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Agricultural Competitiveness Taskforce
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Dear Sir/ Madam

Re: Agricultural Competitiveness Green Paper

On behalf of the Regional Development Australia Townsville and North West Queensland Committee (RDA), I write to make comments on the Agricultural Competitiveness Green Paper.

Australia's future food security and economic growth relies heavily on the sustainability of the agricultural industry and we congratulate the government for focusing on the competitiveness of the sector through the release of this Green Paper and the upcoming development of the White Paper.

Background

Our RDA Committee is pleased to provide input and on-going support to the Australian Government in the development of agricultural policy that will impact our region. Within our region, which covers 27% of the population and 15% of the area of Northern Australia, we have undertaken extensive consultation to create a Regional Roadmap using the Council of Australian Governments (COAG) Regional Economic Development Framework. Under the framework, the key determinants of long-term regional economic growth are:

- Human Capital (Education and Skills)
 - Economically, Environmentally and Socially Sustainable Communities and Population Growth
 - Access to International, National and Regional Markets
 - Comparative Advantage and Business Competitiveness, and
 - Effective Cross-Sectoral and Intergovernmental Partnerships (including through place-based approaches) and Integrated Regional Planning.
- (see our brochure attached in Appendix 1)

Across the four RDA regions of Northern Queensland, we have also worked collaboratively to develop the Northern Queensland Strategy and Business Cases including a focus on agricultural distribution hub development in northern Queensland (see attached in Appendix 2). This strategy is informed by the Regional Roadmaps of each RDA to focus on issues and opportunities of common interest from the Tropic of Capricorn to Cape York and the Gulf. We also work closely with our RDA



colleagues across Northern Australia and have formed a Northern RDA Alliance to work collaboratively on Northern Australia issues and opportunities.

On the basis of our regional and cross-regional work, we make comments below on options presented in the Green Paper.

Infrastructure

Transport

This option aligns with RDA Transformational Engine Starter Priorities 2 & 3.

In accordance with broad regional consultation and collaborative work in our region with other RDA Committees, we strongly support a focus on transport infrastructure to support safety and productivity, which will lead to increased cost efficiencies and better quality product reaching consumers. Road networks are critical for transporting products to intermodal hubs and markets and yet the current road network in northern Australia is far from adequate. We also endorse the development of rail infrastructure for long haul freight and the development of major port and airport infrastructure that supports export and domestic distribution of produce from this region. Access into the ports is critical and the proposed Eastern Access Rail Corridor into the Port of Townsville is an excellent example of the opportunity to improve freight productivity.

Further investment in intermodal transport links will provide an opportunity to develop distribution and logistics hubs across regional Australia with a local example being the development of the Townsville State Development Area which is in very close proximity to the Port of Townsville. These developments provide a wide range of benefits, including increased capacity and productivity for the agricultural sector.

Energy

This option aligns with RDA Transformational Engine Starter Priority 1.

Energy pricing, especially in Northern Queensland, is a major impediment to agricultural efficiency and viability. Solutions need to be identified to achieve better outcomes. We encourage the government to review the way the energy industry operates and how policies can be adapted to encourage better energy pricing.

While it is acknowledged that supply and capacity within the Australian context is currently not an issue in relation to foreseeable future demand, the physical location of generation with respect to the growth of Northern Australia is an issue in terms of transmission losses and heavy public subsidisation, particularly in relation to the development of new business and the movement and usage of water.

The agricultural industry can also become a valuable part of future energy solutions through the use of biomass and other renewable energy technology.

Telecommunications

This option aligns with RDA Transformational Engine Starter Priority 4.

The agricultural industry is highly reliant on the Internet to access international markets and for critical time-sensitive information with regard to weather patterns and day-to-day farm management. This reliance will see an increasing demand for access to high-speed broadband to compete in the global marketplace and to remain competitive. Australia is leading the world in the adoption of smart technology in agricultural production. To maintain this lead, and to have broader uptake, access to high-speed broadband across the regional, rural and remote Australia will be essential.

Working with the States and Territories

Many of the larger agricultural businesses in our region operate across Australia. Efforts to harmonise legislation, particularly with regard to land management, human resources and freight movements, would reduce red tape and operating costs. Federal and Queensland governments and regional development organisations such as RDA share a common interest in development of the agricultural industry across Northern Australia. We are keen to take advantage of any opportunities for collaboration across jurisdictions.

Finance, business structures and taxation

We encourage the government to consider developing Northern Australia Infrastructure Bonds that would support the development of the North, including agriculture. We would also highly recommend the consideration of a Special Economic Zone for the attraction of industry and a review of the Zonal Tax Allowance to enable the industry to attract and keep staff.

Education, skills and training, and labour

This option aligns with RDA Transformational Engine Starter Priority 8.

With the closure of the agricultural college in the Burdekin Shire, and the general lack of agriculturally-focused education and training across Queensland, we recommend the government take a close look at reinstating or creating updated agricultural training programs and courses across Australia that are suitable for modern learning, including through online delivery. There needs to be consideration given to development of a curriculum for 21st Century farming and promotion of opportunities, workforce planning, and educational pathways from secondary to tertiary education.

The loss of inter-generational capacity is of concern to the agricultural sector. The retention, development and engagement of a new generation of high-tech farmers are crucial.

With regard to attracting and keeping labour, we recommend a “locals first” policy. Reducing local, regional and State-wide unemployment rates should take first priority and any immigration programs implemented to meet unmet labour force demand must be managed in the context of short-term projects rather than long-term solutions.

Drought

We highly recommend drought be considered a natural disaster.

We acknowledge the government’s effort to develop resilience in the agricultural industry and we recognise the natural cycles that bring about drought conditions are somewhat more predictable. However, given the importance of the agricultural sector for our economy and food security, drought relief and programs need to be quickly responsive to demand. It is also necessary for government to take a long-term view of what businesses require when recovering after a drought and when planning for future production.

It is also necessary, as with any industry, that agriculture is recognised and valued by government. Currently there appears to be a universal feeling of under-appreciation and lack of recognition. Apart from the continuing dry cycle, multiple layers of red tape appear to be a contributing factor in this, despite the Commonwealth and Queensland governments’ most recent efforts in this area.

Water and natural resource management

This option aligns with RDA Transformational Engine Starter Priorities 5 & 9.

We encourage government stakeholders to consider the development of new dams and water storage facilities, particularly in the case of Northern Australia, where usually significant wet season rainfall can be captured. In some cases there is a need to address future water supply to towns that are hubs for the agricultural industry. For example in North West Queensland there is a medium-term need to develop water storage and supply for the Mount Isa and Cloncurry townships that support regional mining and agricultural industries. Other opportunities include The Flinders River Agricultural Precinct and off-creek water storage from O’Connell Creek at Richmond, which would not only develop new crops for potential export and domestic consumption, but would serve as an ‘enabling’ or ‘starter’ project for the demonstration of good practice for the Mid-West and Gulf regions.

The existing Burdekin Falls Dam, which is of great importance to the Burdekin Shire and Charters Towers Regional Councils, presents significant opportunities for expanding irrigated agriculture for export and domestic markets.

Research, development and extension

This option aligns with RDA Transformational Engine Starter Priority 7.

RDA is highly supportive of the need and opportunity for Australia to be a world leader in agriculture, including grazing. We are strong supporters of the **growNORTH** collaborative research and development program (<http://www.grownorth.com.au>), which aims to develop greater linkages between research and productivity; increasing returns at farm gate and increasing exports.

Biosecurity

Given Northern Australia's proximity to areas associated with high biosecurity risk, we recommend that consideration be given to expanding the presence of Biosecurity laboratories and research personnel in the North to enable rapid response to threats as they emerge. We believe there is a strong argument for having Biosecurity resources in Northern Queensland, the Northern Territory and Northern Western Australia, given the large distances between communities in this region. Furthermore, the industry is aware of the potential threat posed by 'biosecurity terrorism' or the introduction of exotic disease by a terrorist organisation.

Accessing international markets

RDA congratulates the government for the development of Free Trade Agreements with Japan, Korea and China, which will increase opportunities for Australian exporters.

We highly recommend that a continued effort is made to enhance opportunities for agricultural exports that don't yet have open access to these markets; in particular we recommend a focus on increasing sugar exports from Northern Queensland.

To provide access to international markets, we recognise the importance of infrastructure to build productivity and access. We believe it will be important to work collaboratively with the private sector to create greater direct shipping to and from the North. Townsville is the most significant container port in Northern Queensland, yet much of the agricultural produce exported from this region still travels first to Brisbane via road, adding significant time and cost to export products. Similarly, equipment and products imported for industry arrives predominantly through southern ports before being transported by road or rail to North Queensland.

To build the capacity of companies, to increase exports and access international markets, we firmly believe that the Australian Trade Commission (Austrade) should reinstate its presence in Townsville. Further, we recommend this presence include a senior Austrade officer, as Townsville is the largest city in North Australia, services a greater Northern Queensland regional population nearing one million, and is already a major regional hub for transport logistics and exports.

Recommendations

All of the above options are critically important for agricultural development in the North. In addition, it will be important to develop community health, education and social facilities to support the growth and liveability of this region.

Again, we congratulate the government on taking this initiative to focus on the competitiveness of the agricultural industry in Australia. RDA continues to be a major regional stakeholder, and we are pleased to have had the opportunity to provide comment on the Green Paper.

I would be pleased to expand on any comments or answer any questions you may have and can be reached on 0429 468 606 or by email at Manfred@harboursat.com.au. Alternatively, please don't hesitate to make contact with our Chief Executive Officer Ms Glenys Schuntner on 07 4410 3655 or at ceo@rdanwg.org.au. We look forward to further engagement in the development of agriculture policy with benefits for Northern Australia.

Yours sincerely



Paul Woodhouse

Chairman

Regional Development Australia Townsville and North West Queensland Committee