

Agricultural Competitiveness White Paper – Submission IP32

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Nationally, the Saleyard sector has over 130 facilities with over 42 of these being privately owned and/or operated. More importantly the top 30 facilities trade in excess of 4.3 million units of livestock, which equate to approximately 68% of total industry throughput. 30% of the top 30 facilities are privately owned and/or operated. The vast majority of livestock transactions still occur within an auction forum and this forum underpins the price setting of all other segments of the livestock industry.

It is extremely important that Government incentive programs such as previous Regional Development Australia Fund (RDAF) provide eligibility to all saleyard businesses irrespective of their ownership. The benefits of Governments investing in improving key livestock infrastructure are significant due to the impact this industry has on net farm-gate returns.

In its current form it would be difficult if not impossible for private operators to participate in funding schemes that are in any way delivered via local government authorities.

In recent years, private operators have been approached by numerous local government councils involved in saleyards, to assess their interest in redeveloping their facilities due to their inability to fund the key infrastructure development. Issues commonly raised by these Councils include livestock transport and operator safety and efficiency, animal welfare and a decrease in livestock throughput, and thus buyer competition, which is impacting the prices received by farmers.

Existing incentives are clearly prejudiced towards inefficient local council owned saleyards. Instead tax payer funds are granted to Councils as a band aid solution in order to satisfy EPA and animal welfare requirements in order to continue operating the existing saleyard. These band aid incentives continue to foster the "she'll be right" attitudes of complacent Australian producers when it comes to topical subjects such as animal welfare.

One of the major inequalities in the current incentives for investment and job creation is the inevitable creation of unsustainable and anti-competitive subsidies which ultimately reduces the interest and incentive for private investment and development of this industry. How can private investment be expected to invest and compete for business in a Government subsidized marketplace?

Expanding the scope of future economic incentive programs will have a significant impact on private investment interest and activity, which in turn will deliver multiple economic benefits to the agricultural sector, including job creation.

Investment into major projects such as Regional Livestock facilities invariably draw regional interest, creates jobs, and generates economic benefits to regional and rural Australia through delivering sustainable outcomes for business and commerce. Regional facilities have the capacity to accommodate larger numbers of livestock, which in turn draws interest from all buyer fraternities and generates competition, directly improving farm gate returns for producers.