



17 April 2014

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Agricultural Competitiveness Taskforce
Department of Prime Minister and Cabinet
PO Box 6500 Parliament House
CANBERRA ACT 2600
AUSTRALIA

By Email: Agricultural.Competitiveness@pmc.gov.au

Dear Sir,

Submission to the Agricultural Competitiveness Issues Paper

The Millaa Millaa Chamber of Commerce Incorporated is a community group with a large proportion of membership that is in agri-business. These range from mainstream dairy producers, beef cattle production, niche value added dairy (organic cheese and milk), organic egg production and niche native Australian fruit products. As a Chamber, we felt that it appropriate that we raise some of our members ideas to the enquiry via a submission.

We apologise for the shortness of our submission, however we only very recently heard about this White Paper submission opportunity via our local representative on the Tableland Regional Council, Councillor Geoff Stocker. The short notice also meant none of the agri-business members were able to travel to attend the scheduled Taskforce meetings, the nearest of which were Georgetown (at least 4.5 hours' drive) and Bowen (over 8 hours' drive away). Given the size and diversity of what the Atherton Tableland produces, not holding any meetings on the Atherton Tableland seems to have missed a major opportunity to hear directly from this region's innovative agri-business owners.

Some of the issues our Chamber members believe are important to improving agricultural competitiveness are;

- **Supply chain issues** –
 - Freight costs and availability –
 - Freight from Brisbane to our region is very expensive compared to the same distance heading south
 - Encourage growth in value adding and manufacturing, to enable more competitive freight into the north
- **Export freight opportunities** to Asia –
 - Limited capacity ex Cairns
 - Support the growth of inbound travel coming into Cairns and this will grow the capacity for export freight
- **Energy costs** are very high and;
- There are limited **alternative/renewable energy system options**
 - Feed in limits on rural feeders
 - The rural networks need to upgraded to enable greater feed in capacity and;
 - The type of renewable systems that are supported/permitted is limited

- Enable additional renewable energy systems to be installed i.e. micro hydro is a potentially environmentally and economically viable system for our very wet region but at present is not supported by authorities
- **Value adding/manufacturing** needs to be encouraged and supported by Government policies and with financial support
 - At present there are many limitations to local agri-businesses moving into value adding.
 - Entrepreneurial skills are needed
 - Support for innovative practices and local niche production from all levels of Government agencies
- **Agri-businesses profitability and local food networks**
 - The region needs to **better utilise** its abundant produce by **supporting its local food producers**. The opportunities are already there in the large tourism demand for authentic regional food.
 - Taste Paradise and the Regional Food Network – www.tasteparadise.com.au are an example of a regional network growing agri-business from both the consumer (marketing) and producer (supply chain) angle.
 - Support the marketing of local produce (building local food brand at the consumer level) across the different markets (tourism and residents)
 - Support the network in growing our producers capacity, profile and profitability (growing links/sales to existing food service and manufacturing demand, raising the profile of locally grown food and the producers of it, website trading opportunities and supply chain options via the network)
- **Communications**
 - Are a major impediment to growth and competitiveness for agri-businesses in our region.
 - We need to have more ADSL ports available in our local business hubs so that businesses based in the town centres (town businesses are often a critical service for agri-businesses) can operate effectively (high speed internet)
 - Greater and more reliable mobile phone coverage is necessary to enable trading/business communications away from town hubs and during transportation across the region.
- **Insurance**
 - Costs for insurance are high in our region. While there may be climatic reasons for this, it seems that more and more, insurance companies don't want to take on any risk at all.
 - While we don't have an answer to this problem, we are open to hearing whether others have suggestions on how this might be addressed.
- **Low farm gate prices**
 - The duopoly of the two major super market chains and the power that they have to affect the prices paid to farmers is a major factor in achieving successful farm businesses. This is a major factor for the profitability of farm businesses both within our region and across the country.
 - One answer to this problem might be to shift current production into value adding and/or niche markets. Again this is where innovation is key.
 - But in the end, where does the mass market get its basic product from? We would not want to see the loss of a major processor because they could no longer get bulk milk from local dairy farmers. It would be preferable to achieve a better farm gate price somehow.

The Millaa Millaa district was renown in the past as a strong primary production area, initially for timber harvest and processing, and more recently by its dairy production.

We already have some innovative and successful agri-businesses operating in the current agricultural climate however for the district to become truly **sustainable**, we believe the Government needs to foster and support the growth of innovative agri-businesses, so that the Southern Tablelands becomes a hub of innovative and sustainable agri-business.

This aim needs to be supported by Federal, State and Local Government regulatory oversight being fair and sensible, and the various incentives and programs that support innovation being accessible and not overly complex.

Thank you for your time and we look forward to hearing more from the enquiry team.

Kind regards,

Margo Watkins

Margo Watkins

Secretary

Millaa Millaa Chamber of Commerce Inc