
The Parliament of the Commonwealth of Australia

Report into the National Rural Advisory Council Annual Report 2011-12

House of Representatives
Standing Committee on Agriculture, Resources, Fisheries and Forestry

June 2013
Canberra

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Foreword

In November 2012, the House of Representatives Standing Committee on Agriculture, Resources, Fisheries and Forestry resolved to inquire into the 2011-12 Annual Report of the National Rural Advisory Council (NRAC). NRAC is an independent body providing advice to the Minister for Agriculture, Fisheries and Forestry on matters including rural adjustment, regional issues, training, Exceptional Circumstances (EC) applications and the extension of EC declarations.

In 2011-12 one of NRAC's core responsibilities was the review of EC declarations that would expire during the year in the River Murray and Lower Lakes Corridor, Bundarra and Eurobodalla regions. NRAC's determination was that these declarations did not need renewal - Australia was deemed to be drought free for the first time in a decade. Following this, NRAC was tasked with a program of policy development work within the agricultural sector. This included assessment of the Farm Management Deposit Scheme, aimed at reducing volatility in farm incomes over the longer term and agricultural employers' workforce planning capabilities.

To reflect this shift in its focus, the Committee recommended that NRAC's composition be monitored to ensure that its membership adequately reflects the skills needed to deliver high quality outcomes for its current work program.

In parallel with NRAC's work, a process has been undertaken by the Council of Australian Governments Standing Council on Primary Industries (SCoPI) to examine drought assistance reform. This was borne, in part by a 2008 declaration by that body stating that EC declarations were no longer an effective mechanism for managing drought assistance and that the focus should be on better planning and preparation for times of hardship.

The Committee notes that during the course of its inquiry, SCoPI entered into an Intergovernmental Agreement on National Drought Program Reform. Part of these reforms included the announcement of a Farm Finance package aimed at providing assistance to agribusiness. At the time of this report, formal agreements between the Commonwealth, States and Territories had not been reached nor had

relevant legislation been enacted to enable the elements of the package to commence. The Committee recommended that these agreements and legislation be finalised as soon as possible to ensure assistance flowed to farmers and communities. The Committee also recommended that agreements to implement the full package agreed to by SCoPI be completed so that it could commence no later than the agreed date of 1 July 2014.

I would like to thank the representatives of the Department of Agriculture, Fisheries and Forestry and NRAC who appeared before the Committee's public hearing. Their assistance in clarifying a range of matters for the Committee proved invaluable in the development of this report.

I hope that the Committee's recommendations and the significant efforts through SCoPI in developing the package of drought assistance reforms is a positive outcome for farming families and communities throughout Australia.

Hon. Dick Adams MP
Chair



Membership of the Committee

Chair Hon Dick Adams MP

Deputy Chair Mr Alby Schultz MP

Members Mr Darren Cheeseman MP

Mr George Christensen MP

Mr Geoff Lyons MP

Mr Rob Mitchell MP

Mr Dan Tehan MP

Committee Secretariat

Secretary	Mr David Brunoro
Inquiry Secretary	Mr Muzammil Ali
Research Officers	Mr Shane Armstrong
Administrative Officers	Ms Jazmine Rakic Ms Karen Underwood



Terms of reference

On Thursday, 29 November 2012, the Standing Committee on Agriculture, Resources, Fisheries and Forestry resolved to inquire into the 2011-12 Annual Report of the National Rural Advisory Council.



List of abbreviations

NRAC	National Rural Advisory Council
EC	Exceptional Circumstances
MPCI	Multi-Peril Crop Insurance
FMD	Farm Management Deposit
NDP	National Drought Policy
RFCS	Rural Financial Counselling Service
SCoPI	Standing Committee on Primary Industries
CSIRO	Commonwealth Scientific and Industrial Research Organisation
ABARES	Australian Bureau of Agricultural and Resource Economics and Sciences
DAFF	Department of Agriculture, Fisheries and Forestry



List of recommendations

3 Issues and analysis

Recommendation 1

The Committee recommends that the National Rural Advisory Council monitor its composition and if necessary, make recommendations to the Minister for Agriculture, Fisheries and Forestry to ensure that its membership adequately reflects the skills needed to deliver high quality outcomes for its current work program.

Recommendation 2

Given that regions across Australia are once again experiencing drought conditions, the Committee calls on the Australian Government, States and Territories to finalise the Farm Finance Package so that it can be implemented by 1 July 2013.

Recommendation 3

The Committee recommends that the Australian Government, through the Council of Australian Governments' Standing Committee on Primary Industries, ensure that the complete new package of drought reform measures is agreed and implemented by the stated target date of 1 July 2014.

