

# Submission to the Agricultural Competitiveness Green Paper

## Introduction

The Council of the City of Greater Bendigo strongly supports the Commonwealth Government's initiative in preparing a White Paper on agricultural competitiveness and growing agriculture's contribution to our economy, job creation and national prosperity. The City values the widely consultative process adopted by the government in the development of the Paper and welcomes the opportunity to provide comment on the Green Paper. Council submits that the Green Paper broadly scopes the range of matters that relate to agricultural competitiveness.

## The City Particularly Supports the Green Paper in the Following Matters

- Infrastructure—building efficient and cost-effective transport and communications infrastructure to support the movement of farm inputs and outputs, reduce costs, open up new markets, facilitate new or intensified agricultural production, support services to the agricultural industry and farmers and support the processing of agricultural products.
- Provision of the \$1 billion National Stronger Regions Fund to boost regional economic development through the expansion, upgrade and construction of new local and regional infrastructure.
- The need for critical infrastructure investment: road, rail, air, telecommunications and IT that supports productivity in rural and regional Australia.
- The provision of the national broadband network and removal of mobile phone 'black spots'.
- Supporting strong and vibrant regional cities that provide the essential support facilities and support services that facilitate and underpin agricultural investment across rural and regional Australia.
- Programs and the provision of services to ensure that agriculture is provided in our education and training system; the increased provision of agricultural education in regional Australia, particularly in northern Victoria (which as the Green Paper notes is not provided in northern Victoria) one of the nation's most productive areas; programs to increase skills for new and existing workers; enabling access to a flexible workforce; and attracting new entrants into agriculture.
- Water and natural resource management—identifying and building the water infrastructure needed for Australia's future water supply needs; ensuring sustainable and productive use of natural resources for economic growth and development; improving our knowledge of sustainable resources use;
- Research, development and extension (RD&E)—boosting productivity through strategic and coordinated research and development; and making sure that farmers can apply the latest innovations through ensuring effective extension of new knowledge and technology.

## The Role that the City of Greater Bendigo can Play in Agricultural Competitiveness

Council submits that:

The proposal in the Green Paper relating to the development of airport freight hubs has particular implications for Bendigo. While the movement of high value agricultural product from freight hubs is

an important role of regional airports, modern well equipped regional airports support agricultural competitiveness in many ways. Industries, businesses and facilities that support the agricultural sector rely on passenger air services. Bendigo, which is the transport gateway to northern Victoria, one of Australia's most productive agricultural regions, is the largest regional city in Australia without a regular passenger air service. The regional development of Bendigo and the support it can provide for agricultural competitiveness is very substantially constrained by the state of the Bendigo Airport. Council is seeking \$5m through the National Stronger Regions Fund to match similar amounts committed by the Victorian State Government and the City of Greater Bendigo to ensure the necessary airport capacity for one of Australia's fastest growing regional centres. Bendigo has the capacity to be a leading regional air hub supporting the agricultural sector given the range of services it provides such as:

- Rural health services through the \$630m expansion of the Bendigo Hospital into a major regional facility linked to hospitals throughout northern Victoria
- Major financial services through the headquarters of the Bendigo and Adelaide Bank in Bendigo incorporating the Rural Finance Corporation of Victoria and the head office of the widely acclaimed Community Bank network which strongly supports scores of rural communities
- The provision of a range of specialist and rural business and agricultural consulting services. Bendigo, because of the range of facilities and services it provides, its liveability and strategic location, has become the base for a high concentration of business and consulting services that support the development of agriculture.

Bendigo is ideally placed with its extensive educational infrastructure to play a key role in strengthening agricultural education. Agricultural schools are limited in regional Australia. Additional schools in regional areas could help to lower costs for farming families. Bendigo supports ensuring that there is a comprehensive education for an agricultural career at secondary and tertiary level. This should include clear pathways for agricultural education and training at all levels as well as options for lifelong learning for those in the industry. Higher education and VET are critical both for existing farmers and to bring new people into the industry, as well as to maintain Australia's agricultural R&D expertise capacity. Creating national agricultural tertiary centres of excellence in cities that can support a large productive region is critical. Bendigo supports a new model for developing skills in the regions to meet the demand of rural industry and that a partnership approach would achieve the desired outcome. A partnership approach would use multi-level providers (researchers, producers and marketers) to deliver a comprehensive suite of programmes tailored to industry requirements. National and regional centres of excellence would be guided and supported by agricultural industry bodies and could include teaching research and extension programmes.

Bendigo supports decentralising government agricultural research and extension functions (such as the Department of Environment and Primary Industries in Victoria) to Bendigo. Relocating portfolio agencies to regional centres could provide opportunities for better stakeholder engagement, improved service delivery and promotion of regionally focused RD&E. The Government should consider opportunities to develop regional research hubs though co-location with universities and other research providers. Bendigo is ideally positioned to support such a centre.

A particular focus of Council's submission is to ensure that the Australian government has a broader awareness and better understanding that major regional centres – regional capitals - such as Bendigo, play a vital role in the competitiveness of Australian agriculture and that one of the most significant actions that the Commonwealth can take is to invest in the physical, economic and social infrastructure of regional cities such as Bendigo. The City submits that the future of Australian agriculture is increasingly dependent on regional cities providing quality support services to agriculture, agribusiness, the agricultural workforce, the movement of goods and commodities, communications, the retention of young persons in agriculture and the quality of life of the farming community.

### **How Bendigo Supports Agriculture and Investment in Agriculture**

The City of Greater Bendigo encompasses a physical area of 3,000 square kilometres and as such supports substantial agriculture and agribusiness within its own municipality. It is estimated that agribusiness accounts for \$697.002 million of the gross revenue generated by businesses and organisations in the City, 1,940 jobs, \$343m worth of regional exports, and \$195m of value add - the marginal economic value that is added by the sector (REMPLAN - Greater Bendigo Agri-business Economic Contributions Study 2014).

The regional role that the City plays is also vital for agriculture in central and northern Victoria and parts of southern NSW. Bendigo provides a series of support services in health education, finance, and social support that underpin the confidence of the agricultural sector to invest. Where parts of rural Australia lack those support infrastructure and services, levels of investment and confidence in the future is impacted.

Historically Bendigo saw its wealth generated through both gold mining and farming produce. Bendigo quickly developed as a manufacturing and processing centre and a transport hub, roles that have continued. Today Bendigo is a thriving regional capital with population of over 100,000, a population growth rate of 1.7% per annum and directly serving a regional population of 200,000 centred on one of Australia's most productive agricultural regions. Bendigo has one of Australia's largest livestock exchanges, an intensive animal industry that directly and indirectly supports 3,000 jobs, and high level business services to the agricultural sector. While these roles and services directly relate to agriculture it is the presence of services in areas such as health and education that also provides critical elements of the regional economy and play a major role in providing the confidence for farmers to invest in agriculture. Evidence of this role is that Bendigo is currently undertaking a \$630m expansion of its Hospital – the largest project of its type in regional Victoria. The new larger Bendigo Hospital will serve much of northern Victoria and southern NSW. Having access to quality health services is vital for the agricultural sector. Similarly in education, the campuses of La Trobe and Monash universities in Bendigo assist in underpinning higher participation by rural students in education. Bendigo is currently developing a major business park at Marong west of Bendigo to expand the capacity of the city to service sectors such as agriculture and to provide an 'inland port' capacity. The investments are vital to continue to maintain the connectedness of our region.

### **The Importance of Major Regional Cities and Regional Development in Supporting Agriculture and Investment in Agriculture**

There is a strong reliance of farmers, the agricultural workforce and their families on the vital role played by regional centres in underpinning their quality of life. A characteristic of much of rural and regional Australia has been the decline in the role and services played by many small towns and the subsequent loss of population. In contrast regional capitals such as Bendigo have assumed a much stronger role in supporting extensive regions.

Agriculture and investment in agriculture are increasingly reliant on the support that regional capitals like Bendigo can play. While one of the major roles that agriculture performs is to support rural and regional service centres. A more productive and competitive agriculture sector will further support county towns and regional centres. Conversely strong regional centres with key infrastructure support agriculture and investment in agriculture. The agricultural sector and the families supported by it must have confidence that they possess a strong regional centre able to provide a quality range of services, facilities and infrastructure. In order to retain population in rural areas, particularly young people, strong well-resourced regional centres that provide a base for further investment and secure access to critical infrastructure and services are vital.

Commonwealth investment in critical infrastructure such as airports, broadband, mobile phone coverage, regional rail freight and road networks and the distribution and hub role of regional centres expands the likelihood of much greater private sector investment in agriculture. Poorly resourced regional centres will lessen investment in agriculture. Proposals such as directly connecting rail from Victoria to Darwin with rail freight through the national grid will drive efficiencies in transport and open up markets in Southeast Asia. Investments in transport infrastructure are a large component of Australia regaining greater competitiveness in agriculture.

Regions provide an effective level to support investment in agriculture. Regional economies and agribusiness at a regional level can assist in increasing Australia's competitiveness in overseas markets. For instance by working at the regional scale with regional bodies and leading local governments provision can be made for:

- greater access and opportunity for regional participation in understanding overseas markets through in-market visitation and local learning opportunities,
- increased exposure to international markets for regional agri-entrepreneurs and innovators to establish trade connections and investment in line with R&D investment programs, and
- building regional brand 'relationships' that create affinity with international markets and which can leverage iconic regional products and services as both 'stand-alone' products and to assist in underpinning and supporting a national brand strategy.

## **Conclusion**

Market forces and efficiencies have led to the growing importance of a regional approach to doing business and of the role of major regional centres in supporting the rural sector.

The liveability and services that regional centres provide are critical to the support of the agricultural sector and further investment in it.

Australia is more likely to see investment in agriculture where people and communities are well connected to regional centres that meet their needs for health, medical, financial, business,

transport, cultural and education services and facilities. Strengthening the network of well-connected accessible regional centres is vital for agriculture and supports agricultural investment and competitiveness.