Agricultural Competitiveness White Paper Submission - IP551
Horticulture Taskforce
Submitted 17 April 2014

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Submission to the Agricultural Competitiveness White Paper

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1.0 Summary

The Australian Federal Government has sought submissions into the development of a White Paper on Agricultural Competitiveness in Australia (the White Paper) with a view to providing guidance into enhancing farming profitability, strengthening rural and regional communities and economies, and insights into the adequacy of drought preparedness and Government's response measures.

This submission has been prepared by the Horticulture Taskforce. Some of the key recommendations made included commercially viable and sustainable free tree agreements, addressing market access constraints, simplifying import risk analysis, ensuring affordable, skilled and R&D focused labour, simplifying country of origin labelling, improving the competitiveness of inputs to the supply chain and promoting R&D innovation.

2.0 Horticulture Taskforce

The Horticulture Taskforce (HTF) was established in August 2010 to represent the interests of the horticulture sector – one of the fastest growing areas of agriculture in Australia. The following Peak Industry Bodies are members of the HTF:

- Citrus Australia
- Australia Mushroom Growers Association
- Australian Banana Growers Council
- Raspberries and Blackberries Australia
- Onions Australia
- Passionfruit Australia
- Growcom
- Avocados Australia
- AUSVEG
- Apple & Pear Australia Limited
- Australian Mango Industry Association
- Biological Farmers Association
- Nursery & Garden Industry Australia
- Summerfruit Australia
- Australian Nut Industry Council
- Strawberries Australia

3.0 Australian Horticulture Industry - Overview

The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) valued the gross value of Agricultural Production at $51.8bn during the 2012-13 year. During this year the crop production sector accounted for 54% of the gross value generated during that year (approximately $27.8b) and is forecast to grow at a rate of 5.34% (Compound Annual Growth Rate - CAGR) per annum to 2014-15. The horticultural sector and grains and oilseed industries were the largest crop industries in Australia producing $13.7bn and $8.1bn of gross value production during 2012-13.

Gross Value of Agriculture Production in Australia (m's AUD)	2009-10	2010-11	2011-12	2012-13	F 2013-14	F 2014-15	CAGR (2009-10 to F2014-15)
Crop Production	**21,264**	**25,337**	**26,252**	**27,776**	**29,016**	**27,587**	5.34%
Livestock and Livestock Products	**18,529**	**21,038**	**21,180**	**20,069**	**21,961**	**22,884**	4.31%
Forestry	**1,776**	**1,851**	**1,647**	**1,547**	**1,713**	**1,933**	1.71%
Fisheries	**2,191**	**2,241**	**2,317**	**2,398**	**2,418**	**2,479**	2.50%
Total	**43,760**	**50,467**	**51,396**	**51,790**	**55,108**	**54,883**	4.63%

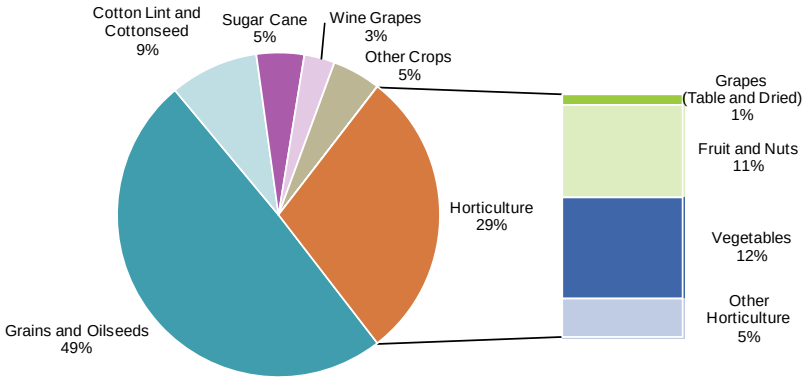
Source: ABARES, 2014 - Page 197

Gross Value of Crop Production in Australia (m's AUD)	2009-10	2010-11	2011-12	2012-13	F 2013-14	F 2014-15	CAGR (2009-10 to F2014-15)
Grains and Oilseeds	**8,663**	**12,138**	**12,485**	**13,723**	**14,969**	**13,545**	9.35%
Cotton Lint and Cottonseed	**828**	**2,087**	**2,954**	**2,454**	**2,090**	**1,829**	17.18%
Sugar Cane	**1,382**	**1,036**	**1,214**	**1,321**	**1,160**	**1,112**	-4.25%
Wine Grapes	**711**	**712**	**725**	**846**	**733**	**771**	1.63%
Other Crops	**1,660**	**1,105**	**898**	**1,345**	**1,545**	**1,345**	-4.12%
Horticulture	**8,020**	**8,259**	**7,976**	**8,087**	**8,519**	**8,985**	2.30%
Grapes (Table and Dried)	*398*	*302*	*316*	*362*	*314*	*330*	*-3.68%*
Fruit and Nuts	*2,950*	*3,013*	*3,050*	*3,100*	*3,340*	*3,450*	*3.18%*
Vegetables	*3,023*	*3,338*	*339*	*3,350*	*3,540*	*3,680*	*4.01%*
Other Horticulture	*1,649*	*1,606*	*1,272*	*1,274*	*1,325*	*1,525*	*-1.55%*
Total	**21,264**	**25,337**	**26,252**	**27,776**	**29,016**	**27,587**	5.34%

Source: ABARES, 2014 - Page 196

The horticulture industry is the third largest agricultural sector in Australia and consists of a variety of industries including fruits, nuts, vegetables, mushroom, nursery, turf, cut flowers and extractive crops. The ABARES estimate that the Gross Value of Production (GVP) of the horticulture sector is forecast to reach $8.5 billion in 2013-14 and $9.0bn in 2014-15 (ABARES, 2014). The Australian Horticultural sector is made up of over 18,158 businesses that directly employ 59,500 people in growing fruits, vegetables, nuts and extractive crops for the domestic and export markets, and a further 6,250 persons are employed in fruit and vegetable processing (excluding wine manufacturing) .

Gross Value of Crop Production in Australia (2012-13)



In 2012-13, the horticulture industry exported fresh fruits, nuts and vegetables valued at $1.9 billion, with vegetable and fruit exports being the most significantly exported commodities. The majority of these exports are sent to markets other than Australia's major trading partners of China, Indonesia, Japan, Korea, and the United States. The table below shows the gross value of horticulture exports from Australia by type and by major trading partner.

Gross Value of Horticulture Exports from Australia (m's AUD)	2009-10	2010-11	2011-12	2012-13	F 2013-14	F 2014-15	CAGR (2009-10 to F2014-15)
Fruit	585	456	505	634	601	587	0.07%
Tree nuts	212	211	240	348	461	385	12.67%
Vegetables	542	607	712	678	714	712	5.60%
Nursey	23	20	15	12	13	19	-3.92%
Other horticulture	274	293	258	224	276	308	2.35%
Total	1,637	1,588	1,729	1,896	2,066	2,011	4.21%

Source: ABARES, 2014 - Page 202

Gross Value of Horticulture Exports from Australia to Major Trading Partners (m's AUD)	2009-10	2010-11	2011-12	2012-13	F 2013-14	F 2014-15	CAGR (2009-10 to F2014-15)
China	24	23	25	23	32	72	24.57%
Indonesia	37	49	53	60	60	76	15.48%
Japan	146	144	121	143	131	134	-1.70%
South Korea	19	10	10	14	18	18	-1.08%
United States	110	111	114	70	72	80	-6.17%
Other	1,301	1,251	1,406	1,586	1,753	1,631	4.63%
Total	1,637	1,588	1,729	1,896	2,066	2,011	4.21%

Source: ABARES, 2014 - Page 202

As a result of recent Free Trade Negotiations, notably in Korea and Japan, future exportation volumes would be anticipated to rise as tariffs are reduced or removed permanently, or removed during Australia's peak exporting periods which occur during Korea and Japan's off-season periods.

4.0 Agriculture Policies

4.1. Agricultural Exports and Market Access

Relevant White Paper sections:

- *Issue 1: Ensuring Food security in Australia and Globally*
- *Issue 8: Enhancing Agricultural Exports*

Background:

The Agricultural Competitiveness Issues Paper stresses that the growth in international demand, notably from Asia, will be central to the growth of the Australian Agricultural industry in the 21st Century. ABARES forecasts that the real value of food consumption in Asia will have doubled from 2007 to 2050, which will account for three quarters of the total growth in global demand for food (ABARES, 2013b). Much of the growth in Asia to date has been driven by increased total populations, greater urbanisation of populations, and rising incomes. As a result, Asian food consumption has evolved with significant purchasing power being exercised by middle to high income consumers who value quality and are willing to pay a premium for such food products. The opportunity presented in Asia - in combination with Australia's close geographical proximity - provides the Australian Horticultural Sector with a strong position to increase its market position in a growing food market that increasingly values quality sourced from locations that are free of biosecurity concerns.

The following key issues in relation to Free Trade and Achieving Market Access were raised by stakeholders consulted:

- Free Trade Agreements; and
- Market Access Constraints.

4.1.1. Free Trade Agreements

Australia currently has seven Free Trade Agreements (FTA's) under negotiation, three of which are bilateral in nature (China – commenced 2005, India – 2011, and Indonesia – 2010) and four multinational agreements, the most significant being the Trans-Pacific Partnership between 12 countries. It is important to note that two significant FTA's have been successfully negotiated with South Korea (2013) and Japan (2014) in recent

months. The benefits of these successfully negotiated agreements will be the removal or phasing out of tariffs for many horticultural industries, or the suspension of tariffs for specific horticultural products (i.e. potatoes) during the Australian exportation seasons.

HTF members note that the delivery of these agreements and removal of trade restrictions was integral to the long term viability of their respective horticultural industry. To date, negotiations have been conducted from a whole of agricultural basis which has resulted in the long negotiation time frames and sensitivity to single points of differences for commodities between the negotiating parties. HTF members believe that the negotiation processes could be expedited through a number of initiatives including:

- Ensuring that Australian negotiators possess agricultural and commercial expertise;
- Increasing the resources available to the Department of Foreign Affairs and Trade and the Department of Agriculture to ensure that negotiations could occur across several commodities and address post-agreement issues (including phytosanitary requirements) simultaneously;
- Engaging with the horticultural industries prior to, and during, the negotiation process to ensure agreements are commercially viable and sustainable for the future; and
- Previous negotiation processes have utilised a whole of agriculture approach that has resulted in the negotiation process sensitive to single points of differences slowing or curtailing the negotiation process. HTFs would prefer a nuanced approach to negotiations allowing for quick agreements to be implemented in a more timely fashion.

Key Recommendations:

- Finalisation of Free Trade Agreements with China, Indonesia, India and the Gulf countries with the removal of non-trade barriers such as tariffs and quotas for all horticulture commodities;
- Increase resources, particularly with agricultural and commercial expertise, available to the Department of Foreign Affairs and Trade and the Department of Agriculture for the negotiation of trade agreements;

- Engage with the horticultural industries prior to, and during, the negotiation process to ensure agreements are commercially viable and sustainable;
- Reducing export compliance costs;
- Achieving greater acceptance of the authorised officer system by foreign officials;
- Development of an export strategy for horticulture and a 'Team Australia' approach; and
- Development of a quality Australian "brand" (to build upon the clean, green, safe image of Australian agriculture and counteract those of our competitors such as the 100% Pure NZ).

4.1.2. Market Access Constraints

In order to derive the economic benefits from the successful negotiation of Free Trade Agreements a number of supporting initiatives must be agreed between the negotiating parties including factors such as biosecurity and importation protocols. In the absence of these supporting initiatives market access may be curtailed through technical trade barriers in spite of an existing Free Trade Agreement. There are a number of topics noted as hindering the Australian Horticultural Sectors access to foreign markets including: phytosanitary export requirements, foreign importation protocols, inconsistency of international standards of Maximum Residue Limits, and the useability of the Manual of Importing Country Requirements (MICoR) maintained by the Department of Agriculture.

- Phytosanitary export requirements used in Australia places a universal standard of exports that "*Consignments are to be free from pests, soil, weed seeds and extraneous material*" (MICoR, 2013). This minimum exportation standard applies to all exportation countries, including countries that do not possess individual phytosanitary importation requirements. By contrast, New Zealand applies phytosanitary requirements that, in the absence of importing phyosanitary conditions, provides for tolerance limits for pests and soils in plant exports (Biosecurity New Zealand Export Certifictation Standard, 2006) which has not come at the cost of reputation for quality or food safety. HTF members note that by adhering to the Australian standard increases compliance costs at the cost of international competitiveness.

- The negotiation of Importation Protocols were noted as taking a significant amount of time to settle, leading to delays in gaining access to markets in spite of ratified agreements. These delays were attributed to insufficient negotiation resources dedicated to the implementation of FTAs and finalising supporting agreements. The delay in agreeing and implementing Importation Protocols have resulted in horticultural industries waiting a considerable time in spite of ratified FTAs. As a result, the agreement of the FTA must be supported by negotiators and supporting resources to ensure that these importation protocols do not result in technical trade barriers undermining agreed trade agreements for prolonged periods of time.

Case Study - Mango Trade between Australia and the United States

The Australia-United States Free Trade Agreement was ratified in 2004 but the importation and phytosanitary protocols for Mango importation into the United States were not finalised until 2013 following considerable delays in the negotiation process.

- Maximum Residue Limits (MRLs) of what is fit for human consumption differ between countries in spite of the United Nations' Codex Alimentarius (maintained by the Food and Agriculture Organization and the World Health Organization) providing international guidance of pesticide maximum residue limits per food commodity (Codex Alimentarius, 2014). As a result, HTF members note that these inconsistent standards placed excess burden on producers to ensure that they possessed up to date MRL's information for the trade partner to ensure compliance.
- Manual of Importing Country Requirements (MICoR) database is the central tool used by HTF members to determine importation requirements of foreign countries and is utilised by Department of Agriculture Plant Export Operations team in advising primary producers of exportation requirements and processes. HTF members note that the database contains instances of out of date or inaccurate information. The lack of consistent and accurate information leads to producers incorrectly applying standards not appropriate for trading partners. Accurate and up to date information in the MICoR is essential in reducing inefficiency for exporters. HTF members also note that the inclusion of the following information would increase the effectiveness of the database:
  - Transit requirements;

- Prohibited pest lists;
- Phytonsanitary certificate information; and
- Arrival inspection information.

Case Study - Edamame Export Query

An Australian vegetable producer wished to export Edamame from Queensland to Japan and had a week to coordinate exportation. Upon reviewing the MICoR database the producer was unable to find the relevant information relating to their situation. A follow up enquiry with the Department of Agriculture's Plant Export Operations advised that Edamame was not permitted to be exported to Japan after referring to MICoR. The producer sought a second opinion and was informed that the advice received by the Department of Agriculture was not accurate and that Edamame was permitted for export to Japan.

Key Recommendations:

- A faster process to finalise phytosanitary and sanitary protocols, including increased frequency of bilateral negotiations;
- The appointment of Horticultural Trade Attache's to follow up with, and maintain pressure on, foreign officials to progress access and protocol deliberations between formal trade negotiation events;
- Increase resources, particularly with agricultural and commercial expertise, available to the Department of Foreign Affairs and Trade and the Department of Agriculture for the negotiation of importation and phytosanitary protocols;
- Engage with the horticultural industries prior to, and during, the negotiation process to ensure agreements are commercially viable and sustainable;
- Amend Australian phytosanitory export requirements for countries that do not possess phytonsanitary import limits to contain reasonable tolerance limits for pests and soils in plant exports in line with New Zealand's approach; and
- Ensure the Manual of Importing Country Requirements database is appropriately resourced and maintained to contain up to date information that reflects current trading requirements and can be utilised by the Department of Agriculture Plant Export Operations in providing the horticultural sector with advice.

4.1.3. Domestic Trade

Trade barriers on the domestic front must also be reviewed, with the following issues hampering the trade of horticultural products across state and territory borders:

- The lack of recognition for industry accreditation of phytosanitary or biosecurity risk management practices; and
- The lack of country-wide harmonisation in state trade codes adds red-tape to businesses that wish to trade.

4.2. Biosecurity

White paper sections:

- Issue 8: Enhancing Agricultural Exports

Background:

The management and protection of the Australian Horticultural Sector against foreign diseases and pest is central to ensuring that Australia maintains its comparative advantage of producing crops that are free of disease and pests for consumers and ensuring that long term productivity of the industry is maintained. The Agricultural Competitiveness Issues Paper stresses that biosecurity domestic controls are essential to maintaining access to international markets under phytosanitary requirements and minimising potential access to foreign pests and diseases that could adversely impact Australian horticultural production.

Avoiding pest and disease incursions is critical to the viability of the horticulture industry. Australia's unique biodiversity and relatively disease-free status must be maintained, along with horticulture's reputation as a supplier of fresh, high quality, clean produce. Freedom from many of the world's major pests and diseases provides a clear advantage in both domestic and global markets.

While governments, industry members and the community all share important roles and responsibilities regarding biosecurity, Australia's biosecurity legislative framework provides the backbone for our collective efforts.

Biosecurity is a public good and should be recognized as such. It is concerning that it was not given high prominence in the issues paper. It is imperative that government provides adequate levels of investment in the biosecurity system to deliver effective surveillance and response capacities. We understand the need to move to a shared responsibility model but maintain that there needs to be a supported transition for industry to ensure that biosecurity is not compromised.

4.2.1. Import Risk Analyses

Import Risk Analysis (IRA) is the primary assessment tool of importation application to access the Australian Agricultural market. These IRAs are compliant with the World Trade Organisation guidance of countries utilising an 'Appropriate Level of Protection'

in regard to accepting agricultural imports. The Australian interpretation of 'Appropriate Level of Protection' is controls that "provide a high level of sanitary and phytosanitary protection, aimed at reducing risk to a very low level, but not to zero" (Department of Agriculture, Fisheries and Forestry, 2011 p. 6). This definition lacks a prescriptive description of what constitutes a 'very low level' and requires industry specification in order to develop an operational definition. This definition of "Appropriate Level of Protection' is used as the basis for undertaking Import Risk Analysis (IRA) process and the application of Risk Estimation Matrix (REM) to potential importers.

HTF members note the following key aspect of the Import Risk Analysis process related to the timeliness it took to undertake the process and concerns regarding the utilisation of current Risk Estimation Matrix methodology.

Risk Estimation Matrix calculations were perceived as unclear and difficult to understand by members of the horticultural sector. The REM calculation process was formally reviewed in 2013 by an Australian Senate commissioned report, known as the Peace Report, which noted several constraints used in the current REM methodology including:

- Ambiguity of how risks likelihoods were calculated;
- Concerns that the rules governing the combination of risks producing results generated results biased towards low risk assessments; and
- Risk definitions and descriptive likelihoods were open to technical interpretation (Pearce, 2013).

The finding of the Peace report noted that the current methodology could be improved through simplification of the matrix methodology, communicating process and risk descriptions to users of the report, and incorporation of qualitative factors assessment in generating a robust biosecurity risk assessments (Eminent Scientists Group, 2013).

Key Recommendations:

- Review the methodology of the Risk Estimation Matrix in line with the Peace and Eminent Scientists Group reports to simplify and clarify the process of Import Risk Assessments;

- Preserving the Eminent Scientists Group (ESG) to assess conflicting scientific views to ensure that:
    - All technical submissions received from stakeholders have been properly considered; and
    - The conclusions of Biosecurity Australia are scientifically reasonable. Transparency around the use of new information and scientific assessment is critical to stakeholders. The ESG should apply to IRAs as well as Non-Regulated Policy Reviews.
- Improving the appeals process of an IRA (or Non-Regulated Policy Review) to ensure not only, that procedural steps are followed, but also that Biosecurity Australia has undertaken what is required of them during an IRA. For example, this includes having identified and evaluated all pests and diseases of quarantine concern, assessed the likelihood that an identified pest or disease would enter, establish or spread, assessed the probable extent of the harm that would result and identified appropriate measures to meet Australia's ALO;
- Cease the issuance of import permits whilst an IRA (Policy review) is underway;
- Development of a comprehensive and science-based appeal mechanism for import risk assessments to ensure transparency and rigour; and
- There is a clear need to continue legislative reforms to ensure Australia operates a cost-efficient and international best practice biosecurity system. In doing so however, it is critical to address the fundamental flaws in the current import risk assessment process by implementing the unanimous recommendations of the Senate Rural and Regional Affairs and Transport References Committee relating to proposed imports of pineapples from Malaysia, ginger from Fiji and potatoes from New Zealand.[1]

[1] http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport/Pineapples2012/Report/index

4.2.2. Application of Biosecurity Measures

HTF members note that biosecurity is critical to the long term viability of their respective industries and biosecurity measures could be further supported through the adoption of the following measures:

- Ensure that the biosecurity resources at the Commonwealth and State Government levels are appropriate to effectively manage and assess exotic pest and disease risks (i.e. Fruit Fly, Little Cherry Virus etc.). These resources also require technological support to communicate and share information across agencies in a timely fashion; and
- Development and incorporation of technology into the biosecurity monitoring of imports and export phytosanitary processes where feasible. This would support domestic biosecurity analysis and allow trading partners to incorporate detailed phytosanitary information into their assessment of Australian produce.

Key Recommendations:

- The recommendations of the Beale Review be implemented in such a way that industry is not put undue risk and that there are no further costs passed onto producers;
- There be a tightening of the definition of Australia's Appropriate Level of Protection (ALOP) in any new Biosecurity Bill with emphasis on the environment, community and industry;
- Ensure that Commonwealth and State Government biosecurity functions are appropriate resourced for dealing with exotic pests and are able to share information across agencies in a timely fashion;
- Undertake research and development to incorporate technology into the assessment process of imports and provide assurance to export partners;
- Tasmania is recognised as an area of regional biosecurity differentiation;
- Biosecurity matters across all jurisdictions are harmonised, including removing duplication and closing gaps;

- Biosecurity is recognised predominantly as a public good to stem the continual shift of costs to industry;
- Enhancement of engagement and partnerships with industry on development of Regulations relating to the Legislation and review of performance. Overcome the situation in which Government refers to Biosecurity as a Partnership, but is currently acting in isolation e.g Development of Intergovernment Agreement on Biosecurity (IGAB) and National Environmental Biosecurity Response Agreement (NEBRA); and
- The Commonwealth and the State Governments increase resourcing (Commonwealth to ensure latter) to achieve:
    - Improved surveillance co-ordination and enhanced pest and disease data collection;
    - Adequate capacity to respond quickly to incursions and undertake diagnosis; and
    - Maintenance of corporate knowledge and human capability of biosecurity within government.

4.3. Job Creation and Employment Conditions

White paper sections:

- Issue 6 – Improving competitiveness of inputs to the supply chain
- Issue 9 – Assessing the effectiveness of incentives for investment and job creation

Background:

The ability to attract and retain affordable and appropriate labour is a major concern of the horticulture sector.

Horticulture is a labour intensive (mostly seasonal) sector, accounting for approximately one third of all employment in the agriculture industry (Horticulture Australia Limited, 2010). It also comprises mainly small-scale family farms (DOA, Horticulture Fact Sheet, 2012).

There are 59,500 people employed in Australia's horticulture and fruit sector (DAFF ACS, 2013), which is a decrease on 2003-04 employment figures when 96,000 were employed in the sector. Note the comparison to other agriculture segments; 130,000 persons employed in grains, sheep and beef cattle, 21,300 persons employed in dairy cattle.

Growers need reliable access to skilled workers for day-to-day farm management tasks and short-term labour during harvest and other busy times throughout the year. According some industries in the horticulture sector labour costs can account for up to 44 - 50 per cent of horticulture business's costs of production. By comparison, wages account for 14 per cent of total costs associated with the broader agriculture sector (DAFF ACS, 2013).

The Agricultural Competitiveness Issues Paper notes that Australia's horticultural industries rely on seasonal backpacker labour and temporary workers from the Pacific and Timor Leste. To assist industry in sourcing temporary workers, the Work and Holiday (subclass 462) visa (WHM) and the Seasonal Worker Program (subclass 416) (SWP) were introduced. Additionally, Working Holiday visas (subclass 417) and Temporary Work (Skilled) visa (subclass 457) provide additional avenues to boost labour supply for the horticultural sector.

HTF notes that while these measures are essential for the industry, there is opportunity for government to improve job creation and labour programs and conditions.

4.3.1. Superannuation administration and payments issues

Under the current arrangements relating to eligible temporary resident visas (e.g. subclass 417 or 462), persons departing Australia permanently are entitled to receive a refund of superannuation contributions paid by their former employers on their behalf.

HTF is of the view that superannuation payments to employees under temporary visa arrangements (that are refunded on departure) add to already substantial employment costs and that Government should review the superannuation refund payment arrangements.

Key Recommendation:

- Review the current superannuation system for working holiday makers, in particular the sole purpose test for superannuation, increasing the minimum threshold for contributions under the superannuation guarantee charge (SGC), and visa holders' access to funds only after leaving Australia; and
- Removal of superannuation payments for backpackers. In the absence of this measure, monies paid by the sector that are not repaid to back packers should be directed to Horticulture Australia Limited (HAL) for R&D purposes, rather than retained within the Commonwealth's Consolidated Revenue.

4.3.2. Affordable, skilled and R&D focussed labour, and lack of R&D resources constraining possible future research in the area

Central to the success of horticulture is the people who work in the industry – business owners, managers, workers and personnel in technical, research and service roles.

The supply of skilled labour over the long term in the horticulture sector will be challenged by industry specific and broader labour market shifts. For example the median age of agriculture growers is approximately 53 years (ABS, 2013). Agricultural Competitiveness Issues Paper notes a declining number of students are opting to study agriculture and related fields, leaving an increasing shortage of people employed in these positions as the current generation retires. Without incentives and encouragement to students to study in these fields, there will not be the researchers and other occupations required to increase Australia's rural R&D capability.

The Agricultural Competitiveness Issues Paper notes that attracting workers at the right time and with the right skills is becoming more difficult for many farmers – particularly in remote areas.

HTF notes that there is a lack of access to affordable, skilled and R&D focused labour.

There is a role for Government to address the perception of horticulture as a career option and target all levels of the education sector with particular focus on developing career paths in the VET and tertiary education sector to attract young people to the industry.

One member of the HTF noted that in 2011 there had been a lack of positions in Production Horticulture Certificates offered by the Queensland TAFE system. By comparison, positions in lifestyle horticulture had been plentiful. Without positions in production horticulture, it is difficult to attract and upskill a new generation of employees in the industry.

A secure labour supply for harvesting is vital to the success of the horticultural industry. Industry and government need to work together, as they have under the SWP, to ensure that unskilled labour is available when required.

Key Recommendations:

- Implement strategies to encourage more people into horticultural roles and maximise retention by ensuring these roles are linked to career development;
- Facilitate access to training and skills development, including improved training pathways and development opportunities for employers and employees through targeted skill sets, flexible delivery and funding support;
- Relax requirements around the Working Holiday visas to allow for extended employment options, and reduce the burden of associated administrative obligations on farmers;
- Streamline processes in regard to managing labour (including temporary workers) in the horticultural sector; and
- Work collaboratively with education providers and other agriculture industries to engage and attract people.

4.3.3. Penalty / Holiday work over the harvest season

HTF considers that penalty rates are prohibitive in business management decisions and impact profitability.

HTF also considers that flexibility should be incorporated into industrial relations regulation to meet the unique labour and seasonal needs of the horticulture sector.

Key Recommendations:

- Refine the industrial relations framework to deliver an affordable and flexible system for business owners and fair pay and conditions for horticulture workers;
- Allow for enhanced flexibility in awards and agreements to accommodate the specific characteristics of the horticulture industry, which is subject to diverse nature and crop conditions; and
- Protect the horticulture industry from an expansion of penalty rates and/or public holiday rates applying to casual labour in the workforce.

4.4. Regulatory Constraints

White paper sections:

Issue 7: Reducing Ineffective Regulations

Background:

Australia agricultural businesses are currently subject to a large number of regulations that touch upon all aspects of their businesses. It has been estimated that the total cost of complying with all farming regulations constitutes 4.5% of total expenses occurred by farming businesses and approximately 20 working days are consumed per annum in administration time (Homles Sackett, 2014 p.6). Addressing ineffective or duplicated regulations between different levels of government is essential to the long term international competitiveness of the Australian Horticultural Sector.

A number of regulations are highlighted below that are currently constraining horticultural industries including:

- Regulation of Agricultural and Veterinary Chemicals;
- National Organic Standard; and
- Country of Origin Labelling.

4.4.1. Regulation of Agricultural and Veterinary Chemicals

Access to chemicals is critical in providing cost effective and timely management of pests, weeds and crop diseases. HTF notes that many of the chemicals commonly utilised in their respective horticultural industries are under review or scheduled to be reviewed in the near future by the Australian Pesticides and Veterinary Medicines Authority (APVMA), which controls registration of chemicals and issues chemical permits. HTF notes that experience has shown that these reviews have previously resulted in reduced access or increased costs of common chemicals and, in some instances, deregistration of chemicals for agricultural use.

Any reduction in access to currently used chemicals would be compounded by Australia experiencing a lower number of new chemicals available for crops relative to comparable agricultural economies, such as the United States and Canada. Between 2008 and 2012 the number of new chemical registrations were similar between the

three sampled countries, although the number of crops attached to chemical labels was approximately a third of the number attached in the United States and Canada.

Chemical Type	Australia		United States		Canada	
	No. of New Chemicals	Average No. of Crops per label	No. of New Chemicals	Average No. of Crops per label	No. of New Chemicals	Average No. of Crops per label
Fungicides	10	7	9	32	7	21
Herbicides	8	2	7	11	5	11
Insecticides	7	9	6	25	4	30
Plant Growth Regulators	1	1	0	0	0	0
Total	**26**	**19**	**25**	**68**	**17**	**62**

Source: Grain Producers Australia, 2014 p.4

HTF notes that many major chemicals available in The United States and Canada are not registered in Australia or have the number crops limited per label. The perceived driver for the reduced number of registered crops in Australia relative to other countries stems from the long time frames and significant costs incurred in the testing and verification process per chemical and crop per label performed by APVMA. These time delays and registration costs increase the economic cost of registering new products in Australia and may be acting as a disincentive to chemical companies in bringing these chemicals or limiting the number of crops in Australia. As a result, a number of horticultural industries feel that they have been denied access to cleaner, softer chemicals readily available to their industries internationally.

The proposed move by the APVMA to full cost-recovery is likely to have a significant adverse impact the horticulture sector. We estimate that under a fully cost recovered approach the lowest fee for a permit renewal would be $3,667, where no additional data is required, effectively a 10-fold increase when compared to the current $350 fee. Should additional data be required the renewal fee would be $8,933 per application. The financial burden this would place on existing permit holders would be significant and for many individuals and smaller industries effectively put paid to any possibility of them seeking renewal. Essentially, full cost recovery for permit extensions would be detrimental as it would severely limit the capacity of all growers, not just those of minor crops, to gain and maintain access to new agvet chemicals.

Key Recommendations:

- A consistent set permit fee, at the currently charged level, should be maintained;

- Review and incorporate US, Canadian and New Zealand chemical registration findings to facilitate Australian chemical registration processes and reduce testing timeframes; and
- HTF notes that 'market failure' in horticulture chemical registration should encourage government intervention through:
    - A greater emphasis on investment in R&D, in particular:
        - New technologies are required, not only to replace lost chemicals, but also to improve the effectiveness of chemical and non-chemical management tools, to lower farm and pack-house treatment costs, and to achieve greater market access; and
        - Funding new technologies is beyond the scope of the matched levy system and requires additional funding to develop game-changing innovations. Far greater investment is required in Sterile Insect Technology for fruit flies.
    - A more effective regulatory environment, including:
        - National harmonisation of chemical management;
        - Cutting red tape costs associated with the minor use system - currently it is both time consuming and costly for growers, with industry having to fund data generation needed to support a minor use permit application, rather than the cost being incurred by the chemical companies;
        - Replacing existing regulatory arrangements with a system mirroring the best overseas practice (which might also alleviate the 'minor use of label' issue, which is contentious within horticulture where regions have differing views); and
        - Removal of the need for registrants to duplicate data already accepted by other western nations such as New Zealand and the USA.

4.4.2. National Organic Standard

The total farm gate value of certified organic products in Australia in 2011 was estimated to be $300m, of which the horticulture sector commands a significant share (approximately 40 per cent) (Australian Organic Market Report, 2012).

There are concerns regarding the existing regulatory system for organic products. In particular, the national standard failed to detail what being organic is, meaning that organic standards may not be enforceable. The creation of a mandatory regulatory system for organic products that is monitored and enforceable would address this concern.

Australia does not have a mandated regulatory system for organic products. Instead, organic certification is performed by several organisations that are accredited by the Department of Agriculture, Fisheries and Forestry under the National Standard for Organic and Biodynamic Produce. Currently there are seven registered DAFF accredited certifying bodies in Australia. While certifying organisations must comply with the national standard, each has variations.

Key Recommendation:

- Implement and enforce a National Organic Standard for domestic and export produce with a central certification body.

4.4.3. Country of Origin Labelling

The current Country of Origin labelling (CoOL) laws for food are insufficient to assist consumers in making informed decisions about the source of fresh and processed foods they purchase. This has unintended consequences on the viability of Australian producers. HTFsuggest that the country of origin labelling (CoOL) should be reviewed by Government to enable consumers to make informed purchasing decisions.

Key Recommendations:

- Simplification of the Current Country of Origin system. This system should be mandatory and will enable consumers to easily identify whether a product is from overseas or, in the case of a mixed processed product, the product must meet a specific threshold of Australian ingredients;

- A 90 per cent benchmark in relation to processed products be instituted – meaning that in order to make the processed claim ‘Made of Australian ingredients’, a product must contain 90 per cent or more Australian ingredients by total weight excluding water;
- A water neutral position with regards to processed products be adopted;
- The use of “Made in Australia” to label foods, partly grown or produced in Australia, is prohibited;
- The abolishment of ‘Produced in Australia’ and ‘Product of Australia’ as valid labelling defences under Consumer Law. A simple ‘Grown In’ defence should be permitted, so that products that are grown in a particular country can be labelled as such;
- Unpackaged fresh food is required to identify the country of origin where the food was grown; and
- Food labelling laws be more effectively enforced.

4.5. Improving Competitiveness of Inputs to the Supply Chain and Post Farm Gate Sales

White paper sections:

- Issue 4 – Increasing the competitiveness of the agricultural sector and its value chains
- Issue 6 – Improving competitiveness of inputs to the supply chain

Background:

The Agricultural Competitiveness Issues Paper highlights that the importance of the agriculture sector extends well beyond the farm gate (Issue 4: Increasing the competitiveness of the agricultural sector and its value chains). Post farm gate, the agricultural sector is subject to market concentration, standards, and food packaging and labelling.

4.5.1. Post farm gate sales market highly consolidated

HTF is concerned regarding the market power imbalances in the agricultural supply chain.

The horticulture sector consists of large numbers of small business operations at the farm level. Concentration significantly increases further up the supply chain. For example, as stated in the Agricultural Competitiveness Issues Paper, in the grocery sector Woolworths and Coles own a combined 80 per cent of supermarkets. This high level of concentration leads to imbalances in negotiating power between farmers and others in the supply chain and puts farm profitability at risk.

Key Recommendations:

- HTF acknowledges that there are existing measures in place, such as the Horticulture Code of Conduct, and that Government is undertaking a review of competition laws, policy, and broader competition framework. However HTF supports further strengthening of these measures to address the market power imbalances in the agricultural supply chain.

4.5.2. Improving the competitiveness of inputs to the supply chain

The Agricultural Competitiveness Issues Paper highlights that a competitive agriculture sector requires farmers to apply their skills using various inputs as efficiently as possible to produce farm outputs that they can sell profitably. However the operating environment for farmers is dynamic and often complex as currency, weather patterns, commodity prices and yields can vary considerably across seasons (Issue 6: Improving the competitiveness of inputs to the supply chain).Government policy can at times place further burden on cost of inputs impacting farm profitability (e.g. Clean Energy Future legislation).

HTF is of the view that increasing input costs to the horticulture sector were having a significant impact on profitability. Australian food production is reliant on a number of critical inputs including labour, water, fuel, electricity, and fertiliser.

Key Recommendations:

- Government undertakes to review input cost pressures to the horticulture sector. (Refer to sections covering labour and other input that is discussed in isolation). There are several avenues for Government to consider the impacts of input costs on the horticulture sector. These include the Energy White Paper and the Clean Energy Future legislation. The Energy White Paper will set out Government's approach to energy policy to reduce pressures on households and businesses and improve Australia's international competitiveness.
- Government to provide assistance to the horticulture sector to offset the impacts associated with indirect exposure under the Clean Energy Future legislation. This would help manage increased costs passed through the supply chain, such as electricity.

Case study: ABARES, Australian vegetable growing farms: an economic survey, 2010-11 and 2011-12 (2012).

Vegetable growers and processors have experienced the effects of carbon pricing since its introduction on 1 July 2012.

It is estimated that input costs for vegetable growing farms will increase by around 0.2 per cent and 0.3 per cent in 2012-13 and 2014-15 respectively as a result of higher electricity and transport costs.

It is estimated that processing costs per tonne of vegetables produced will increase by an estimated $8.38 and $12.61 in 2012-13 and 2014-15 respectively.

4.5.3. Transportation costs

A common theme raised by the HTF related to the cost associated to the transportation of horticultural products.

The key issues referred to by the HTF included constraints of moving produce from an assigned market to a distribution centre, increased regulation (e.g. driver limits and its impact on missing supply contracts) and recent increase in transportation costs over the last 18 months (in the order of 130%).

Key Recommendation:

- Government to review costs associated with transportation and the associated impact on agricultural industries.

4.5.4. R&D and innovation

HTF supports the Government's view provided in the Agricultural Competitiveness Issues Paper that investment in R&D and its adoption on-farm through extension are integral to the competitiveness of Australian agriculture (Issue 6: Improving the competitiveness of inputs to the supply chain). Innovation should be a key driver to Australia's future competitiveness.

The Government has previously noted that soundly based rural R&D can have important benefits, including:

- Improving the productivity and competitiveness of the rural sector;

- Contributing to better environmental and social outcomes;
- Facilitating structural adjustment; and
- Strengthening rural communities.

The importance of R&D investment and its link to productivity improvement has been the source of previous studies, including Sheng, 2011, which highlighted the importance of R&D and agricultural outcomes.

Key Recommendation:

- Investment in R&D to, at a minimum, be maintained, but preferably increased, to overcome issues that affect profitability of the horticulture sector.
- HTF recommends that there should be a national initiative on Mechanisation, Automation, Robotics and Remote Sensing (MARRS). The success of this initiative would require leadership and support from the Commonwealth to help drive the required transformational research.

Case Study – Mechanisation, Automation, Robotics and Remote Sensing (MARRS) Initiative

The horticulture sector believes that innovation should be a key driver to Australia's future competitiveness. Australia is currently at a major disadvantage compared to other food producing countries in terms of the cost of labour for semi-skilled and un-skilled horticultural work. Mechanisation is the key area of innovation that warrants significant Government leadership and investment as a means of improving our international competitiveness.

The horticulture sector recommends that there should be a national initiative on Mechanisation, Automation, Robotics and Remote Sensing (MARRS). The success of this initiative would require leadership and support from the Commonwealth to help drive the required transformational research.

Given the financial scale of the MARRS initiative, the required funding would be beyond the realm of the industry's Research and Development Corporation - HAL. Despite its invaluable role in the industry, HAL does not have the financial capacity to raise adequate funds for an across-horticulture project of this scale. Current individual industry levies are inadequate for this initiative and are required for other essential ongoing R&D priorities.

4.5.5. Imported Product Equivalence

HTF seeks to raise two key concerns relating to imported product equivalence; food safety and levies.

All imported food should at least match all relevant food safety standards and requirements for Australian produce. Australian consumers should be able to purchase and consume all food products with the confidence that they meet Australian standards.

In relation to levies on imported products, HTF draws attention to Margetts (2006) paper that investigated the likelihood and, if possible, the pathway/s to having existing statutory levies on fresh and processed horticultural produce applied to imported horticultural produce. The report was prepared in response to growing concern that imports of fresh and processed horticultural food products are increasing and that these imports are gaining advantage from the marketing efforts of levied Australian producers.

Key report findings are provided below:

- That it is feasible for imported charges (levies) to be applied that are WTO consistent. HTF also understands there is a precedent in the USA where imported product is required to pay levies.
- The horticultural industry sectors that could benefit most significantly in the current trading environment are the avocado, dried vine fruit and macadamia industries, if certain conditions related to 'like' product apply for the later two industries. Given that levels of imports are likely to rise in the coming years, more horticultural industry sectors may benefit from the application of an import charge.

Key Recommendation:

- Government should consider the pursuing import charges (levies) on horticultural produce.

5.0 Recommendations

Section	Key Recommendations
4.1.1. Free trade agreements	• Increase resources, particularly with agricultural and commercial expertise, available to the Department of Foreign Affairs and Trade and the Department of Agriculture for the negotiation of trade agreements. • Engage with the horticultural industries prior to, and during, the negotiation process to ensure agreements are commercially viable and sustainable. • Finalisation of Free Trade Agreements with China, Indonesia, India and the Gulf countries with the removal of non-trade barriers such as tariffs and quotas for all horticulture commodities; • Reducing export compliance costs; • Achieving greater acceptance of the authorised officer system by foreign officials; • Development of an export strategy for horticulture and a 'Team Australia' approach; and • Development of an Australian "brand" (to build upon the clean, green, safe image of Australian agriculture and counteract those of our competitors such as the 100% Pure NZ).
4.1.2. Market Access Constraints	• A faster process to finalise phytosanitary and sanitary protocols, including increased frequency of bilateral negotiations; • The appointment of Horticultural Trade Attache's to follow up with, and maintain pressure on, foreign officials to progress access and protocol deliberations between formal trade negotiation events; • Increase resources, particularly with agricultural and commercial expertise, available to the Department of Foreign

Section	Key Recommendations
4.1.2. Market Access Constraints (cont.)	Affairs and Trade and the Department of Agriculture for the negotiation of importation and phytosanitary protocols. • Engage with the horticultural industries prior to, and during, the negotiation process to ensure agreements are commercially viable and sustainable. • Amend Australian phytosanitory export requirements for countries that do not possess phytonsanitary import limits to contain reasonable tolerance limits for pests and soils in plant exports in line with New Zealand's approach. • Ensure the Manual of Importing Country Requirements database is appropriately resourced and maintained to contain up to date information that reflects current trading requirements and can be utilised by the Department of Agriculture Plant Export Operations in providing the horticultural sector with advice.

4.2.1.
Import Risk Analysis
	• Review the methodology of the Risk Estimation Matrix in line with the Peace and Eminent Scientists Group reports to simplify and clarify the process of Import Risk Assessments;
	• Preserving the Eminent Scientists Group (ESG) to assess conflicting scientific views to ensure that:
	  • All technical submissions received from stakeholders have been properly considered; and
	  • The conclusions of Biosecurity Australia are scientifically reasonable. Transparency around the use of new information and scientific assessment is critical to stakeholders. The ESG should apply to IRAs as well as Non-Regulated Policy Reviews.
	• Improving the appeals process of an IRA (or Non-Regulated Policy Review) to ensure not only, that procedural steps are followed, but also that Biosecurity Australia has undertaken

Section	Key Recommendations
4.2.1. Import Risk Analysis (cont.)	what is required of them during an IRA. For example, this includes having identified and evaluated all pests and diseases of quarantine concern, assessed the likelihood that an identified pest or disease would enter, establish or spread, assessed the probable extent of the harm that would result and identified appropriate measures to meet Australia's ALO; • Cease the issuance of import permits whilst an IRA (Policy review) is underway; • Development of a comprehensive and science-based appeal mechanism for import risk assessments to ensure transparency and rigour; and • There is a clear need to continue legislative reforms to ensure Australia operates a cost-efficient and international best practice biosecurity system. In doing so however, it is critical to address the fundamental flaws in the current import risk assessment process by implementing the unanimous recommendations of the Senate Rural and Regional Affairs and Transport References Committee relating to proposed imports of pineapples from Malaysia, ginger from Fiji and potatoes from New Zealand.
4.2.2. Application of Biosecurity Measures	• The recommendations of the Beale Review be implemented in such a way that industry is not put undue risk and that there are no further costs passed onto producers; • There be a tightening of the definition of Australia's Appropriate Level of Protection (ALOP) in any new Biosecurity Bill with emphasis on the environment, community and industry; • Ensure that Commonwealth and State Government biosecurity functions are appropriate resourced for dealing with exotic pests and are able to share information across agencies in a timely fashion.

Section	Key Recommendations

4.2.2.
Application of Biosecurity Measures (cont.)
	• Undertake research and development to incorporate technology into the assessment process of imports and provide assurance to export partners.
	• Tasmania is recognised as an area of regional biosecurity differentiation.
	• The Commonwealth and the State Governments increase resourcing (Commonwealth to ensure latter) to achieve:
	  • Improved surveillance co-ordination and enhanced pest and disease data collection;
	  • Adequate capacity to respond quickly to incursions and undertake diagnosis; and
	  • Maintenance of corporate knowledge and human capability of biosecurity within government.
	• Biosecurity matters across all jurisdictions are harmonised, including removing duplication and closing gaps.
	• Biosecurity is recognised predominantly as a public good to stem the continual shift of costs to industry.
	• Enhancement of engagement and partnerships with industry on development of Regulations relating to the Legislation and review of performance. Overcome the situation in which Government refers to Biosecurity as a Partnership, but is currently acting in isolation e.g Development of Intergovernment Agreement on Biosecurity (IGAB) and National Environmental Biosecurity Response Agreement (NEBRA).

Section	Key Recommendations
4.3.1. Superannuation Administration and Payments Issues	• Government to review the current superannuation system for working holiday makers, in particular - the sole purpose test for superannuation, increasing the minimum threshold for contributions under the superannuation guarantee charge (SGC), and visa holders' access to funds only after leaving Australia. • Removal of superannuation payments for backpackers. In the absence of this measure, monies paid by the sector that are not repaid to back packers should be directed to Horticulture Australia Limited (HAL) for R&D purposes, rather than retained within the Commonwealth's Consolidated Revenue.
4.3.2. Affordable, Skilled and R&D focused labour	• Implement strategies to encourage more people into horticultural roles, and maximise retention by ensuring these roles are linked to career development. • Facilitate access to training and skills development, including improved training pathways and development opportunities for employers and employees through targeted skill sets, flexible delivery and funding support. • Relax requirements around the Working Holiday visas to allow for extended employment options, and reduce the burden of associated administrative obligations on farmers. • Streamline processes in regard to managing labour (including temporary workers) in the horticultural sector. Work collaboratively with education providers and other agriculture industries to engage and attract people.

Section	Key Recommendations
4.3.3 Penalty / Holiday Work Over the Harvest Season	• Refine the industrial relations framework to deliver an affordable and flexible system for business owners and fair pay and conditions for horticulture workers • Allow for enhanced flexibility in awards and agreements to accommodate the specific characteristics of the horticulture industry, which is subject to diverse nature and crop conditions. • Protection of the horticulture industry from an expansion of penalty rates and/or public holiday rates applying to casual labour in the workforce.

4.4.1.
Regulation of Agricultural and Veterinary Chemicals
	• Review and incorporate US, Canadian and New Zealand chemical registration findings to facilitate Australian chemical registration processes and reduce testing timeframes.
	• A consistent set permit fee, at the currently charged level, should be maintained;
	• HTF notes that 'market failure' in horticulture chemical registration should encourage government intervention through:
	  • A greater emphasis on investment in R&D, in particular:
	  o New technologies are required, not only to replace lost chemicals, but also to improve the effectiveness of chemical and non-chemical management tools, to lower farm and pack-house treatment costs, and to achieve greater market access; and
	  o Funding new technologies is beyond the scope of the matched levy system and requires additional funding to develop game-changing innovations. Far greater investment is required in Sterile Insect Technology for fruit flies.

Section	Key Recommendations

4.4.1.
Regulation of Agricultural and Veterinary Chemicals (cont.)
	• A more effective regulatory environment, including:
	  ○ National harmonisation of chemical management;
	  ○ Cutting red tape costs associated with the minor use system - currently it is both time consuming and costly for growers, with industry having to fund data generation needed to support a minor use permit application, rather than the cost being incurred by the chemical companies;
	  ○ Replacing existing regulatory arrangements with a system mirroring the best overseas practice (which might also alleviate the 'minor use of label' issue, which is contentious within horticulture where regions have differing views); and
	  ○ Removal of the need for registrants to duplicate data already accepted by other western nations such as New Zealand and the USA.

4.4.2. National Organic Standard	• Implement and enforce a National Organic Standard for domestic and export produce with a central certification body.
4.4.3. Country of Origin Labelling	• Simplification of the Country of Origin Labelling system. This system should be mandatory and will enable consumers to easily identify whether a product is from overseas or, in the case of a mixed processed product, the product must meet a specific threshold of Australian ingredients; • A 90 per cent benchmark in relation to processed products be instituted – meaning that in order to make the processed claim 'Made of Australian ingredients', a product must contain 90 per cent or more Australian ingredients by total weight excluding water;

Section	Key Recommendations
4.4.3. Country of Origin Labelling (cont.)	• A water neutral position with regards to processed products be adopted; • The use of "Made in Australia" to label foods, partly or wholly grown or produced in Australia, is prohibited; • The abolishment of 'Produced in Australia' and 'Product of Australia' as valid labelling defences under Consumer Law. A simple 'Grown In' defence should be permitted, so that products that are grown in a particular country can be labelled as such; • Unpackaged fresh food is required to identify the country of origin where the food was grown; and • Food labelling laws be more effectively enforced.
4.5.1. Post Farm Gate Sales Market Highly Consolidated	• Strengthening of the Horticulture Code of Conduct and competition measures to address the market power imbalances in the agricultural supply chain.
4.5.2. Improving the Competitiveness of Inputs to the Supply Chain	• Government to undertake a review into managing input cost pressures to the horticulture sector. There are several avenues for Government to consider the impacts of input costs on the horticulture sector. These include the Energy White Paper and the Clean Energy Future legislation. Government to provide assistance to the horticulture sector to offset the impacts associated with indirect exposure under the Clean Energy Future legislation.
4.5.3. Transportation Costs	• Government to review costs associated with shipping transportation and the associated impact on agricultural industries

Section	Key Recommendations
4.5.4. R&D and Innovation	• Investment in R&D to - at a minimum - be maintained, but preferably increased, to overcome issues that affect profitability of the horticulture sector. For example, mechanisation is a key area of innovation that warrants significant Government leadership and investment as a means of improving international competitiveness. • The horticulture sector recommends that there should be a national initiative on Mechanisation, Automation, Robotics and Remote Sensing (MARRS). The success of this initiative would require leadership and support from the Commonwealth to help drive the required transformational research.
4.5.5. Imported Product Equivalence	• Government should consider the pursuing import charges (levies) on horticultural produce.

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