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*New thinking about agriculture*



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# ‘Dad, where do policies come from?’

Answering your children’s questions about where babies come from may cause more embarrassment than trying to explain where government policy comes from, but the questions have a lot in common. The origins of both babies and government policies are shrouded in mystery. And just as understanding where babies come from is an important part of a child’s development, understanding where government policies come from is important for the future development of agriculture in Australia.

Governments make minor policy announcements almost daily, however, major government initiatives such as national competition policy, the GST, industrial relations reform and land and water policies can have a significant impact on businesses and individuals.

Where do major policies such as these come from? How are they initiated and how do they develop to the point where they become implemented policy?

## Policies start as a problem

Most issues that might require government action initially emerge through interest groups, bureaucrats or politicians working to highlight a particular problem. The media often has an important role in this process. In 1995, for example, *The Sydney Morning Herald* ran a series of articles highlighting the issue of land clearing, which preceded policy actions by the NSW Government. *The Australian* newspaper has been similarly active on Murray River and water policy in recent years.

Ministers wanting to change existing policies or introduce new policies usually have their departments prepare a Cabinet submission that explains the proposal and provides detailed background information. The submission goes to the Cabinet Office, where it is assessed and, if it meets Cabinet rules, it is then circulated in confidence to all relevant government departments for comment.

## Proposals are closely analysed

Not surprisingly, competing interests and agendas come to the fore at this stage, as government departments respond to the proposal from their perspective. Treasury is also critical, closely scrutinising any likely budget impacts.

The views of senior bureaucrats, and the availability of objective and authoritative data (either supporting or opposing the proposal) are important. If major concerns are identified, the submission might be sent back to the responsible department, or might even be scrapped. If the proposal survives this process, it will then be included on the agenda of a Cabinet meeting.

## Cabinet decisions are just the start

Cabinet decisions usually deal with broad principles, rather than fine detail. If legislation is required, instructions are sent to parliamentary legal officers to draft it.



However, just creating publicity doesn’t change policy. There are many factors that determine whether or not an issue will continue to develop to the point where a policy response occurs. Factors such as public opinion, existing policies, government budgets, electoral cycles, and economic and political implications can all result in an issue disappearing just as rapidly as it emerged.

## Policy development: a lengthy process

Even in situations where governments decide to respond to an issue, the pathway to a policy decision can be long and tortuous. Having a powerful promoter – such as a Prime Minister or Premier – can speed things up. Some major policy initiatives have taken up to 10 years, and much detailed modelling and analysis, before being implemented.

There may be numerous changes at this stage as different interests within government try to influence specific parts of the legislation.

Once legislation is tabled in Parliament, pressure from lobby groups and committee processes often result in amendments. Legislation can also require supporting regulations.

Even after legislation has been enacted through Parliament, there can be further delays before funding and resources are organised, and programs are put in place to implement the policy. Through all these processes, politics is a constant factor, tempered only by credible and objective data and analysis.

## A strategic approach

How can Australia's agricultural sector influence these processes?

The reality is that Australia is one of the most urbanised nations on earth. There are only a few electorates that have significant agricultural sectors. Based purely on voter numbers, agriculture has only limited ability to influence government policies.

But there are ways that agriculture can increase its influence. Policy processes rely heavily on data and rigorous analysis. The availability of credible and objective information on strategic agricultural issues can be a major factor in either progressing policies that help agriculture, or avoiding damaging policies.

## The Australian Farm Institute

The Australian Farm Institute was established to produce the credible and objective information that is so essential in these processes. The Institute conducts research into strategic farm policy issues, and promotes the outcomes of that research to policy-makers and the wider community. It has a Research Advisory Committee consisting of some of Australia's most senior agricultural academics and researchers, which identifies research priorities and reviews research activities. The Institute's quarterly publication, the *Farm Policy Journal*, provides a forum for informed debate about farm policy issues.

Agricultural lobby groups have very important roles in communicating with the community and policy-makers on current issues, but are usually not able to tackle longer-term strategic issues. The Institute's activities complement the work of industry lobby groups by producing the objective information that is essential in shaping government and industry responses to specific issues.

The Institute's aim is to promote positive policy agendas for agriculture, rather than to respond to agendas set by others. Informing and influencing policy-makers' attitudes towards the sector is an essential part of this.

## The Institute's research is having an impact

Australian Farm Institute research has already had a significant impact. A recent Institute project, *Australia's Farm-Dependent Economy*, quantified the extent to which other sectors of the Australian economy depend on agriculture. That research highlighted that governments need to consider agriculture as part of a much bigger and integrated sector of the economy, and showed why drought has a big impact on the Australian economy.

A recent Institute publication on salinity has dramatically challenged prevailing community views that most of Australian agriculture is disappearing under a sea of salt, and has the potential to result in major changes in some natural resource policies.



### Australia's Salinity Crisis: What Crisis?

It's an apocalyptic story of environmental disaster we all know so well. The Murray Darling basin is being poisoned by salt. Adelaide's water supply is threatened, along with some of our most productive farmland – and our beautiful rivers are dying. It's a frightening scenario. But is it true? This week on Sunday, reporter Ross Coulthart takes a look at the real threat posed by salinity – and finds things are going badly wrong in public science. *May 25<sup>th</sup>, 2006*

## Support the Institute

**Becoming a member or donating money to the Australian Farm Institute is an important way of contributing to the long-term future of agriculture in Australia. Institute activities benefit the entire sector so an investment in the Institute will lead to a more positive policy environment for your business. Your contribution will be used to support high quality policy research, and to advocate the results to the policy-makers who influence the future of agriculture. The attached form provides a simple way to make a donation or become a member.**

Next time your children ask where policies come from, you can give them a full and detailed explanation. If they ask where babies come from, you could perhaps explain that it's just like developing policies. If nothing else, that should at least keep them quiet for a while!

# THE AGE

## City jobs depend on a resilient rural economy: farm study

By PHILIP HOPKINS

AUSTRALIA may no longer ride on the sheep's back but agriculture still provides as many jobs in the city as it does on the land according to new research. A report, *Australia's Farm-Dependent Economy* has found that farming and the businesses that depend on it account for about 12 per cent (worth \$72 billion) of gross domestic product (GDP) and 1 million jobs. The year used was 1998-99. Of those jobs, about half are in the six state capitals. *March 16<sup>th</sup>, 2005*

# The People Behind the Institute

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**Jane Bennett** – Non-Executive Director, Australian Broadcasting Corporation and CSIRO. Chairs the Tasmanian Food Industry Advisory Council.

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**Mick Keogh** – Executive Director, Australian Farm Institute. He is involved in family farming interests in southern NSW.

## Research Advisory Committee

**Professor Snow Barlow** – Head, School of Agriculture and Food Systems, The University of Melbourne

**Professor Les Copeland** – Professor of Agriculture, Faculty of Agriculture and Environment, The University of Sydney

**Wayne Dunford** – Board member of NSW Farmers' Association. Operates a mixed farming business west of Parkes, and a beef cattle enterprise north of Brewarrina

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**Mick Keogh** – Executive Director, Australian Farm Institute

## Key Staff

**Mick Keogh, Executive Director**  
E: keoghm@farminstitute.org.au

**Nicole Day, Research Officer**  
E: dayn@farminstitute.org.au

**Mark Henry, Project Officer**  
E: henrym@farminstitute.org.au

**Tracey Bligh, Administration Officer**  
E: info@farminstitute.org.au

**Sally Beech, Publications Designer & Editor**  
E: beechs@farminstitute.org.au

**Kylie Smith, Communications & Administration Officer**  
E: smithk@farminstitute.org.au

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