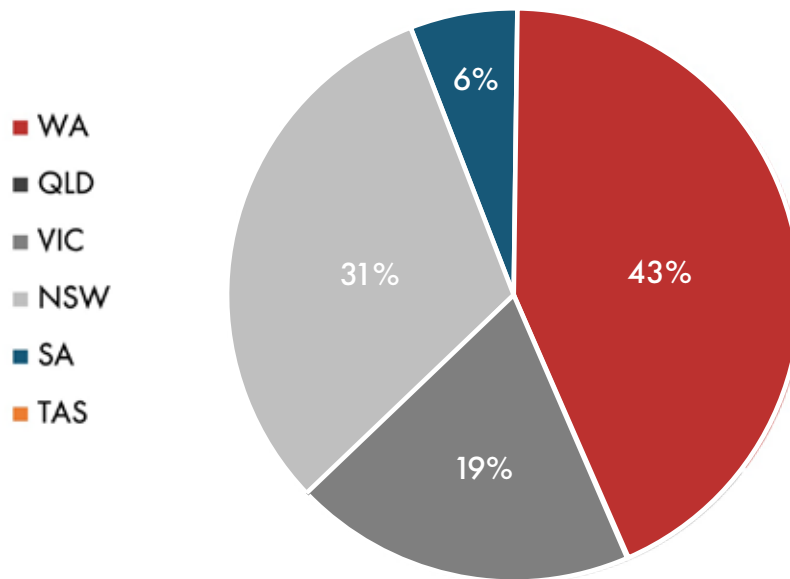
Source: Australian Business Licence and Information System (May 2023).

To comply with these regulatory requirements, WA wheat and barley farmers have to deal with 30 regulatory agencies. Of the 30 agencies, 18 are administered by the federal government, and 12 by the Western Australian state government.

Oilseed Growing (Canola)

Canola was the second most valuable crop produced in Australia in 2022. The value of canola production was \$6.0 billion in 2022.⁵ Western Australia produces the most tonnes of canola in the country, accounting for 43 per cent of Australia's production of canola.⁶

Chart 4: State share of the national production of tonnes of canola



Source: Australian Bureau of Statistics, 'Agricultural Commodities, Australia – 2021-22' (2023).

The total number of regulatory categories canola producers are required to comply with depends on the state they operate in. Using ABLIS 'definition of' Oilseed growing' as a proxy of canola growing, it is found that canola farmers in Western Australia are subject to the highest number of regulatory categories in the country, followed by Victoria and Tasmania.

5 Australian Bureau of Statistics, 'Value of Agricultural Commodities Produced, Australia – 2021-22' (2023).

6 Australian Bureau of Statistics, 'Agricultural Commodities, Australia – 2021-22' (2023).

Chart 5: Number of regulatory categories applied to canola growers by state



Source: Australian Business Licence and Information System (May 2023).

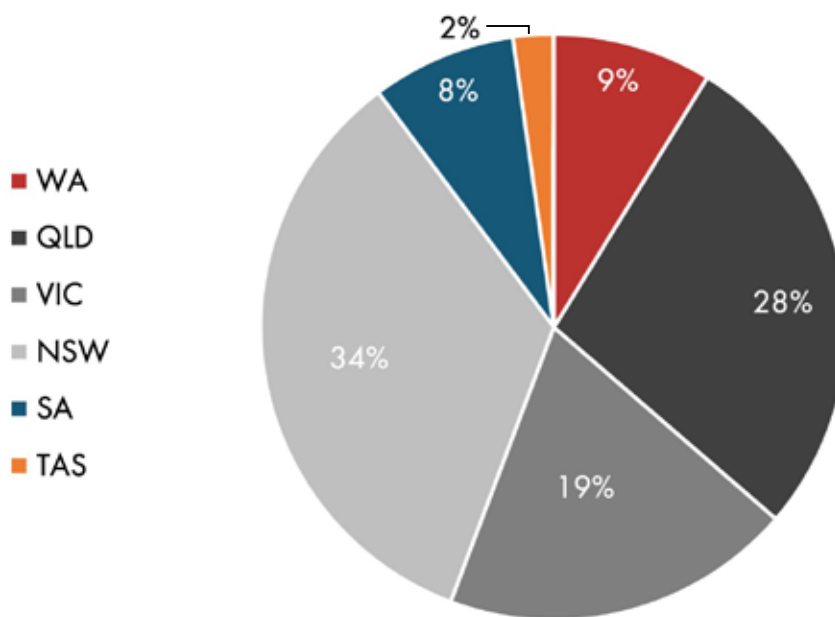
To comply with these regulatory requirements, WA canola growers have to deal with 30 regulatory agencies. Of the 30 agencies, 18 are administered by the federal government, and 12 by the Western Australian state government.

Livestock

Australian livestock feeds the nation and the world, with sheep, cattle, goats, and other animals exported across the world for consumption. Livestock farming represented almost half the total value of the nation's agricultural output in 2022, with the total value of livestock disposals and livestock products reaching \$34 billion last year.⁷

The states with the largest stocks of livestock are New South Wales with 146 million heads, Queensland with 118 million, Victoria with 83 million and Western Australia with 37 million.⁸

Chart 6: State share in the number of heads of livestock in Australia



Source: Australian Bureau of Statistics, 'Agricultural Commodities, Australia – 2021-22' (2023).

The total number of regulatory categories livestock farmers are required to comply with depends on the state they operate in. Using ABLIS' definition of 'Livestock farming' as a proxy for the livestock industry, it is found that livestock farmers in Western Australia are subject to the highest number of regulatory categories in the country, followed by Victoria and Tasmania.

⁷ Australian Bureau of Statistics, 'Value of Agricultural Commodities Produced, Australia – 2021-22' (2023).

⁸ Australian Bureau of Statistics, 'Agricultural Commodities, Australia – 2021-22' (2023).

Chart 7: Number of regulatory categories applied to livestock farmers by state



Source: Australian Business Licence and Information System (May 2023).

To comply with these regulatory requirements, WA livestock farmers have to deal with 33 regulatory agencies. Of the 33 agencies, 19 are administered by the federal government, and 14 by the Western Australian state government.

Conclusion

Western Australia plays an important yet under-appreciated role in ensuring that Australians, and people around the world, are well fed. WA is the largest producer in Australia of the nation's top three individual agricultural commodities produced, being wheat, canola, and barley.

However, this paper finds that in Australia's four most vital agricultural sectors – wheat, barley, canola, and livestock – Western Australian farmers are the most regulated in the country.

The Australian Business Licence and Information System (ABLIS) is an online government tool which informs businesses of the regulatory categories with which they are required to comply in order to operate. Regulatory category is an umbrella term, under which sit hundreds of further individual regulatory mandates and requirements.

These categories are determined by the entity's business type, locations and structure. Using ABLIS, this paper has calculated the different number of federal and state regulatory categories that wheat and barley, canola and livestock farmers are required to comply with, on a state by state basis.

For the purpose of this paper, the number of categories represents the maximum number of regulatory categories a farming company in each state would have to comply with.

This report finds:

- Western Australia's agricultural sector is the most heavily regulated in the nation, across the most critical industries of grain and crop growing, oilseed growing, and livestock.
 - Wheat and barley growers face 123 regulatory categories.
 - Canola growers face 119 regulatory categories.
 - Livestock farmers face 146 regulatory categories.
- Farmers in Western Australia face regulatory obligations imposed by up to 33 separate federal or state government agencies or departments, up to 19 of which are federal, and 14 of which are state.
- Farmers in Western Australia face far higher levels of regulation compared with their main competitor state NSW, and the nation-wide average.
 - WA wheat and barley growers face 16 per cent more regulation than NSW growers, and 12 per cent more than the national average.
 - WA canola growers face 17 per cent more regulation than NSW growers, and 13 per cent more than the national average.
 - WA livestock producers face 24 per cent more regulation than NSW growers, and 15 per cent more than the national average.

Appendix A

List of regulatory government agencies that wheat and barley farmers in Western Australia must deal with:

Jurisdiction	Name of agency	Number of categories
Federal	Australian Taxation Office	7
Federal	Civil Aviation Safety Authority	5
Federal	Australian Pesticides and Veterinary Medicines Authority	4
Federal	Department of Agriculture Fisheries and Forestry	3
Federal	Australian Securities and Investments Commission	3
Federal	Australian Competition and Consumer Commission	2
Federal	Attorney-General's Department	2
Federal	Department of Climate Change, Energy, the Environment and Water	2
Federal	Fair Work Ombudsman	2
Federal	Australian Business Registry Services	1
Federal	Australian Federal Police	1
Federal	Copyright Agency Limited (CAL)	1
Federal	Clean Energy Regulator	1
Federal	Department of Home Affairs	1
Federal	Department of Industry, Science and Resources	1
Federal	Fair Work Commission	1
Federal	Australasian Performing Right Association	1
Federal	Workplace Gender Equality Agency	1
State	Department of Mines, Industry Regulation and Safety	38
State	Local Councils	14
State	Department of Primary Industries and Regional Development	7
State	Department of Water and Environmental Regulation	6
State	Department of Biodiversity, Conservation and Attractions	4
State	Department of Planning, Lands and Heritage	3
State	Department of Health	3
State	Department of Transport	3
State	Department of Finance	2
State	WorkCover Western Australia	2
State	Veterinary Surgeons' Board	1
State	WA Police	1

The full list of regulatory categories for wheat and barley growing in Western Australia can be found here: <http://ow.ly/RMSY50Oz80R>

Appendix B

List of regulatory government agencies that canola farmers in Western Australia must deal with:

Jurisdiction	Name of agency	Number of categories
Federal	Australian Taxation Office	7
Federal	Civil Aviation Safety Authority	5
Federal	Australian Pesticides and Veterinary Medicines Authority	4
Federal	Australian Securities and Investments Commission	3
Federal	Department of Agriculture Fisheries and Forestry	2
Federal	Attorney-General's Department	2
Federal	Department of Climate Change, Energy, the Environment and Water	2
Federal	Fair Work Ombudsman	2
Federal	Australian Competition and Consumer Commission	1
Federal	Australian Business Registry Services	1
Federal	Australian Federal Police	1
Federal	Copyright Agency Limited (CAL)	1
Federal	Clean Energy Regulator	1
Federal	Department of Home Affairs	1
Federal	Department of Industry, Science and Resources	1
Federal	Fair Work Commission	1
Federal	Australasian Performing Right Association	1
Federal	Workplace Gender Equality Agency	1
State	Department of Mines, Industry Regulation and Safety	36
State	Local Council	14
State	Department of Primary Industries and Regional Development	7
State	Department of Water and Environmental Regulation	6
State	Department of Biodiversity, Conservation and Attractions	4
State	Department of Planning, Lands and Heritage	3
State	Department of Health	3
State	Department of Transport	3
State	Department of Finance	2
State	WorkCover Western Australia	2
State	Veterinary Surgeons' Board	1
State	WA Police	1

The full list of regulatory categories for canola growing in Western Australia can be found here: <http://ow.ly/x2oF50Oz81l>

Appendix C

List of regulatory government agencies that livestock farmers in Western Australia must deal with:

Jurisdiction	Name of agency	Number of categories
Federal	Australian Taxation Office	7
Federal	Department of Agriculture Fisheries and Forestry	6
Federal	Civil Aviation Safety Authority	5
Federal	Australian Pesticides and Veterinary Medicines Authority	4
Federal	Australian Securities and Investments Commission	3
Federal	Department of Climate Change, Energy, the Environment and Water	3
Federal	Attorney-General's Department	2
Federal	Department of Home Affairs	2
Federal	Fair Work Ombudsman	2
Federal	Australian Competition and Consumer Commission	1
Federal	Australian Business Registry Services	1
Federal	Meat and Livestock Australia	1
Federal	Australian Federal Police	1
Federal	Copyright Agency Limited (CAL)	1
Federal	Clean Energy Regulator	1
Federal	Department of Industry, Science and Resources	1
Federal	Fair Work Commission	1
Federal	Australasian Performing Right Association	1
Federal	Workplace Gender Equality Agency	1
State	Department of Mines, Industry Regulation and Safety	35
State	Local Councils	18
State	Department of Primary Industries and Regional Development	14
State	Department of Water and Environmental Regulation	12
State	Department of Planning, Lands and Heritage	4
State	Department of Health	4
State	Department of Biodiversity, Conservation and Attractions	4
State	Department of Transport	3
State	Department of Finance	2
State	WorkCover Western Australia	2
State	Veterinary Surgeons' Board	1

Jurisdiction	Name of agency	Number of categories
State	Public Transport Authority	1
State	Main Roads Western Australia	1
State	WA Police	1

The full list of regulatory categories for livestock farming in Western Australia can be found here: <http://ow.ly/E5PU50Oz80r>

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About the authors

Saxon Davidson is a Research Fellow at the Institute of Public Affairs. Saxon has a Bachelor of Arts from the University of Melbourne majoring in Politics. He feels most strongly about liberty, freedom of speech and the Australian way of life, and how these values have declined rapidly due to government policies during the Covid-19 pandemic.

Lachlan Clark is a Research Fellow at the Institute of Public Affairs. Lachlan has a Bachelor of Business from the Royal Melbourne Institute of Technology, majoring in Economics and Finance. It was Lachlan's passion for learning and his love of Australian culture which was what motivated him to join the IPA. He is most interested in researching areas relating to economics, geopolitics, anthropology, and history.

