



Department of Primary Industries

GROWING THE PARTNERSHIP OF INDUSTRY AND GOVERNMENT

Agriculture Industry Action Plan - Draft Taskforce recommendations to Government

A plan for NSW's diverse agriculture industry



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More information

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Acknowledgments

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Foreword

Agriculture, which includes farm production through the aquaculture, broad acre, horticulture, livestock, viticulture industries and agribusiness and is strongly linked to food manufacturing, marketing, transport and tourism is a critical contributor to the State's economy as well as being crucial to the economic well-being of rural and regional NSW.

In addition to its economic importance in terms of production and productivity, employment, investment and export revenue, the sector has an impact on the quality of life of all NSW residents, by supporting health and nutrition, and supplying richly diverse social and cultural lifestyles.

Based on current global and national trends, the sector has enormous potential for growth, but also faces significant challenges that must be overcome to realise that potential. This will only be possible through the coordinated efforts of all agriculture stakeholders.

This is the first time that a whole of industry and government approach to strategic planning for the sector has been undertaken in NSW. There is a growing urgency to adopt such an approach, in order to address the opportunities and challenges, community concerns around agricultural production systems, food safety and security, resource use, climate change, and animal welfare.

The NSW Government's recognition of the value agriculture has to the NSW economy has provided an exceptional opportunity through the Industry Action Plan (IAP) process, to develop and implement an integrated, comprehensive yet cost-effective strategy that will fully realise the development position of this valuable industry over the next decade and beyond.

The plan marks the first step for the sector towards a new vision and a radical shift in thinking. It is aimed at strengthening the role of the industry as a driver of sustainable economic growth, based on a coordinated and cooperative effort from industry and the NSW Government.

It recognises that commercial outcomes will ultimately be achieved by viable and resilient companies identifying and meeting customer demands; but it also recognises that the State Government has a key role in setting in place supportive policies and in providing essential infrastructure, services and regulatory frameworks that allow business to be conducted efficiently.

This draft plan contains recommendations arising from industry consultation that address key issues for the industry in the areas of productivity, innovation, labour, education, regulation, markets and community trust.

For the sector, "business as usual" is not an option. By working together – businesses, government and the community – we can ensure *"Agriculture and agribusinesses in NSW are profitable, productive and innovative, valued for their economic, environmental and social contribution to the State with NSW recognised as a world leader in the provision of high quality food and fibre products"*.

Lucinda Corrigan
Agriculture Industry Action Plan
Taskforce Chair

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Executive Summary

As part of the NSW Government's ten year economic reform plan for the State (*NSW 2021*), agriculture was identified as one of the key sectors to drive economic growth in NSW.

NSW is a significant contributor to Australian agricultural production and the most significant domestic market for its products. However the sector operates in a challenging environment, with continually declining terms of trade, strong and increasing competition in both the international and domestic marketplace, an aging workforce, a need to increase business and regulatory efficiency and changing consumer sentiment.

The Taskforce welcomes the NSW Government's leadership and sees the IAP as a critical opportunity for the industry to work with Government to capitalise on recent trends in increasing international demand for agriculture based products, particularly in Asia. If such market opportunities can be realised and maintained through increased industry competitiveness and growth, the economic benefits, to the State and regional economies in particular, would be immense.

The *Agriculture IAP Issues Paper* released by the Taskforce in June 2013, outlined what the Taskforce saw as the challenges and opportunities for the sector in NSW. Through public consultation the Taskforce gathered further insights into the key industry issues and on what industry and government can do to address them and facilitate growth.

Stakeholder feedback and analysis has led to development of the *Agriculture IAP – Draft Taskforce recommendations to Government*. The recommendations for action are based around six broad themes for action:

1. Build the appropriate frameworks to maintain the **Profitability, Productivity and Innovation** that has underpinned competitiveness of the Agriculture sector in the face of declining terms of trade.
2. Maximise the efficient use of human capital through a focus on **Workforce and Skills**.
3. Review the **Business and Regulatory** operating environment in NSW to ensure the focus is on business development in the sector.
4. Investigate new models for **Investment and Ownership** within the industry to facilitate the capital investment required to underpin growth.
5. Develop the partnerships, supply chains and operating environment to capitalise on the widely foreshadowed **Markets and Export** opportunities.
6. Improve long term market development by effectively **Connecting with Community** in building social licence for production systems and products.

The Taskforce acknowledge the IAP process is not a one-sided funding commitment from Government, rather a collaborative approach between industry and the NSW Government toward an informed, sustainable sector. The Taskforce views the role of Government in the IAP process as:

- facilitating industry led development of the IAP
- committing to addressing identified drivers and barriers to growth
- assisting industry to identify the appropriate measures required to re-align to the new industry priorities developed in the IAP.

The Taskforce supports the inclusion of this IAP within the context of the NSW Government's Economic Development Framework to position the recommendations for action.

Summary of Recommendations

1. Building the appropriate frameworks to maintain the **Profitability, Productivity and Innovation** that has underpinned the competitiveness of the Agriculture sector in the face of declining terms of trade.

Recommendation 1: Industry to continue to invest in research through industry Research and Development Corporations at the same or greater level than 2011 and to encourage increasing public-industry-private partnerships in RD&E and international collaboration.

Recommendation 2: Industry and Government to investigate R,D &E models that are best suited to the sector – for example: partnership / collaboration / co investment – hubs and spokes model under the National R,D&E framework .

Recommendation 3: Government to investigate new investment models for public private partnerships that facilitate investment in R,D&E. These will increase the profitability, productivity and sustainability of businesses, to benefit regional primary industries, secondary industries and the stewardship natural resources in NSW.

Recommendation 4: Government to investigate the development of a comprehensive database of all rural research and development projects conducted through rural research and development organisations and federal governments relevant to the sector in NSW.

Recommendation 5: Industry and Government to jointly develop a vision for the sector to 2030 and identify a collaborative pathway to achieve the vision.

Recommendation 6: Government to investigate the socio-economic drivers (demographics, economic values) of the sector with a view to policy development that best guides the transformation of the sector to achieve the industry vision.

Recommendation 7: Government to adopt an approach to policy development that actively addresses market and government failures that constrain profitability and productivity or impede sustainability of the sector.

Recommendation 8: Government to work with industry to identify opportunities and linkages across the metropolitan and regional business sectors to assist broader economic development.

Recommendation 9: Government to adopt the role of facilitator of the information market place, such that the sector is enabled in respect of access to information, knowledge and innovation that ensures profitability and productivity. Within this information market place:-

- i. Local Land Services (LLS) and NSW Department of Primary Industries (NSW DPI) provides independent support to extension delivery by private providers/consultants
- ii. Innovation based on knowledge generated by research and experience may come from all sectors with contributions from industry and producers being highly valued
- iii. Public sector agencies need not be the researcher, developer or deliverer where there are private providers capable of those roles

- iv. Knowledge, information and innovation are seen to have an economic value by producers and industry and because of this the market place can support delivery by private providers.

2. Maximising the efficient use of human capital through a focus on **Workforce and Skills**.

Recommendation 10: Both industry and government to develop an implementation plan with the recommendations of the 'Review into Agricultural Education and Training in NSW'

Recommendation 11: Both industry and government to investigate different models in the tertiary education sector (for example the 'land grant university' model) for application to NSW

Recommendation 12: Both industry and government to carry out a needs analysis for the skills and training required in technology and biosecurity

Recommendation 13: Both industry and government to development of a flexible model that is adaptive to needs of industry and the aspirations of students for the delivery of skills and training

Recommendation 14: Both industry and government to explore the development of career pathways for specific sectors of the workforce (for example, the local aboriginal communities) in rural and remote regions of NSW

Recommendation 15: Industry to promote a culture of enthusiasm for learning and skills development, to encourage excellence and leadership, to embrace innovation and technological progress

Recommendation 16: Industry to promote career pathways in agriculture, aquaculture and agri-food industries supporting opportunities for a diverse workforce.

Recommendation 17: Industry to investigate the development of a professional development scheme and / or national accreditation scheme which ensures sustainable pathways for career progression for industry consultants

3. Review the **Business and Regulatory** operating environment in NSW to ensure the focus is on business development in that sector.

Recommendation 18: Industry to review instances where red tape and duplication occurs, for example: access to resources (water / labour / logistics; impacts on small to medium enterprises of multiple layers of regulation) and for product (labelling / ingredients / market access) and to raise these issues directly with Government.

Recommendation 19: Government to continue to focus its broader agenda on red tape reduction, particularly addressing instances where there is unintended impact of policy and regulation

Recommendation 20: Government to develop a more open process for consulting with industry and for considering the net benefit to industry of government intervention through regulation.

Recommendation 21: Government to advocate nationally for the harmonization of regulations across state (particularly for biosecurity and animal welfare regulations) and international boundaries for the development of a strong sector.

Recommendation 22: Industry to develop and use industry ‘Best Practice’ guides that will demonstrate to community and government the practices carried out in the sector to reduce the need for regulation.

Recommendation 23: Government to recognise the stewardship role that the sector plays in the resource planning process for access, tenure, surety and security of resources (water / land / energy)

Recommendation 24: Government to establish processes to recognise industry best practices and to identify opportunities to reward industry with less regulations or red tape if they can demonstrate best practice approaches

Recommendation 25: Government to ensure equity and transparency in the resource planning process through the state planning reform to ensure the improved security of tenure / access to valuable natural resources

4. Investigate new models for **Investment and Ownership** within the industry to facilitate the capital investment required to underpin growth.

Recommendation 26: Industry to investigate the various models for farm/agribusiness ownership and enhance the discussion and improve awareness around the availability of capital and farm succession planning

Recommendation 27: Industry to adopt risk management-based approaches to address financial and environmental impacts and thereby develop more resilient businesses

Recommendation 28: Industry to investigate the development of appropriate mechanisms to facilitate investor interest in agriculture.

Recommendation 29: Industry to actively engage in the implementation of the NSW planning reforms through regional and local plan development processes, by understanding and articulating its investment strategies and proposing ways to effectively manage conflict

Recommendation 30: Government to continue to work towards providing greater certainty for the planning / policy development horizon (for example 20 years) to create increased security in industry’s access to resources such as land, water and energy and to allow for increased certainty for industry investment strategies

5. Developing the partnerships, supply chains and operating environment to capitalise on the widely foreshadowed **Market and Export** opportunities

Recommendation 31: Industry to promote industry best practice for production systems to enhance NSW’s reputation as “safe and sustainable” supplier

Recommendation 32: Government to refine market access certification and accreditation systems that facilitate the entry of NSW products into interstate and overseas markets in the most efficient way.

Recommendation 33: Industry and Government to develop strong partnerships centred on market access outcomes affected by biosecurity status, animal welfare, and natural resource management.

Recommendation 34: Government to lead a broad engagement and export development strategy for the sector in NSW, including targeted initiatives.

Recommendation 35: Industry to actively promote “safe and sustainable” agri-food to targeted markets domestically and internationally.

Recommendation 36: Government to actively provide advice to the federal government on policy issues such as market powers, labelling, trade including trade agreements and infrastructure needs.

Recommendation 37: Government to develop an infrastructure investment plan to prioritise key development / replacement / investments and that is consistent with industry investment strategies

6. Improving long term market development by effectively **Connecting with Community** in building social licence for production systems and products.

Recommendation 38: Industry to develop and deliver communication programs that connect with the community and directly engage farmers through information and shared values in building high levels of trust with domestic consumers.

Recommendation 39: Industry to develop a risk analysis for identified commodities and products regarding community trust.

Recommendation 40: Industry and government to seek inclusion of community trust as a research goal within the RD&E model framework.

Recommendation 41: Both industry and government to develop a communication strategy and plan that actively promotes the agriculture sector with short, medium and long term goals – linked to an active monitoring and evaluation program. This would include strategies to increase the level of trust held by the sector by the community of NSW.

Recommendation 42: Both industry and government to actively promote rural living.

Agriculture – What does this cover?

Within this IAP, agriculture covers a diverse range of businesses producing more than 100 different commodities represented under the broad groupings of Aquaculture, Broad acre, Horticulture, Livestock and Viticulture production systems. In its strictest sense the Taskforce defined agriculture as:

“Agriculture is the use of natural and man made resources for the production of food, fibre and other products including early stage processing.

There are close associations between the businesses engaged in production and supporting agribusinesses. Links to the processing sector and the array of supply chains are critical but generally not as well developed and those sectors are not considered to be “Agriculture”. The issues and challenges for this agribusiness and value chain sector have been addressed through the NSW Government’s Manufacturing Industry Action Plan.

Farming in NSW operates in almost completely deregulated markets with a strong export focus (around 60% of agricultural product is exported). The supply chains are varied and complex, for example it features industries: that effectively export 100 per cent of production directly off farm eg wool, some grains and oilseeds; which involve minor processing prior to export for further processing eg cotton; those with extensive processing domestically for both domestic and export markets eg wine, oilseeds; which provide fresh food directly to either domestic or export markets eg seafood, most fruit, vegetables, herbs and flowers; with many instances where a combination of these pathways is employed within the one commodity group to meet market opportunities.

While agriculture in NSW has been very much focussed on production of commodities, the sector is increasingly specialising to meet specific markets both domestically and internationally. The level of both on-farm and off-farm value adding is increasing.

The production industries compete not only on the international market, but domestically for market share, in some cases in direct competition. Depending on the industry they may operate through cooperatives, or on a regional or national scale, with most industries having state and/or national peak advocacy bodies and contribute levies to support nationally directed research, development and extension funding. Those farmer levies are invested in research and development through the supply chain and on market development, brand development and promotion.

Agribusinesses specialising in providing production inputs or financial, marketing, business management, transport, technical and technological advice work closely with and support farm and aquaculture enterprises across the state. Supply chains link farm enterprises either directly to consumer markets or product processing.

This IAP has focused on key industries of Aquaculture, Broad acre, Horticulture, Livestock and Viticulture within the production sector. It does not attempt to address the competitiveness issues for the processing / manufacturing sector which were addressed separately through the NSW Government’s Manufacturing Industry Action Plan, finalised in 2013.

The Taskforce recognised that to improve the competitiveness of sector there is a need to build stronger ties beyond the farm-gate. It does this through its recommendations that seek to strengthen linkages to the processing and marketing sector, both domestically and internationally.

There are issues that are similar between Agriculture and Manufacturing, for example, the effect of currency exchange rates, rising input costs, employment and labour skills, import and export market competition, and changing community perceptions of the sector. This IAP outlines the Taskforces recommendations for industry and government to address issues that are specific to agriculture.

Agriculture's Importance to the NSW economy

Agriculture contributed approximately \$15.349 billion directly to the NSW economy in the year ending June 2012¹. In 2011-12, the NSW agricultural industries contributed \$4.996 billion² to the states' exports while aquaculture contributed \$54.675 million³ to states economy.

NSW has around 38,875⁴ businesses carrying out agricultural activity and 555⁵ fishing businesses. Approximately 70,500⁶ people are directly employed in the NSW agricultural industry with 2,750⁷ in aquaculture.

Importantly, that employment is regionally based with 30 per cent of employment in rural communities (eight per cent across all NSW) involving primary industries services and activities, half of which is directly attributable to agriculture.

Wheat is the most important crop commodity for NSW, contributing \$2.195 billion⁸ to gross agricultural product and to NSW and Australian exports. Cattle and calves is the next most important (\$1.626 billion); followed by cotton (\$1.296 billion); wool (\$810 million); poultry (\$722 million); milk (\$497 million); sheep and lamb (\$475 million); rice (\$254 million) and eggs (\$207 million).

The broader agri-food sector is substantially based on locally grown food commodities, and contributes over \$33 billion in revenue to the states economy, with over 2000 food business and 70,000 people employed in NSW⁹.

Within the 15 sub-groups comprising the NSW Manufacturing¹⁰ sector, food product manufacturing in 2012 was the largest employer, with employment growing at around 0.6% per annum, against an average for all manufacturing over the same period of -1.4%.

Food product manufacturing in NSW represented 18% of the total value of exports from the NSW manufacturing sector in 2009-10.

NSW hosts many of Australia's largest food corporations, major wineries and diversification of processed food production. The largest commodities in terms of turnover are:

- meat and poultry products
- flour, cereal and bakery products
- beverages, particularly soft drinks and wine
- snack foods/prepared meals
- dairy products, horticultural products and confectionery are emerging important sectors.

Agricultural product goes beyond "food and fibre". It directly and indirectly underpins a range of other industries eg recreational industries such as the thoroughbred, quarter-horse and other equine industries, energy – through the production of ethanol from starch produced as a by-

¹ ABS, *Australian National Accounts, State Accounts 2011-12*, 5220.0, November 2012

² DAFF, *Food Stats 2011-12*, Table 5.8 Australia's Food Exports by transformation and states

³ ABARES, *Australian Fisheries Statistics 2012*, Table 1: Gross value of fisheries production - Australia, by State

⁴ ABS, *Agricultural Activity by State 2011-12*, 7121, November 2012

⁵ NSW Trade & Investment, *Contribution of Primary Industries to the NSW economy – Key Data*, 2012

⁶ DAFF, *Food Stats 2011-12*, Table 1.4: Employment in Agricultural food production.

⁷ DAFF, *Food Stats 2011-12*, Table 1.4: Employment in Agricultural food production.

⁸ ABS, *Value of Principal Agriculture Commodities produced 2011-12*, 7501, November 2012

⁹ NSW Business Chamber response to the National Food Plan green paper, September 2012

product of the grains industry, and by supplying specialty products for a host of other industries including the medical and industrial sectors.

Australian agriculture, with its strong emphasis on export has built a reputation as a supplier of high quality commodities. The industry has evolved from production of non perishable commodities, to assured, high quality products for the expanding middle class consumer.

Agriculture is a major user of natural resources in NSW. Around 75 per cent of the land mass has an agricultural land use and around 80% of all water extracted under the NSW water sharing plans (predominantly surface water from regulated rivers) is diverted to agricultural production. While agricultural activity occurs across the State, there are areas of specific concentration, including the peri-urban areas associated with metropolitan Sydney.

In 2013, the NSW Government declared 2.8 million hectares or 3.5 per cent of the state as Biophysical Strategic Agricultural Land under its Strategic Regional Land Use policy affording it protections under that policy. NSW Government Planning Reforms anticipate a State Planning Policy specifically addressing the development needs of the Agriculture sector. With its wide geographical base, access to labour, utilities, services and the infrastructure to deliver production inputs and move goods to market are critical issues for the future of the industry.

A vision for the industry

The Taskforce recognised the need to identify a high level vision for the industry to help guide its development. The vision is:

Agriculture and agribusinesses in NSW are profitable, productive and innovative, valued for their economic, environmental and social contribution to the State with NSW recognised as a world leader in the provision of high quality food and fibre products

The Taskforce believes that this vision can be measured by:

- The resilience of the sector and how easily it can adapt to change
- The agility of the sector and businesses in the pursuit of opportunities
- The sectors link to research and uptake of innovative technologies
- The ability of the sector and businesses to provide and promote an attractive career path for future generations
- Attracting investment; and
- Innovation in the financing of agriculture and agribusiness.

Competitive advantages of NSW agricultural sector

Agriculture, in NSW has strengths in the diversity of its production systems, resource availability, requirements and the relatively mild and favourable climatic conditions in which can operate.

This enables production of a wide range of high quality food and fibre products and means NSW has a dynamic and versatile agricultural industry that is well positioned to take advantage of the many opportunities that lay ahead.

Agricultural produce from NSW has a strong reputation with consumers and is unparalleled for safe and reliable foods. The reputation for being an innovative, resilient and responsive sector is well known. NSW is fortunate to have a strong research and development sector, balanced with world class educational institutions.

In NSW, agriculture has a strong domestic market and is well positioned to capitalise on the growth in global populations and consumer wealth. There are favourable consumer trends and attitudes for ethical production systems.

Key future challenges and opportunities

“The NSW economy in 2020 – A foresighting study” (Access Economics 2010) identified four mega-trends that are expected to have a considerable impact on the shape and performance of all sectors of the economy, including agriculture. These are:

- national and global policy actions to address climate change and water use
- demand and competition from emerging economies, especially China and India
- the widespread adoption of new information technologies
- demographic changes, especially a growing and aging population.

The same foresighting study presented a number of considerations to drive growth:

- agriculture should maximise potential for export growth
- agriculture should support activities which have a substantial positive impact on the international competitiveness of other industry sectors in NSW
- agriculture needs to modernise and commercialise, adopting new technologies and clever solutions, whilst maintaining its focus on profitability.

The Taskforce notes that the growth potential related to agriculture is extremely significant as it is not limited to the industry itself. Growth in the agriculture industry also has a flow on effect to boost the growth of many other industries through its close links and dependency on the transport and logistics, packaging, retailing, food service and tourism sectors

Over the next ten years and coming decades, ongoing globalisation, population and income growth will strongly drive demand for agricultural food and fibre products. In late 2013, in reviewing the opportunities and challenges for the Australian economy, Deloitte predicted that agribusiness exports to growing Asian markets, fuelled by agricultural and aquaculture production would be one of the five major growth sectors in the Australian economy.

The challenges in this scenario were considered to be: ageing of the workforce; attractiveness of other employment sectors eg mining to younger workers; the need for capital investment to increase the size of farming operations, allowing economies of scale and flexibility; increasing the number of students studying to enter the sector; rebuilding trust and reputation with markets, including the Indonesian live cattle markets; working to become a supplier of choice in international markets; the need to improve the efficiency of transport infrastructure, and retaining land on urban fringes for food production.

Innovation in NSW agricultural business is essential to continued improvements in productivity and profitability in the industry. The vision for the industry is to secure the growing contribution of the sector to the NSW economy through an ongoing focus on improvements in productivity and on the competitive advantage of agricultural business in NSW

According to the Productivity Commission¹¹, agriculture achieved the best average growth rate in market factor productivity since the late 1980s, across the 12 market sector industries analysed. While ABARES reports a similar strong long term positive performance for the sector, it notes that in keeping with agriculture in other developed nations, growth in multi factor

productivity has declined since the late last century. Productivity growth has been essential in maintaining profitability in the industry in the face of a continuing decline in the terms of trade.

Identification of Key themes

In developing the issues paper in early 2013, the Taskforce reviewed the competitive advantages of the NSW agricultural sector and the future key challenges and opportunities. From this process, it defined key areas of the NSW agricultural economy to consider through the development of the IAP. The following six key themes were identified.

1. Productivity, profitability and innovation

- Industry is increasingly driving innovation on behalf of its stakeholders
- There is a need for uptake of the latest research and development (R&D) by industry and stakeholders to drive productivity.
- The changing mix of public and private investment in research and development.
- Changing terms of trade in the context of increased costs of production, competition from overseas and volatility of international commodity markets.
- Improvements in management and adaptation to increased climate variability and its impacts of enterprise productivity, profitability and resource allocation.
- The need for improving business skills as agricultural enterprises intensifies, with greater exposure to production and marketing risks.
- Capitalising on export opportunities, such as the “food bowl to Asia” century.
- Access to telecommunications infrastructure and access to innovative technologies.
- Surety and security of adequate land, water and resources.

2. Workforce and skills

- Tailoring agricultural education and training to ensure appropriate skills for future industry development
- Improved planning for labour force supply and demand to better manage the seasonality of labour.
- Attracting the next generation of farmers to redress the ageing profile of the farming sector; and the provision of the right skills needed.

3. Business and regulatory

- Maintaining a strong biosecurity track record given new and emerging biosecurity risks are inevitable as a result of increased climate variability and globalisation.
- International variations in regulations governing industry and workforce such as higher health and safety regulations, environmental regulations and duplicative regulatory regimes which will increase costs for Australian farmers
- Anticipated increase in regulatory requirements over coming years, especially in relation to product identification, hygiene of production, packaging and storage of product for food safety reasons.
- Changes to the use of chemicals in agricultural production systems and the management of risks for the unintended or off-site impacts.

- Growing expectations from consumers for traceability and accountability of production systems.
- Support an open and competitive environment where funding and risk management tools are available.

4. Investment and ownership

- Finding the right balance of public and private investment for replacing ageing infrastructure; improve coordination of and investment in infrastructure.
- Striking the right balance regarding foreign investment and foreign ownership within the sector. This is a broad trend occurring across the international agricultural sector, and is driven largely by issues around acquiring adequate capital for business growth and for production and financial risk management.
- Driving greater economies of scale to maximise efficiency.
- Addressing barriers for investment and new entrants to the sector
- Pressures associated with changing land use (eg. urban expansion, extractive industries) that threatens to reduce the land available for agriculture, and opportunities for co-existence.

5. Markets and export

- Management of the impact of global issues on local production, such as the fluctuations in the Australian dollar and trade agreements with our export markets.
- Supermarkets represent the largest domestic market segment for food products. Concerns that their reduced competition is increasingly allowing a small number of buyers to force lower prices; manipulating quality and supply from producers and processors.
- Improved coordination of efforts may be needed to capitalise on trade opportunity through greater insights and understanding of market needs, also the need to address inequitable market access.
- Globalisation can be seen as a positive as it provides opportunities for much needed investment in agriculture.

6. Connecting with community

- Generally there is a need to improve the levels of awareness and understanding of agriculture, its activity and value to the NSW economy including in relation to environmental stewardship, climate resilience and carbon mitigation.
- Industry has a need to be pro-active and improve its representation, connection and communication of key issues impacting on the industry to the non-rural community and Government.
- Gaps in capacity to address community concerns when there are instances of unfavourable reports about some agricultural practices - these have the potential to impact negatively on the agricultural industry by:
 - a. devaluing agriculture in the eyes of local consumers
 - b. discouraging potential new entrants to the sector
 - c. making access to capital more difficult
 - d. encouraging potential partners and buyers to look elsewhere
 - e. discouraging young people from entering the agricultural workforce and

- f. reducing the ability of NSW agricultural businesses to engage and compete internationally.
- Continual improvement of economic, environmental and social outcomes through the development of best practice guidelines and environmental management systems for the sector, industry or locality; to enhance industry sustainability to consumers.

Development of Recommendations

Following the release of the issues paper in June 2013, 44 submissions were received and direct consultation was undertaken with a range of specific stakeholders to ensure a broad sounding was taken prior to working up the Taskforce's recommendations.

Stakeholders welcomed the Deputy Premier's decision to engage in an inclusive IAP to determine not only where the strengths of the industry are but also the weaknesses and challenges so as to collaboratively make improvements.

The consultation process with industry stakeholders and the general public reinforced the key themes identified in the Issues Paper developed by the Taskforce. These issues are explored in further detail in the recommendations section of this IAP with several strategies identified to address each.

Submissions reinforced a number of common issues underpinning the six themes.

The common issues identified include:

- Research, Development & Extension delivering innovation for productivity and sustainability
- Workforce, skills development and training, developing careers and employment
- Infrastructure investment, availability and logistics
- Resource availability, use and planning
- Succession planning, & intergenerational transfer
- Investment and ownership, including foreign investment.
- Education
- Red tape and regulation
- Biosecurity – management and preparedness
- Advocacy for industry
- Community engagement

The Taskforce recognised that the NSW Government's IAP process sets a timeframe for actions over a 10 year period. The Taskforce has formulated strategic goals for the Industry Action Plan under each of these themes for consideration by the wider industry and government.

To achieve these goals and realise its vision for Agriculture in NSW by 2030, the Taskforce has developed specific recommendations under the themes. The recommendations nominate an industry response, a government response or a joint response by both industry and government.

The Taskforce now seeks stakeholder consideration and advice on the appropriateness of the following recommendations, before finalising the Industry Action Plan for submission to the NSW Government.

Links to other sector strategies

The Taskforce recommendations were not developed in isolation; consideration was given to existing planning documents developed by Government and industry. The Taskforce:

- recognised the efforts of the NSW Government and industry in planning strategies for the development of the industry;
- sees this IAP assisting with the success of these strategies through ensuring a consistent industry and government approach to the issues facing the sector
- encourages all levels of government to continue to meet their commitments to Regional Development Australia (RDA) at the Commonwealth, state and local level; and the NSW Regional Actions Plans (RAP) and the NSW Infrastructure Plan at the state and local level
- encourages industry to identify opportunities to develop strategies to address the particular requirements for the sectors' growth, to take advantage of a marketing opportunity or production environment circumstance of an industry.

Agriculture IAP Taskforce recommendations:

1. 'Profitability, productivity and innovation'

Objective: To build the appropriate frameworks to maintain the **Profitability, Productivity and Innovation** that has underpinned the competitiveness of the Agriculture sector in the face of declining terms of trade.

Goal 1: A responsive and flexible industry.

Investment in Research and Development

Continuing government and industry commitment to agricultural research, development and extension is necessary to increase productivity through innovation in the NSW agricultural sector. The taskforce sees that the continued investment by government and industry in research through improved partnership models, is essential for continued growth of the industry. Two thirds of innovation in Australian agriculture is driven by international research, the remainder domestically, through both research and extension activities. The taskforce encourages all parties to recognise that investment in research and development, including through international collaboration is a key enabler for the industry. The taskforce therefore supports a continued major role for government in the funding of research and a re-examination of the RD&E sector to achieve best use and integration of investment.

Recommendation 1: Industry to continue to invest in research through industry Research and Development Corporations at the same or greater level than 2011 and to encourage increasing public-industry-private partnerships in RD&E and effective international collaboration.

Research Frameworks

The formulation of a research, development and extension (R,D&E) investment framework for NSW that is seamlessly linked with the National RD&E framework. This will lead to resource use efficiency and profitable production systems. Profitable and sustainable production systems that capitalise on innovation will provide support for, and benefit from, improved land and resource management, biosecurity protections and animal welfare measures.

Recommendation 2: Industry and Government to investigate R,D &E models that are best suited to the sector – for example: partnership / collaboration / co investment – hubs and spokes model under the National R,D&E framework .

Recommendation 3: Government to investigate new investment models for public private partnerships that facilitate investment in R,D&E. These will increase the profitability, productivity and sustainability of businesses, to benefit regional primary industries, secondary industries and the stewardship natural resources in NSW.

Recommendation 4: Government to investigate the development of a comprehensive database of all rural research and development projects conducted through rural research and development organisations and federal governments relevant to the sector in NSW.

Goal 2: A profitable and productive sector in NSW.

Building Regional Development

The long term sustainable production of food and fibre in NSW is essential for maintaining viable rural communities. Thirty per cent of employment in rural communities (eight per cent across all NSW) involves primary industries services and activities, half of which is directly attributable to agriculture and aquaculture. NSW is a major contributor to domestic primary production across a significant range of products and to meeting the demand for quality Australian products. There are collaborative opportunities with Regional Development Australia for industry development and in the NSW Government's Regional Action Plans and the Economic Development Framework.

Recommendation 5: Industry and Government to jointly develop a vision for the sector to 2030 and identify a collaborative pathway to achieve the vision.

Recommendation 6: Government to investigate the socio-economic drivers (demographics, economic values) of the sector with a view to policy development that best guides the transformation of the sector to achieve the industry vision.

Goal 3: Enabling Competitive Advantage.

Innovative Leadership & Management

The NSW economy is strong, diverse and innovative. Productive, profitable and sustainable agriculture industries in NSW require a holistic view of enterprise management, from industry and government, to ensure production can satisfy current and anticipated future demand. The sector has a proven capability to innovate, be productive and profitable. However, the sector needs government policies that assist in creating an investment environment and fostering competitiveness of the industry. Stronger leadership will assist industries to be adaptive to changes in markets, including new marketing opportunities and competition; technological advances; and the complex interplay of changes in the environment.

Recommendation 7: Government to adopt an approach to policy development that actively addresses market and government failures that constrain profitability and productivity or impede sustainability of the sector.

Recommendation 8: Government to work with industry to identify opportunities and linkages across the metropolitan and regional business sectors to assist broader economic development.

Goal 4: Improved capability and access to knowledge.

Developing Capacity & Maximising the Uptake of Innovation

There is a clear opportunity for a government and industry partnership to ensure the profitability and sustainability of production systems. The NSW Government has an important role in setting in place supportive policies and in providing essential infrastructure, services and regulatory frameworks that allow business development in this space. One key role will be through working at both the state and national level to achieve appropriate regulation of biological controls, genetic modification technology, chemical and other inputs.

Production system efficiency will need to be balanced with the development of stewardship principles around our plant, animal and natural resources. These include minimising food safety risks, having minimal impacts on the natural resource base, ensuring rehabilitation and maximising the environmental benefits from soil carbon and ecosystem services.

Provision of services and information by the private sector providers is critical to improving the rate of innovation. The private sector will play a wider role in the agricultural advisory space by developing sustainable businesses and building private provider/consultant extension and innovation networks.

Recommendation 9: Government to adopt the role of facilitator of the information market place, such that sector is enabled in respect of access to information, knowledge and innovation that ensures profitability and productivity. Within this information market place:-

- v. Local Land Services (LLS) and NSW Department of Primary Industries (NSW DPI) provide independent support to extension delivery by private providers/consultants
- vi. Innovation based on knowledge generated by research and experience may come from all sectors with contributions from industry and producers being highly valued
- vii. Public sector agencies need not be the researcher, developer or deliverer where there are private providers capable of those roles
- viii. Knowledge, information and innovation are seen to have an economic value by producers and industry and because of this the market place can support delivery by private providers.

2. 'Workforce and skills'

Objective: To maximise the efficient use of human capital through a focus on **Workforce and Skills**.

Goal 5: A highly skilled and flexible workforce.

The industry is well aware that the demographics of the workforce present a serious challenge and have done for some time. For example, the median age of workers in the Agriculture, Fishing and Forestry sector of the Australian economy at 47 is well above the national average, as is the percentage of workers over 55.

Future industry development will need to be underpinned by investing in expanding the skills and ensuring appropriate workforce is available. This investment can be through capitalising on existing knowledge, institutions and skills, broadening the workforce and skills base from other sectors and migrant workers and establishing agriculture and aquaculture as careers of choice. It requires a holistic view of the agricultural workforce with clearly identifiable links between education, employment opportunities and the development of attractive career pathways and career progression.

A profitable and sustainable sector will be one that maximises its efficient use of human capital. The development of networks within industry and improved collaboration between industry, education providers and government will enable both the development of skills and the provision of opportunities.

Improved skills and the provision of training

There are many opportunities posed by the recent 'Review into Agricultural Education and Training in NSW' (Pratley, June 2013). While the review, nor the Government's response have not yet been released, the Taskforce supports the assessment of, and where appropriate, the implementation of many of the recommendations of the review for improved school education and career pathway development. The Taskforce also considered there was potential to investigate international models for the delivery of agricultural education and extension.

Recommendation 10: Both industry and government to develop an implementation plan with the recommendations of the 'Review into Agricultural Education and Training in NSW'

Recommendation 11: Both industry and government to investigate different models in the tertiary education sector (for example the 'land grant university' model) for application to NSW

Labour and Skills Shortage

Stakeholders identified two key factors underpinned labour and skills shortages experienced across the sector. They considered that the attraction of employment in the mining and other industries has placed pressure on competition for labour and skills. The long term change of rural population with younger workers seeking opportunities outside rural areas has continued.

To manage the rapidly advancing technological base seen in many agricultural production systems, including biotechnology, it will be essential for industry to anticipate and identify the core skills needed to utilise this technology.

Matching of training and the demand for labour, needs to be based on a co-operative model between industry, government and those institutions delivering skills capability. This will require co-investment in the sector. It will also require the encouragement of careers in research in agriculture, farm management, contractors and other service providers through effective training linked with identified career paths.

Agriculture needs to look widely at the available workforce and encourage and support engagement by the broader community.

Recommendation 12: Both industry and government to carry out a needs analysis for the skills and training required in technology and biosecurity

Recommendation 13: Both industry and government to development of a flexible model that is adaptive to needs of industry and the aspirations of students for the delivery of skills and training

Recommendation 14: Both industry and government to explore the development of career pathways for specific sectors of the workforce (for example, the local aboriginal communities) in rural and remote regions of NSW

Goal 6: Attractive and secure career pathways.

Reputation of the Sector as an Employer of Choice

Enhancing the reputation of the sector as the cornerstone of rural employment will require changes to the accessibility and cost of training, matching training to market demand and rewarding employees through appropriate and more flexible awards and employment conditions.

Actively pursuing measures to attract workers and expanding the pool of potential employees, for example by providing training and opportunities for rural family members and migrant workers, will do much to enhance the image of careers in the sector. Measures that showcase the industry as an exciting and rewarding area to work will be more effective than the traditional focus on the historical relevance of particular sectors.

Government needs to reassess the priority it attaches on the sector in recognition of the critical role it plays in the future development of NSW and the opportunities presented by increased demand for food and fibre. There is widespread misunderstanding and poor awareness of the sector, its practices and what it offers society. Encouraging a better understanding of the opportunities in the sector and delivering improved workforce solutions through the development of a workforce strategy would underpin development of the sector.

Recommendation 15: Industry to promote a culture of enthusiasm for learning and skills development, to encourage excellence and leadership, to embrace innovation and technological progress

Recommendation 16: Industry to promote career pathways in agriculture, aquaculture and agri-food industries supporting opportunities for a diverse workforce.

Recommendation 17: Industry to investigate the development of a professional development scheme and / or national accreditation scheme which ensures sustainable pathways for career progression for industry consultants

3. 'Business and Regulatory'

Objective: Review the **Business and Regulatory** operating environment in NSW to ensure the focus is on business development in the sector.

Goal 7: Identify red tape reduction opportunities.

Regulatory Impact on Business

Businesses are exposed to the impacts of regulation in multiple ways, including financial, land use planning, environmental and labour regulation from all levels of government. Stakeholders considered that small or medium sized businesses (including family farming enterprises) have less capacity and capability to address the requirements of multiple layers of complex regulation.

Recommendation 18: Industry to review instances where red tape and duplication occurs, for example: access to resources (water / labour / logistics; impacts on small to medium enterprises of multiple layers of regulation) and for product (labelling / ingredients / market access) and to raise these issues directly with Government.

Recommendation 19: Government to continue to focus its broader agenda on red tape reduction, particularly addressing instances where there is unintended impact of policy and regulation

Goal 8: Improved consideration of the impacts on agricultural industry competitiveness in policy and regulation development.

Balanced decision making for regulation development

The Taskforce and stakeholders consider it is incumbent on government to ensure that regulations are necessary, reasonable and responsive.

While there were some perceptions that all regulation is a burden to industry, the Taskforce considered that in many cases the regulatory environment sets a benchmark that ensures market access, certainty of product quality and provides confidence in the operations of a sector.

In general, stakeholders believed that red tape should be reduced and they are concerned about the unintended impacts of regulation. In particular, the sector would like the impacts on the sector regarding resource planning, security of tenure/access for resources such as land, water and energy to be considered in a transparent manner; through common sense planning regulations and streamlining and improvement of the alignment of planning processes with environmental and food regulations, particularly regulations that impose similar or duplicative administrative or compliance requirements. Harmonizing interstate biosecurity regulations were commonly raised during consultation.

Recommendation 20: Government to develop a more open process for consulting with industry and for considering the net benefit to industry of government intervention through regulation.

Recommendation 21: Government to advocate nationally for the harmonization of regulations across state (particularly for biosecurity and animal welfare regulations) and international boundaries for the development of a strong sector.

Goal 9: Review current processes for assessing the net benefit of regulation to industry.

Regulatory Cost Recovery and the Basis for Regulation

The Taskforce calls on the government to review regulatory models and the opportunities for broader co-regulatory models where appropriate. The Taskforce recognised there is a case for the imposition of a cost recovery process for some government inspection and licensing processes.

Recommendation 22: Industry to develop and use industry 'Best Practice' guides that will demonstrate to community and government the practices carried out in the sector to reduce the need for regulation.

Recommendation 23: Government to recognise the stewardship role that the sector plays in the resource planning process for access, tenure, surety and security of resources (water / land / energy)

Recommendation 24: Government to establish processes to recognise industry best practices and to identify opportunities to reward industry with less regulations or red tape if they can demonstrate best practice approaches

Goal 10: Improve liaison with government on emerging policy issues.

Planning

The Taskforce recognises and supports the intention of the planning reforms in NSW to streamline processes and reduce potential conflict regarding access to resources and industry development. This should enable government policies and programs to be better balanced and more consistent in their approach to natural resources management and land access while allowing for the sustainable use of resources for increased food and fibre production. There are a number of key outcomes the sector believes are important for this reform agenda to achieve to support the long term development of the agricultural sector including improving certainty for investment, and appropriate access to resources.

Recommendation 25: Government to ensure equity and transparency in the resource planning process through the state planning reform to ensure the improved security of tenure / access to valuable natural resources

4. 'Investment and Ownership'

Objective: To investigate new models for **Investment and Ownership** within the industry to facilitate the capital investment required to underpin growth.

Goal 11: Promote development of successful ownership and business models.

During the consultation process, industry stakeholders were clear in their advice to the Taskforce that the issue of investment and ownership is a key industry responsibility, and that industry stakeholders recognise the need to develop new models for future farm ownership.

The Taskforce recognises that significant investment will be required for the development of the sector, including ongoing foreign investment. A clear framework supporting investment opportunities and certainty needs to be established by national and state governments.

Business Models

Enterprise business models today are much different to those of the past, with trends in business aggregation in order to achieve economies of scale, gain production efficiencies and access to capital. Lack of access to capital was frequently raised by industry stakeholders, being considered an essential element to future industry expansion. Submissions included many critical comments regarding the attitudes of financial institutions towards risk in the sector. These comments support the opportunity for the development of new investment models, for example, the encouragement of foreign investment in rural business and the development of active resources markets for water.

By far the most common business model is still the family farm business. There was a common sentiment regarding the low levels of farm succession planning for ongoing family farm ownership. This issue was often coupled with the concerns relating to career pathways for new and emerging farm managers. There was good support for the concepts of developing the business skills of the sector, leading to improved business resilience and reducing the need for assistance.

Stakeholders recognised that farm managers and owners are comparable to the general manager of a small business with assets of \$3-5 million, with comparable skills and experience. The changing dynamic of farm ownership was highlighted as an issue for the industry, with the traditional model of the sole trader or owner/operator under challenge. This model is changing and will continue to do so, as capital is being accessed from a wide range of non-traditional sources.

Recommendation 26: Industry to investigate the various models for farm/agribusiness ownership and enhance the discussion and improve awareness around the availability of capital and farm succession planning

Recommendation 27: Industry to adopt risk management-based approaches to address financial and environmental impacts and thereby develop more resilient businesses

Submissions recognised that along with farm ownership, infrastructure ownership is also changing. Infrastructure investment partnerships between industry and government will need broader sources of capital investment (domestic and foreign) and an appropriate balance of private and public investment. An example of the development of privately funded infrastructure is the development of intermodal-hubs for logistical and distribution solutions.

Recommendation 28: Industry to investigate the development of appropriate mechanisms to facilitate investor interest in Agriculture.

Goal 12: Encourage new investment.

Impediments to Investment

The sector requires certainty in order to ensure sustained industry growth including security around investment into land and other resources. Submissions suggested that Government needs to recognise the longer timeframes associated with agricultural activity in the landscape. This requires an appropriate balance of access to the resources of land, water and energy between mining, agriculture and aquaculture and urban development whilst ensuring intergenerational equity

Stakeholders were concerned about the long term security of access to resources, and that this was a disincentive to investment in the sector. It was considered that industry development will need stable and favourable policy settings for resource management and security of access in light of the long lead time needed for change management in farming enterprises. The previous section and its recommendations on Regulation does address some of these concerns.

Recommendation 29: Industry to actively engage in the implementation of the NSW planning reforms through regional and local plan development processes, by understanding and articulating its investment strategies and proposing ways to effectively manage conflict

Recommendation 30: Government to continue to work towards providing greater certainty for the planning / policy development horizon (for example 20 years) to create increased security in industry's access to resources such as land, water and energy and to allow for increased certainty for industry investment strategies

5. 'Markets and Export'

Objective: To develop the partnerships, supply chains and operating environment to capitalise on the widely foreshadowed **Markets and Export** opportunities.

Goal 13: Improve access to markets.

The taskforce recognises the strong reputation that NSW has as a supplier of safe agri-food and that this is founded on the role played by government through the NSW Food Authority. Here, the supply chain has standards and systems that enable international market access, surety of ingredient safety and a strengthening of the consumer's confidence in NSW agri-food products.

Promotion of export opportunities, encouraging regional collaboration and reducing discrepancy in regulations are aspects that require more attention at both a State and Federal level. Industries can contribute by promoting and adopting best practice production principals and ensuring traceability and accountability of production systems are in place.

Recommendation 31: Industry to promote industry best practice for production systems to enhance NSW’s reputation as “safe and sustainable” supplier

Recommendation 32: Government to refine market access certification and accreditation systems that facilitate the entry of NSW products into interstate and overseas markets in the most efficient way.

Recommendation 33: Industry and Government to develop strong partnerships centred on market access outcomes affected by biosecurity status, animal welfare, and natural resource management.

Goal 14: Support export opportunities.

Export Opportunities

Anticipated development of the Asian economies on Australia’s trading doorstep offers great opportunities for the sector, but will require active leadership and engagement with the marketplace. This economic development is coupled with the societal and dietary changes in these countries and augers well, if successfully targeted by the primary production, agri-food sector and international trade and marketing sector.

Recommendation 34: Government to lead a broad engagement and export development strategy for the sector in NSW, including targeted initiatives.

Goal 15: Improve awareness and promote reputation of NSW Agricultural products.

Brand and Reputation

There are further opportunities to capitalise on the reputation of NSW products as being safe and environmentally sustainable. Maintaining and expanding this reputation should be a priority for the sector.

Stakeholders recognised that ‘best management practice’ models and certification processes provide much desired consumer confidence in production systems, but that consumer expectations were becoming more sophisticated and were now extending to ethical production systems. Underpinning a strong reputation for “safe and sustainable” agri-food providers is an effective and efficient biosecurity management effort that maintains market security and access.

There was support for the continued efforts to “brand Australia”, NSW, or local agri-food for particular markets. This was considered necessary for the development of many marketing avenues for the sector, ranging from local farmers markets to niche markets in developing countries.

Recommendation 35: Industry to actively promote “safe and sustainable” agri-food to targeted markets domestically and internationally.

Goal 16: Remove market distortions.

Market Protection

Many stakeholders had strongly held views on the issues of market power, particularly targeting the impact of supermarket power on fresh food product prices and production

systems, and asking for protection of the sector from imbalances in market power and trade domestically and internationally, for example the dumping of products into the domestic market.

Recommendation 36: Government to actively provide advice to the federal government on policy issues such as market powers, labelling, trade including trade agreements and infrastructure needs,

Goal 17: Remove infrastructure constraints to improved productivity.

Transport and Logistics

Transport and logistical impediments were recognised as major constraints for export and development by reducing competitiveness for the sector. Stakeholders identified load limits, rail and port access and ageing infrastructure as critical concerns.

Recommendation 37: Government to develop an infrastructure investment plan to prioritise key development / replacement / investments and that is consistent with industry investment strategies

6. ‘Connecting with community’

Objective: To improve long term market development by effectively **Connecting with Community** in building social licence for production systems and products.

Goal 18: Improve the level of community trust in agriculture.

Build on existing Social Licence

A strong connection to the community was recognised by many stakeholders as key to the future development of the industry. The sector is often viewed romantically though its strong emotional and heritage linkages to the broader community, however, that sense of connection has been weakened with time as the NSW community becomes more urbanised and individual’s links “back to the farm” disappear.

Recommendation 38: Industry to develop and deliver communication programs that connect with the community and directly engage farmers through information and shared values in building high levels of trust with domestic consumers.

Consumer and supermarket demands on the industry are rising. There is increased: scrutiny of production systems; requirements for transparency around production systems; and general information availability. This is due to an increased desire to know where food comes from and how food is produced. This includes specific or factional interests (for example; organic, free range, hormone free) exerting powerful impacts on the development of the sector and markets.

Recommendation 39: Industry to develop a risk analysis for identified commodities and products regarding community trust.

Goal 19: Develop a better understanding of the drivers of community trust in Agriculture.

Focus research on Social Licence

Community trust, understanding and acceptance of the practices of the sector, known as “social licence to operate”, needs to be built through understanding community concerns, an openness to those ideas and effective communication around shared values.

Addressing consumer demands should translate to improved levels of trust. However, industry needs to be on the front foot working on rebuilding high levels of trust in farming practices. It also needs to deal rapidly and effectively with market issues to demonstrate it shares community expectation around food and is committed to being the supplier of safe and sustainable agri-food products.

Recommendation 40: Both industry and government to seek inclusion of community trust as a research goal within the RD&E model framework.

Goal 20: Strengthen the link between Community and Agriculture.

Promotion and Support for the Industry

Modern agricultural businesses are competitive, innovative and technology driven enterprises, with production systems far more efficient and quite removed from the farmyard scenes depicted in much of the 20th century children’s literature. The real image of modern agriculture is not well communicated, fully understood nor accepted as farming by the community.

Recommendation 41: Both industry and government to develop a communication strategy and plan that actively promotes the agriculture sector with short, medium and long term goals – linked to an active monitoring and evaluation program. This would include strategies to increase the level of trust held by the sector by the community of NSW.

Recommendation 42: Both industry and government to actively promote rural living

Appendix 1: Industry submissions

Submission authors / organisations

1. Agricultural Reference Group
2. Biodynamic Agriculture Australia LTD
3. Coles - retail
4. Cotton Australia
5. Country Women's Association of NSW
6. Craig Heraghty - PWC - Interview
7. CropLife Australia Ltd
8. Dairy Industry Group Far North Coast
9. David Palmer - interview
10. Essential Oils Producers Association of Australia
11. Eurobodalla Shire Council
12. Greg Bennett - personal submission
13. Hawkesbury-Nepean CMA
14. Horticulture Australia - Interviews
15. Ian Hudson - Industry Capacity Network - interview
16. Industry Forum – compilation of workshop session notes
17. Jim Beale - personal submission
18. Joe Lane - GHD - Interview
19. John and Sandra Naismith - personal submission
20. John Keniry - interview
21. John Troughton - personal submission
22. Ken Bryant - personal submission
23. Leeton Shire Council
24. Norco - Dairy Co-op
25. NSW Apiarist's Association
26. NSW CMA Chairs
27. NSW Farmers Association
28. Nursery and Garden Industry Association (NSW and ACT)
29. Organic Federation of Australia
30. Poultry Meat Processors
31. RAMM Botanicals - horticultural inputs
32. Ray Whiteman - personal submission
33. Regional Development Australia - Hunter
34. Regional Development Australia - Northern Rivers
35. Regional Development Australia - Orana region
36. Rice Growers Association of Australia
37. Ron Aggs - personal submission
38. Ross Moad - personal submission
39. RSPCA submission
40. Serrated Tussock Working Group NSW-ACT
41. Sydney University
42. Terry Inglis - personal submission
43. The Royal Agricultural Society of NSW (RAS)
44. Veterinary Institute for Animal Ethics

Agriculture IAP consultation to date

		Date
Web	<ul style="list-style-type: none"> • NSW Government - Haveyoursay web site • NSW DPI web site 	July 2013
Media	<ul style="list-style-type: none"> • Issue of public notice in the rural press x2 • Radio interviews x2 • NSW DPI press release x 2 • Local media items x12 	July / August / September / October 2013
Forums	<ul style="list-style-type: none"> • Joint launch of Agriculture IAP by deputy Premier and Primary Industries minister (June 13) • Stakeholder forum – Sydney (June) • CMA Chairs – July • RDA forum – July 	
Direct contact	<ul style="list-style-type: none"> • 240+ email to industry stakeholders 	
Interviews	<ul style="list-style-type: none"> • 7 key individual stakeholder interviews 	
Consultation on development of the draft recommendations	<ul style="list-style-type: none"> • 4 internal agency meetings (Divisions with in NSW DPI / Trade & Investment) • 3 meetings with other government agencies • 5 individual meetings with industry stakeholders 	November / December 2013

Agriculture IAP Time line

Duration	Action	Date
Month 1-2	Development and Release of issues discussion paper	April / May / June 2013
Months 2-5	Seek industry/stakeholder input through interviews, stakeholder meetings and public consultation on issues paper	July / August / September / October 2013
Months 6-10	Draft recommendations and consultation - Seek industry/stakeholder input through interviews, stakeholder meetings and public consultation on draft Industry Action Plan	March – April 2014
Month 12	Public release of final IAP	May 2014
Month 14	Release Government Response to taskforce recommendations, following Cabinet approval	June 2014

Appendix 2: Industry Action Plan Q&A

Why are IAPs being developed?

The Government has established industry-led taskforces to develop Industry Action Plans to position key sectors of the NSW economy for strong growth, resilience, improved innovation and productivity, global competitiveness, and new investment opportunities over the next decade.

The development of the IAPs is an important element of *NSW 2021*, the Government's 10 year strategic plan. The decade to 2021 will present both opportunities and challenges for our cities, towns, businesses and communities.

For example, our position in an increasingly connected global economy, with fluid markets and consumer demand, advances in new technology and a growing and ageing population, are just some of the mega-drivers that we need to navigate.

The IAP will help NSW industries meet these challenges as well as capitalise on opportunities.

What are the key elements of an IAP?

An IAP will document the explicit actions that both Industry and Government will undertake to support industry growth and development. The IAP will include:

- a long-term vision for the industry
- analysis of the opportunities, challenges, risks and barriers facing the sector
- a regional economic and employment perspective
- implications for small and medium sized businesses in the industry
- policy actions and designs that will help the sector be competitive
- detail of industry and regional specific opportunities for growth and export
- proposed actions for both industry and government to promote growth of the sector to enable it to capitalise on the opportunities and address the challenges identified
- key performance indicators and targets.

What is the role of the Industry Taskforce?

The development of the Agriculture IAP has been undertaken by a small focused industry-led taskforce. Some members of the taskforce have been drawn from the newly created Primary Industries Ministerial Advisory Council and that Council will be a key reference and support group for the taskforce.

In developing the IAP, the taskforce will undertake consultations with key stakeholders including major businesses (including processing, manufacturing etc), industry groups, education institutions, research organisations and Government agencies (at Commonwealth, State and Local levels, where appropriate).

The taskforce will employ consultative mechanisms that allow for a broad range of stakeholder input. Regional consultations will also be undertaken. An issues paper has been prepared to provide background to the taskforce.

Government actions in the IAP will ultimately be presented to the NSW Minister for Primary Industries and the NSW Deputy Premier. The IAP recommendations will be subject to Cabinet consideration before a Government response is made. The taskforce is to include within the IAP advice on how recommendations should be implemented.

What are the Terms of Reference for the IAP?

The agriculture industry taskforce has been tasked to submit an Industry Action Plan that:

- outlines a vision and 10 year development strategy for the industry, including 2 year and 5 year goals
- articulates ways to achieve the vision, including priority issues to be addressed (including, but not limited to, skills, regulations and regulatory barriers, innovation and productivity, research and development, infrastructure and policy reform)
- proposes ways to build stakeholder engagement and commitment in delivering long-term industry development needs
- identifies drivers for and barriers to growth and innovation in the industry (including those caused by Government practices, as well as identifying specific issues facing regional businesses and small to medium enterprises)
- identifies and validates the key domestic and global trends, opportunities and challenges for the industry's development (including for regional NSW and small business development)
- develops detailed recommendations and rationale for the strategies and actions proposed to be undertaken by industry, industry associations, educational and research institutions, and Government. Strategies and actions should encourage sector growth, enhance productivity and innovation, improve export performance and, where required, facilitate structural adjustment
- identifies key performance indicators, progress and outcome metrics, clear benchmarks and timeframes for major initiatives
- identifies roles and responsibilities for the delivery of the IAPs recommendations, and outlines mechanisms to oversee and report on the progress of its implementation.

The Industry Action Plans are being developed within a tight fiscal environment where there are budgetary pressures for both the Government and for industry. Therefore, the IAPs are not expected to commit industry or the NSW Government to the injection of large amounts of additional funding.

Who is on the taskforce?

The NSW Government appointed the agriculture IAP taskforce in April 2013. The taskforce brings together leading agriculture thinkers from key beef and sheep, cropping and rural service sectors. The agriculture IAP taskforce membership consists of:

- Lucinda Corrigan (Chair) – Beef producer
- Michael Murray – Cotton Australia
- Barry Walker OAM – Wool and Sheep Industry
- Peter Wright – Chairperson, RSPCA
- Chris Cummins – Breakout River Meats, Cowra
- Fiona Simson – Chairperson, NSW Farmers
- Alister Bennett – Head of Product Management and Development, Rabobank
- Gerry Lawson AM – Chairman, Sunrice
- Ian Cartwright – Fisheries Review Panel
- David Goodfellow – Group General Manager, Elders Ltd.