

AGRICULTURAL SUPPORT BODIES IN AUSTRALIA:

A CHALLENGE FOR IMPROVING AGRICULTURAL PRODUCTIVITY

Perhaps the most outstanding facet of Australian agriculture is the plethora of technical, administrative, marketing and other support bodies that exist across the nation. Indeed, leaving aside the fishing and forestry industries, there are literally hundreds of local, sub-regional, regional, state-wide, nation-wide and international bodies that have been created to, in one way or another, support Australia's agricultural industries and their produce. As examples, AgNet lists some 134 organisations on its register, AgLinks lists some 40; the Grains Research and Development Corporation lists some 26; and the Queensland Government website lists 23. These bodies cover product areas that range right across the agricultural production spectrum – dairy, wheat, meat, wool, cotton, grains and pulses, vegetables, fruit, wines, various food processing activities, etc. – and often operate in tandem with other agencies such as trade and tourism authorities, agricultural machinery suppliers and service providers (via field days, etc.), agricultural and financial consultants, and food and beverage promoters, to publicise local agricultural outputs.

Agricultural support bodies draw financial support from within their industries and in many cases, the public purse. Some are essentially local in their orientation and support base, while others are enshrined in state-wide and national legislation and regulation, and are supported financially and politically by governments.

Given the ongoing globalization of the agricultural sector in Australia and the increasing focus on Australia as an essential part of future world-wide food chains, one cannot but help speculate on just how effective the existing plethora of support bodies is and whether the current model of support is the most appropriate currently and for the years ahead. It is one thing to examine productivity opportunities at the on-farm level and from the viewpoint of the sufficiency of physical infrastructure, and it is another to evaluate the effectiveness and efficiency of existing administrative and representative arrangements within the sector. If such bodies are inefficient in their operations and ineffective in delivering their potential outcomes, the sector will be the poorer for it.

It is the contention of this submission that a critical element in any assessment of how improvements in productivity might be made in Australian agriculture, then, should be underpinned by a thorough evaluation of the activities of its public and private support bodies. Given the interlinked nature of the support base, such an evaluation would be best conducted in the context of an overview of the whole sector and its

interrelationships, if the various broad links across the sector are to be given appropriate weighting and their efficiency and effectiveness critically assessed.

Duplication to Excess?

How many bodies are required to support Australian agriculture's efforts, both directly and indirectly? Given the myriad of existing agencies and support bodies all "pushing their respective barrows" and in many cases virtually tripping over one another, it is highly probable that some degree of rationalization in current arrangements is called for. Duplication levels can be said to be not only excessive but come at a considerable cost to the industries involved, as well as to the Australian taxpayer. While there have been proposals for a 'super-hierarchy' to sit over the current bewildering number of agencies, without a concurrent and thorough weeding out of bodies that are duplicated within the system, the result might well be simply more confusion and inefficiency. Any evaluation of Australia's agricultural support bodies, then, must address the potentially wasteful problem of duplication and the resultant matter of confusion and inefficiency arising from overlapping responsibilities and clarification of exactly what it is that such bodies are called upon to deliver.

And are they Effective?

How effective are Australia's agricultural support bodies? And how efficiently do they operate? Recent experience with the live cattle trade to Indonesia would appear to suggest that the Meat and Livestock Association responsible for live exports from northern Australia has been out of touch with Australian expectations on humane slaughtering methods that should apply to such exports from Australia. The result was a suspension of trade to Indonesia that has cost the Australian industry dearly. Yet the industry is still to address the matter adequately, with recent breaches to the new protocol being reported in the national press only a couple of weeks ago. So just how effective is this Board, which, it might be claimed, is out of touch with its broader community and having difficulty in internally rectifying its deficiencies? Now multiply this case by the myriad of other support agencies involved in Australian agriculture and the potential for improvement would appear to be very considerable.

Of course, the issue of effectiveness of agricultural support agencies does not end with meat. One may ask, for example, why Australian wines are so expensive in Thailand, a country with whom we have a Free Trade Agreement. In fact, the same Australian wines are around three times as expensive in Thailand as they are in Australia, while the local Thai product is sold on its home market for many times less for the equivalent volume. Alternatively, how effective are marketing arrangements in some industries when there is a cartel of purchasers that dominates the market, e.g., in crop processing (Allied Mills and Manildra, for instance) and with supermarkets (Coles and Woolworths)? In these situations, who gets the best of the negotiations? And how well do our other agricultural support bodies perform in international trade negotiations; in appraising international competition and opportunities for new markets; and in bringing pressure to bear within Australia in areas such as R&D, agricultural education, and the provision of both physical and administrative infrastructure that supports agricultural industries?

The effectiveness of our support bodies, therefore, is not beyond question and it is not hard to come across examples where further improvements might readily be effected.

And Who Speaks for the Sector?

Given the multiplicity of agricultural support bodies in Australia, one of the challenges confronting those who seek to deal with it is to determine who actually speaks for it and with what authority. As Australia moves into a more international environment, the agricultural sector will need to adopt more strategic and nation-wide approaches than it has done in the past. Undoubtedly, there will be an important ongoing role for its support bodies but to confront the future with the greatest levels of assurance and strategic development, these bodies will need to re-focus their activities. They should adopt approaches that are less parochial, more responsive, comprehensive and coordinated, and to be more astute as an overall sector, rather than the collection of industry-based lobby groups that they have been in the past. Issues such as the supply and use of water, infrastructure that supports agricultural activities, agricultural education, health and social support services, research and development, tax policy, and bi and multilateral trade, are all matters that affect the sector overall. They need to be treated in a more holistic and strategic way if Australia is to maximize productivity levels in this sector. And therein lies the critical challenge for the Australian agricultural sector in the years ahead. The time is ripe, therefore, to critically evaluate just how effective and efficient the sector's support bodies have been, and how they might be re-shaped and improved to stand us in better stead over the coming years.

Conclusion

Agricultural support bodies underpin much of the operations of the Australian agricultural sector. The efficiency and effectiveness with which they support their industry and the costs involved in their operations are in need of a thorough evaluation if they are going to add maximum value to the sector's future growth and development. Any review of Australian agricultural productivity, therefore, should consider such a course of evaluative action and do so sooner, rather than later.

Perce Butterworth.
Sydney.
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