

*The Warren Blackwood Alliance of Councils (Inc)*

PO Box 604  
Manjimup WA 6258  
Phone 0472 712 921  
e-mail: [wbsa@live.com.au](mailto:wbsa@live.com.au)  
ABN 84 209 500 433



17<sup>th</sup> April 2014

Agricultural Competitiveness Taskforce  
Department of the Prime Minister and Cabinet  
PO Box 6500  
Canberra ACT 2600

Dear Sir/Madam,

**Re: Agricultural Competitiveness Issues Paper**

Please find our Submission below.

Yours faithfully,



Tony Dean  
President

## Issue 1: Ensuring food security in Australia and globally

### Q. What opportunities exist to expand agricultural production in Australia and how can we take advantage of them?

The Warren Blackwood area of Western Australia comprises the Shires of Bridgetown-Greenbushes, Manjimup and Nannup. The total area represented is 11,672 m<sup>2</sup>, with a total population of around 15,900 people. The region is the highest producer of agricultural product in Western Australia, with a diverse range of produce grown. The Region boasts fertile soils, plentiful rainfall and favourable growing conditions.

Total agricultural production in 2010-11 was \$613.3 million.

The major contributors to agricultural production are milk (\$137.4m), vegetables (\$126.2m) and cattle (\$94.5m).

#### Production breakdown (\$ million)

	2006/07	2007/08	2008/09	2009/10	2010/11
Cattle	105.4	63.3	66.2	95.7	94,597
Sheep	15.1	27.0	31.0	28.8	24,085
Pigs & poultry	6.1	4.4	3.4	5.5	3,923
Other	0.4	0.2	0	0	2
<b>Total livestock disposal</b>	<b>127.1</b>	<b>94.9</b>	<b>100.6</b>	<b>130.0</b>	<b>122,607</b>
Milk	93.5	114.9	150.0	120.1	137,414
Wool	32.8	29.6	23.9	26.0	22,697
Other	0.9	0	1.0	0.1	200
<b>Total live produce</b>	<b>127.2</b>	<b>144.6</b>	<b>174.9</b>	<b>146.2</b>	<b>160,311</b>
Fruit	58.9	73.8	88.1	110.0	79,873
Grapes	63.9	71.5	50.3	87.7	61,624
Vegetables	77.3	114.5	113.2	113.0	126,285
Broadacre crops	95.8	131.3	96.9	52.5	62,600
<b>Total crops</b>	<b>296.0</b>	<b>391.1</b>	<b>348.5</b>	<b>363.2</b>	<b>330,382</b>

#### Source

Department of Regional Development and Lands (based on ABS data).

There are vast opportunities for expansion in the Agriculture sector in Australia, but a number of things need to be addressed to enable this to happen.

Farming by nature, as with many primary industries is fragmented and the decline of farm cooperatives has further highlighted this.

In recent years a major focus has been directed to the Asian market but whilst this is an enormous opportunity, production in Australia is a very small compared to other countries and considerable investment in agriculture would have to occur to capture a larger segment.

Aside from Asia, there are a number of other smaller markets that need to be more fully investigated, such as the United Arab Emirates as one example.

A recent State Government project, the, The Southern Forests Food Council was founded in 2010 by a group of passionate local producers who recognised that the wealth and abundance of produce grown in the region made it perfect for food tourism. Its role was formalised in 2012 after receiving a \$5 million investment under the State Government's SuperTowns initiative. The investment is part of a \$7 million Royalties for Regions allocation to the Shire of Manjimup for its Agricultural Expansion Project.

The Food Council is committed to unifying the area's world-class and diverse producers to strengthen the region's economy, attract investment and export opportunities, promote regional pride, and create sustainable jobs. It represents local producers, culinary and agri-tourism operators who live and work in what is WA's premier food bowl, aiming to ultimately establish the Southern Forests region as an internationally-recognised top culinary tourism destination.

The second part of this project is the development of a Regional Food Strategy, which is currently being formulated.

The development of an Agriculture and Food Strategy has been funded \$1.0 million by Royalties for Regions SuperTown initiative to research a number of issues and opportunities for the region.

The third component of the project is the Agriculture Education project.

Funding of \$1.0 million has also been provided by the Royalties for Regions SuperTown initiative to help formalise relationships with education providers, encourage potential agriculture students and to help in the development of a concept for a Centre for Excellence in Ag Food Science based in Manjimup.

So far this part of the project has seen the beginning of a working relationship with stakeholders in the education / employment industry. This program is designed to open up discussion, encourage learning and help students realise their potential. Partnering with Agrifood Skills Australia will also help in the developing and delivery of an effective region-wide skills and workforce development strategy.

### **How can farm businesses, food manufacturers and the retail sector be more responsive to domestic and global food demand and better integrate into domestic and global supply chains?**

As discussed above, a better level of cooperation between all stakeholders in Agriculture needs to occur. Solid business cases demonstrating the pathways to existing and new markets need to be developed with the agreement of all stakeholders and implemented to ensure all facets of the food production and distribution network are able to run profitably and efficiently. It is noted the National Farmers Federation undertook the development of the "Blueprint for Australian Agriculture 2013-2020" in 2013 in an attempt to "identify major issues and priorities shared across the sector, articulate broad strategies to deal with them, suggest pathways for implementation and drive greater coherence and coordination of the agriculture sector's efforts into the future".

This document provides an excellent platform to develop specific outcomes for all stakeholders in the supply chain.

### **Do farms have access to timely, relevant and accurate information to fully inform production decisions to meet domestic and global food demands?**

As mentioned above, the relationship between individual growers, industry groups and the various levels of Government is fragmented and lacks organisational

structure. A simple search of the Internet reveals a multitude of organisations, reports and information that would confuse anybody.

**What opportunities exist for exporting Australian agricultural technology, marketing skills and expertise to improve global food security outcomes?**

Once again, Australia is at the forefront of technology and food security but the lack of cohesiveness and fragmentation is an impediment that would need to be addressed.

**Issue 2: Farmer decisions for improving farm gate returns**

**Q. What are the drivers and constraints to formers adopting alternative business structures, innovations or practices that will assist them in improving farm-gate returns?**

Once again, a lack of unity; and understanding of potential markets and the pathways to achieving successful access to new markets is an enormous impediment to the development of Agriculture.

**What tools, skills and advice do farmers need to effectively adapt and respond to the risks they face?**

By nature a great deal of farmers are operational people. A focus on developing strategic skills and the development of benchmarking information for each of the Sectors, would develop a broader skill set for producers.

**What alternative actions or measures by governments, farmers or others would result in improved financial performance at the farm gate?**

A more coordinated and structured approach to the changing face of farming is needed.

A dissemination of roles of each of the players in Agriculture is needed to give clear direction to each element of Agriculture.

The Government, both Federal and State have a clear role in the identification and development of export opportunities, and the steps needed to ensure these markets can be satisfied with the least amount of interference and cost to the producer.

Producers need to be able to understand new and emerging markets and the steps needed to work collaboratively to secure and supply these markets.

The implementation of the “National Farmers Federation Blueprint for Australian Agriculture 2013-2020” and development of business cases to support the

**What approaches could be used to encourage improved drought preparedness?**

Australia, due to its harsh climate faces increasing challenges for drought preparedness. Recent droughts and floods have highlighted a need to improve infrastructure to ensure the Country is able to effectively manage the climatic pressures presented. Producers in this area have invested in infrastructure to drought proof farms and protect the environment. Government regulations need to be mindful of the need to assist producers to improve their efficiencies and not hinder them.

**Issue 3: Enhancing access to finance**

**Q. How do we better attract private capital into farm investment?**

As overseas markets develop, the ability to develop fully vertically integrated operations will emerge. If Australia is to benefit from the Asian market, specific

targeted markets need to be developed, which improve the return and reduce the input costs.

**What examples are there of innovative financing models that could be used across the industry?**

This organisation does not have information on this question.

**What would encourage up take of new financing models?**

This organisation does not have information on this question.

**What alternative business structures could be developed for farming that also retain ownership with farm families?**

This organisation does not have information on this question.

**How can foreign investment best contribute to the financing and productivity growth of Australian agriculture?**

Foreign investment is vital to the development of Agriculture to capture new and emerging markets. The other opportunity is for these markets to partner with a number of existing producers to increase productivity whilst minimising input costs.

**Issue 4: Increasing the competitiveness of the agriculture sector and its value chains**

**How might existing laws and regulations be changed to address any market power imbalances in the agricultural supply chain, without limiting prospects for global-scale firms developing in Australia?**

A review of the Anti competition laws in Australia relevant to Agriculture should be undertaken to ensure producers are able to capitalise on opportunities.

**How can the agriculture sector improve its competitiveness relative to other sectors in the economy?**

A review of current regulations needs to be undertaken. Information received following the investigation by the Chinese in our area highlighted a high number of restrictive regulatory processes, a number of issues in relation to the time frame required to develop a project and the high production costs.

**Which examples of overseas approaches to improving agricultural competitiveness have relevance for Australia?**

There are a number of Countries, such as New Zealand, France, Germany and the Netherlands who have developed very successful farming enterprises. Each of them has some unique characteristics that could benefit farming in Australia. Part of the Research and Development that is needed is to look at models from other Countries and provide that information to the producers.

**Issue 5: Enhancing agriculture's contribution to regional communities**

**What impact does the growth of populations in regional centres and the decline in more rural or remote townships have on farming businesses and the agriculture sector?**

This Region is supported by a number of larger Regional Centres and is very close to the Margaret River tourism region, which affords access to a steady stream of visitors and workers.

**How can the agriculture sector best contribute to growth in jobs and boost investment in regional communities, including indigenous communities?**

Many European countries are experiencing financial issues at present and our region has benefited from workers from these countries filling a variety of positions. There is an opportunity to work more closely with organisations in both areas to improve the coordination and training opportunities for visiting workers.

**What community and policy responses are needed in rural and regional communities to adapt and change to new pressures and opportunities in the agriculture sector?**

It is well recognised that the wages offered by the Mining sector has impeded the ability of other industry sectors to attract and retain workers.

Added to this is the ageing infrastructure and population within the Agricultural sector. Models to encourage share farming, such as the model in New Zealand would enable younger people to enter the sector and subsequently gain a greater share in the farm as it develops and grows.

A review of current regulations would be required to allow this to occur.

**How do we attract the next generation of farmers?**

The younger generation is a connected generation. Access to the internet and peers is vital to younger people remaining in remote areas. Many of our areas do not have adequate Mobile or Internet access.

Succession planning is also vital.

**Issue 6: Improving the competitiveness**

**How can land, water and other farm inputs be more effectively deployed to better drive agriculture sector productivity, while maintaining or enhancing the natural resource base?**

The reduction of R&D has seen a decline in innovation in Agriculture. A review of current R&D programmes and a streamlining of their delivery would benefit Agriculture significantly.

A review of current taxation laws to ensure producers are able to maximise income for business development.

Effective management of water resources ensures access to water for all sustainable farming enterprises.

**What skills including specialised skills and training, will be required in the future and how can these be delivered and uptake encouraged?**

- Business Planning
- Financial
- Marketing
- Sales
- Technological
- Logistics
- Operational

This organisation supports the development of one Skills and Training organisation such as Agrifood Skills to streamline the access and delivery of training. Many of the training packages are delivered to a group of people. Due to the remoteness of farming operations, this is often difficult for training providers to meet the minimum number requirements. Access to Internet services also limits the ability for producers and workers to engage in training. It is vitally important for the development of skills in remote areas that access to the internet is provided.

### **How can we attract workers to agriculture – particularly in remote areas?**

Many European countries are experiencing financial issues at present and our region has benefited from workers from these countries filling a variety of positions. There is an opportunity to work more closely with organisations in both areas to improve the coordination and training opportunities for visiting workers.

### **How can we promote career pathways for the agriculture sector, including models to enable younger farm workers to gain broader industry experience?**

There has been a number of programmes developed to assist various groups of people to engage in further education. The Agrifood Skills pilot is currently being conducted in this area.

The following is an extract from their Website:

AgriFood develops and implements workforce development strategies and industry's nationally endorsed qualifications to meet the current and emerging needs of agrifood enterprises, employees and students throughout regional and urban Australia.

We work with a vast array of stakeholders at all levels:

- on the ground with enterprises, regional communities and research organisations to drive adoption of new and better workforce planning and skills development;
- with schools, Registered Training Organisations (RTOs) and the tertiary sector more broadly to drive high quality delivery and assessment of skills;
- with industry peaks and key bodies to build their voice as advocates and change agents of the national skills and workforce development agenda;
- with the three tiers of government to drive evidentiary-based policy formation which supports the needs of agrifood sectors and the challenges facing regional Australia's workforce.

### **How can rural industries and governments better identify, prioritise and fund research, development and extension?**

The current R&D Tax incentives are restrictive for farming businesses due to the complexity of the requirements.

Using Universities and offering extension programmes in Regional and Remote communities is an excellent way of developing studies of farming enterprises.

### **What irrigation, transport, storage and distribution infrastructure are required to support the food and fibre production systems of the future and how should this be funded?**

Producers in our Region build, manage and maintain water infrastructure. Recently, as the National Water Initiative was implemented, a number of issues were highlighted that demonstrated that the NWI was developed using the Murray Darling

as the example. Many of the objectives of the NWI were incompatible with water users in our area and highlighted a need for more investigation and consideration in developing policies in relation to Agriculture.

A one size fits all policy is not an effective way to develop Agriculture, particularly in relation to emerging markets and flexibility needs to be maintained to ensure growth can be achieved in the sector.

The “National Farmers Federation Blueprint for Australian Agriculture 2013-2020 – Theme 2: Competitiveness” supports the following “Headline Strategies”

- Establish an Agriculture Infrastructure Taskforce...

### **Issue 7: Reducing ineffective regulations**

#### **How do we coordinate across governments to reduce regulations whose costs exceed their benefits?**

Further to the previous question, the development of an Agriculture Taskforce with representatives of all stakeholders in the supply chain to highlight and investigate solutions would be advantageous.

### **Issue 8: Enhancing agricultural exports**

#### **How can industries and government respond to the key challenges and opportunities to increase or enhance exports?**

The fragmentation and lack of cooperation needs to be addressed as a matter of urgency. The formation of a taskforce as described above is vital to the development of the Agricultural sector.

#### **How can the government take best advantage of multilateral and bilateral trade negotiations (including through the World Trade Organization and through free trade agreements (FTAs) to advance the interests of the sector?**

The recent signing of the FTA with Japan has highlighted the need for more comprehensive research on the effect of conditions imposed by other Countries in these negotiations. An Agricultural taskforce would be advantageous in providing relevant information before these negotiations are undertaken.

#### **How can engagement between industry and government on market access priorities for Australian agricultural products be improved, including to inform negotiations on FTAs?**

As per previous question.

#### **What changes could be made to biosecurity arrangements, both in Australia and in other countries, that would enhance global trade in agricultural products?**

Australia has some of the strictest biosecurity controls in the world and the protection of the Industry must be at the forefront of any negotiations on the importation of products. Australia is well placed to export this knowledge and ensure improved biosecurity is enjoyed by other Countries.

#### **How do we provide the appropriate biosecurity controls at minimum cost?**

By developing effective and appropriate measures and training that ensure that each and every person involved with biosecurity has a high understanding of the necessary steps in protecting

## **Issue 9: Assessing the effectiveness of incentives for investment and job creation**

### **How well is the current set of government programmes and incentives directed at the agriculture sector meeting their objectives, in terms of both effectiveness and efficiency?**

Again, the access to programmes and information is fragmented, disorganised and uncoordinated. The National Farmers Federation Blueprint addresses this issue and is supported by this organisation.

### **Are government visa arrangements and programmes like relocation assistance, the Seasonal Worker Programme and Harvest Labour Services effective at channelling workers into the agriculture sector and what other approaches should be considered?**

Targeting and organising workers from Countries experiencing financial problems could assist remote producers.

### **What have other countries done to inspire agricultural investment?**

- A relaxation of anti-competition requirements for Agriculture
- Streamlining of regulations and processes
- Market development
- Benchmarking
- Assistance with Business and Succession planning
- Industry development taskforces
- An increase in R&D funding
- Development of smart energy programmes
- Tax concessions for Capital investment with Principal and Interest as a deduction
- Increased on farm diversity and productivity

### **What has Australia done in the past that has had best effect?**

- Cooperatives/Clusters
- 120% Tax concession on new machinery
- 1 on 1 extension programme