

Agricultural Competitiveness Taskforce
Department of Prime Minister and Cabinet
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17 April 2014

WoolProducers Australia (WPA) is the national voice of Australian woolgrowers. We play a key role by working with the companies funded by growers - whether compulsory levies or fees for service - to develop constructive and profitable outcomes for industry.

Our representation covers dedicated positions on the committees and boards of government, national organisations and grower bodies, including National Farmers' Federation, CRC for Sheep Industry Innovation, Animal Health Australia, Australian Wool Innovation, Australian Wool Testing Authority, Australian Wool Exchange, Federation of Australian Wool Organisations and through to the International Wool and Textile Organisation.

Our membership includes

- NSW Farmers Association
- Victorian Farmers Federation
- Livestock SA
- Western Australian Farmers Federation
- AgForce Queensland
- Tasmanian Framers and Graziers Association

The wool growing industry in Australia is a critical cornerstone for regional Australia and agriculture in general. The export value of wool is third only to the grouping grains and oilseeds, and the meat and live export agricultural commodities.

The Australian sheep flock is overwhelmingly Merino (76 per cent) and we produce the world's finest wool, supplying 90 per cent of the wool used in the global apparel market. China is still our key market and the Chinese wool textile industry dominates world trade in wool, accounting for just under half of the global imports of raw wool. Other crossbred wool is also an important renewable resource and used for upholstery, carpeting and other non-apparel items.

It is with great pleasure that we submit the following response into the Agricultural Competitiveness White Paper consultation.

There are so many diverse, and often conflicting, issues to address and priorities needed to action to ensure a vibrant, profitable and competitive Australian woolgrowing sector. Many of these issues are highlighted within the government's white paper.

When considering these issues, and the responses from stakeholders, it is critical that they are considered as a functioning whole. That tackling one priority area in isolation can lead to increasing pressures on other areas.

The initiative by government to undertake this work by Prime Minister and Cabinet shows an understanding of the complexity of the agricultural sector and the issues that affect profitability. WPA urges that the government consider recommendations utilising a strategic and multifaceted approach which works in concert (and not to the detriment of) the efforts being pursued by State/Territory governments, and the diverse industry the agricultural portfolio represents.

In summary the following highlights the priority issues for Australian woolgrowers

- Biosecurity
 - Australia's safe and clean reputation must be fiercely protected at pre-border, border and post-border points
 - Federal, state/territory and industry partnerships (cost sharing) is a cornerstone of Australia's biosecurity arrangements and all parties need to continue to resource their responsibilities
- Reduction of red/green tape
 - Harmonisation of legislation across all levels of government
 - APVMA – 'root and branch' review to improve output and service to growers with a focus on harmonization of registration and implementation of economies of scale at State/Territory level
- Attraction and retention of personnel in the industry, both at a grower and wool harvesting level
 - Competition for land and human resources is increasing and work is needed to promote agriculture career and opportunities
 - Government to fiercely defend and support Australian agriculture from threats – to work with industry to Build confidence in the industry, especially with urban Australia
 - The development of a trade specific (woolharvesting) visa system that would allow international shearers and shed hands to travel and work in Australia.
- Export market access and more critically maintenance
- Infrastructure
 - Australia needs world class infrastructure to efficiently move product to market
- Drought relief and preparedness strategies
 - Drought is a long term issue and government must work with industry to ensure long-term practical strategies are sufficiently resourced
- Greater oversight into RDE&M levy expenditure and a greater commitment to both on-farm Research and extension services
 - Legislated relationship between RDCs and Industry peak bodies – provides greater transparency and efficiencies to the wider industry
 - RDE&M spend must be more accountable to Australian woolgrowers
- Strategic, integrated pest management – Wild Dogs, Wild Pigs, Foxes, Rabbits and feral cats
 - Invasive animal control is critical to profitability for woolgrowers and must be addressed federally, State/Territory, locally and by landowners
 - Access to strategic, overarching priority areas within the new Landcare/Caring for our Country grants
 - Implementation and resourcing for the National Wild Dog Action Plan
 - Strategic research to facilitate greater and more integrated approach to vertebrate pest management
- Greater recognition of farmers as the stewards of the land and the work they do

The above overarching issues are all important areas for woolgrowers and need careful consideration and commitment by the Australian federal government. Following are some comments as they relate to the specific issues within the government paper.

Issue 1 Ensuring food security in Australia and globally

At this point WPA would like to correct the above to include the importance of the fibre industry in Australia and that we consider 'food and fibre' security when responding to this point.

- Australia's competitive advantage is the supply of safe and clean product to the world. The government must fiercely protect this advantage by continuing and enhancing all biosecurity measures currently in place and by working with industries to ensure our safe and clean advantage is maintained and our biosecurity systems and methodologies are world class and delivering the outcomes that Australian industry needs
- To be more competitive growers must be confident of a fair price for produce and given tools and processes to be able to negotiate greater farm-gate profits. Greater understanding across supply chains and mechanisms for better relationships with buyers will encourage this ability
- Infrastructure is critical – ability for produce to move quickly and efficiently from farm gate to retail to consumer ensures sustainability. This priority needs a whole of government approach
- Reduction to regulatory impediments – less time spent adhering to duplicate requirements will assist productivity

Issue 2 Farmer decisions for improving farm gate returns

- Build capacity for growers, and especially young growers, to make more informed decisions - access to business management, risk assessment and operations assistance to work with growers on long-term decision making
- RDC have a critical extension component within their charter. Performance of these organisations should be linked to the productivity of an industry (or an increase to farm gate returns). This measurement would ensure greater accountability of the RDC due to its own ability to really assist levy payer ability for them to secure greater returns on-farm
- Drought is a factor that will happen to many growers. Long – term focus by government is critical and needs consideration urgently to future proof agricultural industries. This action must be pursued in concert with State/Territory governments and industry and then long term strategies resourced and implemented.
- Equipping industry to tackle environmental/animal activist and other threats to profitability. Government must work with industry to promote the credentials of Australian growers and practices. In many cases Australian growers are delivering 'world best-practice' on animal health and welfare issues. This must be promoted and applauded by government. Work with industry associations to promote and unashamedly protect the interest of Australian growers will assist reputation and understanding across all sections of the community. Farmers are essential and need to be congratulated, not demonised. The Federal government have a role here to work across the rural – city divide.

Issue 3 Enhancing access to finance

- Understanding debt rises with drought – long-term strategic preparedness and planning essential (above)
- Work with industry and the financial sector to facilitate an environment where more cooperative and collaborative approaches would provide improved economies of scale and efficiencies for growers and also capacity to invest in new technology/equipment. Therefore enhancing their ability to be more competitive.

Issue 4 Increasing the competitiveness of the agriculture sector

Since 2009, 98% of the Australian wool clip has been exported and this is because Australia can no longer access the facilities, in a commercially viable way, to process raw wool into garments. Uneconomic manufacturing costs have meant that the Australian clip is processed overseas and then sold from these countries as a high quality, luxury product. While Australian growers are still moving this incredible fibre as a bulk commodity, and therefore receiving commodity, not product, price for it.

Wool is a luxury product and as such the sheep requires much maintenance and care (cost inputs) before the raw wool is even sold at auction. The process to grow wool and get out the farm gate is expensive (compared to other agricultural industries), and growers need to start seeing real and equitable price return.

Growers must be able to negotiate on a level platform to increase the value of their clip.

Government can assist here by performance reviewing AWI against actual returns gained by the levy paying woolgrowers.

Issue 5 Enhancing agriculture's contribution to regional communities

Agricultural industry is absolutely critical to the sustainability of regional communities as farmers assist build and sustain the local industries.

Government can assist

- Promotion and fierce appreciation for the agricultural industries and the regions they produce in
- Encourage and assist with on-farm diversification. Not encouragement to leave farming but rather work with growers to develop on-farm extra income
- Indigenous communities – Woolgrowers need human resources both on-farm and more importantly at shearing time. These shed are often remote and the ability to work with a population that is based near the shed greatly assists. Promotion and work with communities would assist industry enjoy the workforce required.
- Enhance the desirability of the sector as a career choice. This means highlighting and building on the career benefits and strengths of the sector compared to other employment opportunities.
- Ensure that rural and regional communities are desirable places to live. This includes ensuring that essential community services and infrastructure – such as transport, housing, health, telecommunication and education services – are improved.
- Build awareness and knowledge of the opportunities available in the sector. This must start in the early years of education to develop the understanding and appreciation of

the agriculture sector, following through to secondary and tertiary education so that young people can identify a career pathway.

Issue 6 Improving the competitiveness of inputs to the supply chain

- A 'root and branch' review and critical appraisal of the work and the urgency of output of the APVMA is essential to improve the efficiency and ability of growers to undertake animal husbandry activities to best practice and also to manage and control pest animals and weeds. The current APVMA registration process is far too slow and onerous to the point that international competitors often have access to farm chemicals much sooner than Australian farmers. This has a detrimental effect on the productivity and profitability of Australian producers.
- Farmers are the custodians of 53% of Australia's landmass and are the environmental stewards. They need to be recognized for this not imposed with restrictive and impractical regulations to comply
- RDC's should be focused on sustaining productivity/profitability of growers and should be measured by their ability to do this. Further to this all RDC's should be connected through legislation to a recognised industry body. For example, the wool industry RDC Australian Wool innovation has no legislated relationship with the wool industry peak body WoolProducers Australia. This lack of industry oversight is concerning to Australian woolgrowers who are looking for transparency of levy funding expenditure and a greater ability to consult on the priorities of Australian wool growers for research funding.

Issue 7 Reducing ineffective regulation

- Harmonisation of all Federal and State/Territory legislation with a focus on the elimination of any duplication is urgently required.

Issue 8 Enhancing agricultural exports

- Promotion of 'Team Australia' and a mechanism to ensure all Federal and State/Territory governments plus industry are selling the world a consistent message.
- Using a Team Australia approach to enhancing exports means that an Australian product, already exporting to an overseas market, could open doors for other products if the relationships and appetite has been nourished to work with Australia growers

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

- Promotion and fierce appreciation for the agricultural industries and the regions they produce in
- Increasing investment in the agriculture sector, including through existing mechanisms, such as RD&E and taxation incentives.
- Allowing greater flexibility in labour arrangements and ensure workplace relations arrangements appropriately meet the needs of the agriculture sector, including through filling skills gaps from overseas sources.