



Teys Australia Submission: Agricultural Competitiveness Green Paper

December 2014

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Cover Letter

19 December 2014

Agricultural Competitiveness Task Force
Department of the Prime Minister and Cabinet
PO Box 6500
CANBERRA ACT 2600

Teys Australia Submission

Teys Australia Pty Ltd is pleased to provide the Taskforce with our submission in response to the Agricultural Competitiveness Green Paper.

As a company, Teys Australia makes a large contribution in regional Australia, employing over 4,500 people and adding some \$2.6 billion to national GDP, and \$1.1 billion to household income each year.

We agree with the Government that significant export opportunities exist now and into the future for Australian agriculture. However, there is a growing weight of evidence that Australia may not fully capitalise on the increasing demand for food and fibre in our region.

A recent review of agriculture's trade performance confirmed that overseas competitors are innovating faster than Australian value chains and winning more market share, diminishing the potential economic benefits and jobs for Australia.

The efforts and achievements of the Australian government in negotiating Free Trade Agreements (FTAs) with China, Korea and Japan during 2014 are to be applauded. They position Australian businesses to develop sustained export growth for the next decade and beyond.

The imperative now is for the government is to accelerate changes that will enable Australian businesses to compete more successfully and capitalise on the opportunities for increased food exports.

In our view, the biggest gains for the beef industry are likely to come from a strategy of pursuing greater market access, competing on differentiation and premium quality and driving down the costs and impediments imposed on beef manufacturers.

Teys Australia looks forward to working with the government to find solutions that help to fast-track and maximise export performance to the benefit of cattle producers, beef manufacturers, regional economies and Australia as a nation.

Yours sincerely

Tom Maguire
General Manager – Corporate Services

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Executive Summary and Recommendations

Teys Australia is the second largest meat processor and exporter in Australia and proudly operated by the Teys Family. The company exports to over 40 countries and employs more than 4,500 full time employees across 10 locations, predominately in rural and regional areas of eastern Australia. It provides a significant economic contribution, adding approximately \$2.6 billion to the national GDP, and \$1.1 billion to household income each year, generating over 17 000 jobs, when flow on effects are taken into consideration.

The Government's White Paper on Agricultural Competitiveness comes at a critical time for Australian agriculture. The past strategy of competing on a commodity basis is losing currency, as reflected by declining trade performance in recent years¹. The reason is that as a country with high input costs for agriculture and manufacturing, Australia can no longer compete internationally on a lowest cost basis.

The evidence reveals a clear trend for other national agricultural exporters to win a higher proportion of the growth in demand for agricultural products in Asia. Australia's competitors have moved decisively to secure the economic benefits offered by strong growth in Asia.

The strategic implication is that without urgent action there is a high risk Australia will not fully benefit from the strong economic growth and increasing demand for quality food in Asia.

We know that addressing on-farm competitiveness issues in isolation from the competitiveness of other agricultural value chain firms, especially manufacturing, will not halt the decline in trade performance.

Instead, Australia's response will require an integrated approach that is based on differentiation of food products based on premium quality and supported by increased access to high value markets and urgent action to remove costs and other impediments across the agricultural value chain.

Improved international market access (including tariffs, quota and technical barriers) is the most fundamental prerequisite to enable better trade performance. The Australian government has positioned the nation for sustained export growth in negotiating Free Trade Agreements (FTAs) with China, Korea and Japan during 2014. These FTA achievements are very significant for Australia and lay the foundation for expansion of exports as the basis for Australia's future economic growth and well-being.

Better market access means that products can be sold globally to their highest value destination and that more value can be passed back through the chain to cattle producers. However, improved market access must be coupled with the ability for Australian firms to service those markets competitively: Australia needs a highly efficient and competitive beef manufacturing sector.

Increasing the competitiveness of beef manufacturing in Australia will involve four areas of government action:

1. Reducing red tape and excessive regulation
 - a. The high cost of doing business in Australia relative to other beef exporting nations means a 'lowest cost' strategy to compete is not viable. Government needs to work with the industry to identify, prioritise and remove the unnecessary regulations that add the most cost to beef manufacturing.

¹ Australian Farm Institute. 2014. Review of Australian Agriculture's Trade Performance. 46pp.

2. Innovation including rural R&D
 - a. Teys Australia's production through feedlots and meat processing facilities make the company a large payer of rural R&D levies. The company supports the basis on which these statutory levies are collected and used and the continuation of matching government funding for R&D. However, we would like to see more emphasis placed on performance and evidence of value for money for all levy payers.
3. Improving access to labour and skills
 - a. The labour market for beef manufacturing in Australia is costly and lacks flexibility. Accessing and engaging skilled employees from offshore needs to be as streamlined as possible and not cost-prohibitive.
4. Securing Australia's natural advantages: Biosecurity, healthy environment.
 - a. The continued high animal health status of the Australian cattle herd is the basis of continued market access and any strategy to position Australian beef as a differentiated, premium quality product for global customers

Decisive action by government in each of these areas will provide the enabling environment for firms across the value chain to invest and compete. Teys Australia is committed to working collaboratively with the government and the wider beef industry to find solutions and accelerate trade performance.

Recommendations

Teys Australia recommends that the Governments White Paper on Agricultural Competitiveness:

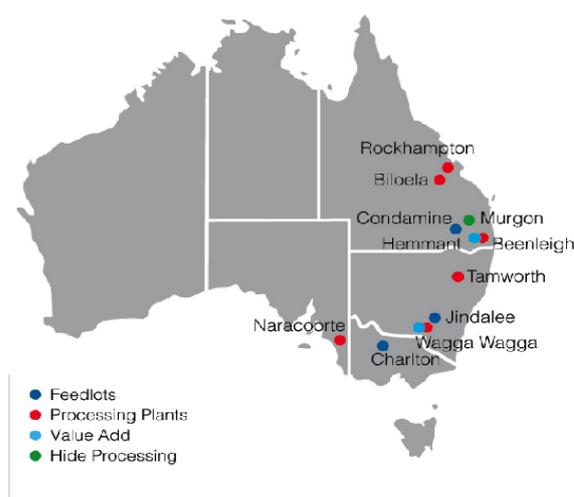
1. Commits Australia to an overarching strategy of competing by differentiating our agricultural products on the basis of premium quality and other high value attributes
2. Commits to explore development of a Free Trade Agreement with the European Union to improve market access for premium quality Australian food products such as beef.
3. Confirms the government's commitment to resolve those technical barriers to trade that are a major impediment to expansion of beef exports by Teys Australia and other exporters.
4. Adopts a whole of beef value chain approach to systematically identify and remove specific impediments to competitiveness so that exporters can service markets efficiently.
 - a. With an emphasis on prioritising those unnecessary regulatory imposts that add the most costs to beef manufacturers and stifle the growth of the wider beef industry.
 - b. Benchmark these regulatory imposts and annually assess and report progress by government in reducing the most costly regulatory burdens.
5. Confirms that the government will act now on its election commitment to task the Productivity Commission with conducting an independent review of the Fair Work laws and identify how the laws can be improved so that businesses can grow, prosper and employ while protecting workers.
6. Commits to defending the high animal health status of the Australian cattle herd as the foundation for continued market access and the strategy of positioning Australian beef as a differentiated, premium quality product for global customers.

Introduction

The Teys family has been involved in the Australian beef industry since 1946 when four Teys brothers formed a partnership to wholesale and retail meat in South East Queensland. The family has since grown its business to become the second largest meat processor and exporter in Australia.

The company's success is founded on family values, trusted relationships with its customers and suppliers, and a commitment to constantly innovate and improve to compete with the world's best. Today, Teys Australia is still proudly operated by the Teys family and jointly owned by the Teys family and Cargill (50 per cent shares).

Teys Australia has a long-standing and significant presence and commitment in rural Australia. The company exports beef to over 40 countries and employs more than 4,500 full time employees across 10 locations that are dominantly in rural and regional areas of eastern Australia:



Teys Australia has a significant asset footprint in regional Australia, operating six modern and efficient beef processing plants strategically located across the Eastern seaboard:

- **Teys Australia Naracoorte:** in the Coonawarra wine district in South Australia; employs 400 people, making it Naracoorte's largest employer;
- **Teys Australia Wagga Complex** employs over 800 people from over 40 nationalities;
- **Teys Australia Tamworth Complex** employs over 450 personnel, and is focused on the retail markets in Australia;
- **Teys Australia Beenleigh Complex:** has approximately 800 employees, and processes grain-fed cattle from Teys' Condamine Feedlot;
- **Teys Australia Rockhampton:** remains Australia's largest single shift operation. It currently employs over 1100 people and is the city's largest employer.
- **Teys Australia Biloela Complex:** located in central QLD; employs 400 employees.
- Three cattle feedlots: **Jindalee** (NSW), **Charlton** (VIC) and **Condamine** (Qld).
- **Teys Australia Food Solutions, (Brisbane)** provides value added meat solutions; and
- **Teys Australia Murgon processes cattle hides supplied by the Company.**

These assets provide an economic contribution adding approximately \$2.6 billion to the national

GDP, and \$1.1 billion to household income each year, generating over 17 000 jobs, when flow on effects are taken into consideration.

Dynamics of the beef value chain

Australia is one of the world's most efficient producers of cattle with over 77,000 Australian properties having cattle. The national cattle herd stood at 28.5 million head in 2012-13 and beef cattle production accounted for 57 per cent of all Australian farms with agricultural activity². It is a large part of Australian agriculture, with most cattle purchased by beef manufacturers for processing.

Beef manufacturing businesses are major sources of jobs and economic activity and produced 2.2 million tonnes of beef and veal in 2012-13. The off-farm meat value of Australia's beef industry is \$12.3 billion, with beef and veal exports in 2012-13 valued at \$5.1 billion³.

An important implication is that the large scale, wide geographic spread and the economic value of cattle production and beef manufacturing mean that any improvements in competitiveness will generate substantial benefits across Australia.

Industry and individual firm competitiveness and profitability at any one time need to be considered against the dynamics of the operating environment, which can vary widely from year to year. Climatic and market disruptions combine to impact on supply, markets, prices and margins for cattle producers and beef manufacturers such as Teys Australia.

In the past two years, serious widespread drought in eastern Australia has seen cattle slaughter numbers rise sharply and a negative impact on cattle producer incomes in the short term.

The industry is now experiencing an operating environment that is unprecedented in almost four decades. Meat and Livestock Australia (MLA) figures show that the estimated total turnoff of cattle for slaughter and live export in 2014 could be 37 per cent of the national herd. Similar rates of turnoff have not been seen since 1978-79 when the turnoff was 35 per cent.

As at 30 June 2014, the Australian cattle herd was at 26.7m head, an 8.8 per cent decline from the three decade high 12 months prior (ABS 29.3m head as at 30 June 2013). The fall was fuelled by the ongoing drought in northern NSW and Queensland along with surging live cattle exports and lower branding rates in northern Australia.

Over the past decade, market dynamics has seen periods of downturn in profitability for both cattle producers and for manufacturers including Teys Australia. In the past two years, beef manufacturers have benefited from higher margins, and a number of processors have invested to increase processing capacity.

The situation now is that demand for cattle is rising to meet growing overseas demand for beef; while on the supply side there is a much reduced national cattle herd and an expanding live exports industry.

Strategic approach to accelerate competitiveness

As a major beef exporter servicing over 40 countries, Teys Australia is well aware of the domestic and international forces that are re-shaping the business environment for beef value chain firms and for agriculture generally. We also know that a strategic and new approach will be required to accelerate improvements in competitiveness. More of the same will not produce better results.

The need for a new approach is urgent. The Agricultural Competitiveness Green Paper recognised that Australia has become a high cost producer of agricultural products. These high input costs for farms

² <http://www.mla.com.au/Cattle-sheep-and-goat-industries/Industry-overview/Cattle>

³ <http://www.mla.com.au/Cattle-sheep-and-goat-industries/Industry-overview/Cattle>

and food manufacturing firms have impacted on trade performance for agriculture. For example, there is clear evidence that exporters in overseas countries and not Australian exporters are now winning the greater share of market opportunities created by rising demand from consumers in Asia⁴.

Persisting with the past strategy of competing primarily on a lowest cost or commodity basis in international markets is losing currency for Australian agriculture generally and the beef industry in particular.

The White Paper on Agricultural Competitiveness now provides an important opportunity for policies and initiatives that accelerate a shift in the basis of competition from a commodity (lowest cost) basis towards one of differentiation on premium quality and other attributes.

It will require a focused and purposeful approach to manage the transition. While the Green paper identified many ideas for action, rather than spreading efforts widely we propose that the White Paper selects a few critical areas. These priority areas should be selected according to the greatest potential impact for Australia in both the short and longer term. It will then involve concentrating the collective efforts and investments of government and industry to achieve breakthroughs in competitiveness.

Determining the most impactful areas for future policy effort involves viewing the competitive situation objectively:

1. Across the Australian economy, agriculture is only sector that is internationally competitive⁵
2. Australian agriculture has not improved its competitiveness since 2005⁶
 - a. Continuing to concentrate on policy actions designed to improve competitiveness on a lowest cost (commodity) basis are very unlikely to reverse the recent flat or declining performance.
 - b. Shifting policies and mindsets towards agriculture competing on a differentiated basis while also removing impediments to efficiency offers better returns and value.
3. The Australian food manufacturing sector is also competitive, but less so than agriculture⁷
 - a. Yet together these two sectors together provide a source of comparative advantage and the foundation for Australia to compete successfully with a strategy of differentiating on quality and other attributes
4. Food manufacturing is now Australia's largest manufacturing industry and a major employer and source of economic activity, especially in rural and regional areas⁸
 - a. The beef industry is the second largest agricultural product export industry after grains and the largest food manufacturing industry in Australia.
5. A value chain approach is fundamental to the future success of agricultural businesses and especially where products involve manufacturing in Australia before exporting. All businesses in the value chain need to be profitable in the long term.
 - a. Treating competitiveness of farm production in isolation from processing does not reflect how the business processes required to meet demand actually work.
 - b. The way to best improve profitability for cattle producers in the long term is for beef manufacturers to pay more for cattle. For that to happen, beef manufacturers firstly need access to multiple markets so that the highest value beef products go to the highest value markets. Secondly, they need policies and a regulatory regime that dramatically improves the efficiency of meat processing in Australia.

⁴ Australian Farm Institute. 2014. Review of Australian Agriculture's Trade Performance. 46pp.

⁵ McKinsey Australia. 2014. Compete to Prosper: Improving Australia's global competitiveness.

⁶ McKinsey Australia. 2014. Compete to Prosper: Improving Australia's global competitiveness.

⁷ McKinsey Australia. 2014. Compete to Prosper: Improving Australia's global competitiveness.

⁸ Australian Food and Grocery Council. State of the Industry 2014. Essential information: facts and figures.

The main implication of the above assessment is that for agriculture to become more competitive it will involve a ground shift towards a competing on a differentiated basis. It means taking a value chain approach that leverages agriculture and processing businesses as linked sources of Australia's comparative advantage in meeting demand for premium food products around the world.

For the beef industry, there are potentially very large gains for Australia in the short term from actions that accelerate the competitiveness of the beef manufacturing sector so that it matches that of agriculture. The scale of the cattle production/beef manufacturing industry and the strong demand from Asia for our products provide the basis for a step change in the industry's trade performance.

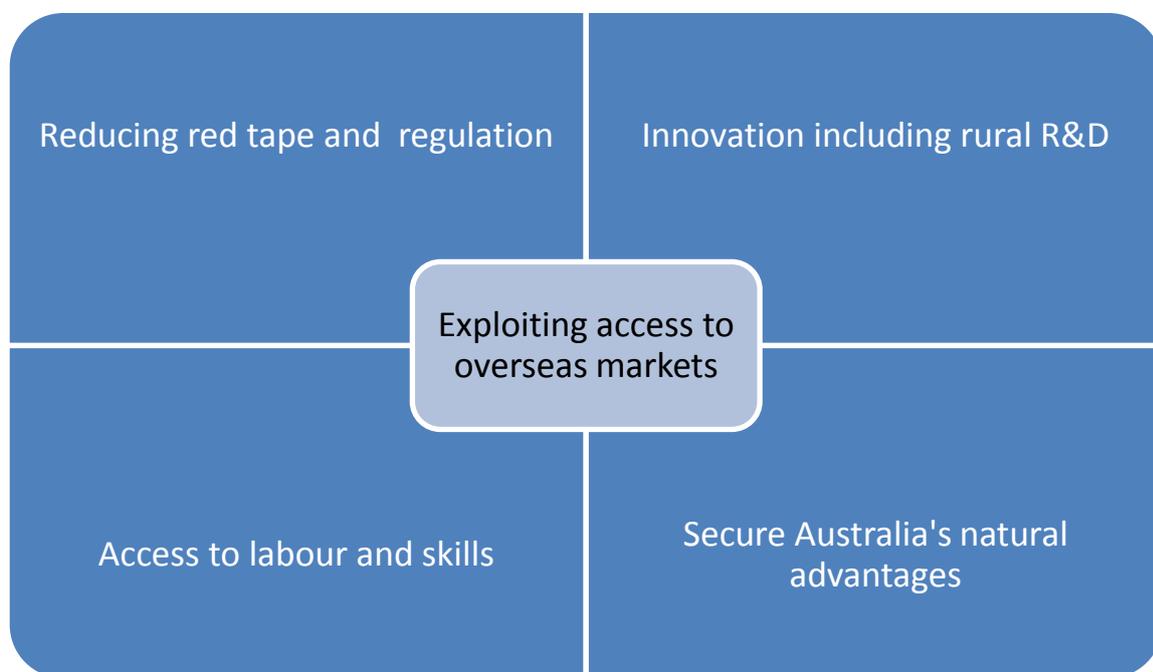
Teys Australia has invested over many years in developing trusted supplier and customer relationships and in building world class infrastructure to produce premium beef. Further significant improvements in performance will depend on government action to remove critical impediments to beef manufacturing competitiveness, to the benefit all businesses involved in meeting demand for Australian beef.

Transforming the Competitiveness of Agriculture

One of the most impactful strategies available to dramatically improve and sustain the competitiveness of agriculture in general and the beef industry in particular is to secure access to growing and profitable overseas markets and then act to ensure that exporters can service those markets very efficiently. The more markets that beef manufacturers have access to, the better positioned they are to sell more products to the highest value destinations.

Once better market access is achieved, government action is required in four areas so that exporters can exploit the opportunities:

1. Reducing red tape and excessive regulation
2. Innovation including rural R&D
3. Access to labour and skills
4. Secure our natural advantages: Biosecurity, healthy environment.



Government have responsibility for negotiating trade and technical access to international markets for Australian agricultural products. The government's role does not cease on achieving market access outcomes. Instead, it shifts to ensuring that the regulatory, innovation, labour and skills settings enable competition while securing the sources of Australia's natural advantage and differentiated market positioning (biosecurity status, healthy environment).

International market access

Economic development and jobs depend on exports, which in turn depend on access to growing profitable markets. Market access is the single most important area where progress will produce benefits across the Australian beef industry and the Australian economy as a whole. It allows beef manufacturers to export more products to the highest value destinations and bring more value back to Australia.

Negotiations on market access are fundamentally a government to government process. Business and industry can support the efforts of the Australian government, but the government has the lead role and responsibility for achieving new and improved trade market access for Australian businesses.

Teys Australia was an active contributor along with the wider meat industry for the Australian governments work to negotiate Free Trade Agreements (FTA's) with China, South Korea and Japan in the past year.

The government's achievements in negotiating these FTA's are to be applauded as they provide a powerful strategic positioning for Australian industries to compete for a share of these growing, high value markets. However, the work of securing the full benefits of better market access has only just begun. Implementation must now be planned and managed and we need to move quickly:

- Other countries can be expected to seek similar or better terms for their market access
- Government will need to remove impediments to competitiveness across the value chain and especially with beef manufacturing so that exporters can service these markets efficiently.

The government's efforts to negotiate Free Trade Agreements with China, Korea and Japan are to be applauded. However, capitalising fully on the opportunities created is not assured. The Government now needs to work with firms across the beef value chain to systematically identify and remove specific impediments to competitiveness so that exporters can service these markets efficiently.

Looking ahead on the trade market access front, it is important for the government to work with industry to identify future priorities. The priority should be placed on improving access to large markets where consumers have the capacity to pay for premium quality products.

Teys Australia considers that moving to develop an FTA with the European Union should be a priority for the government.

The government should make it a priority to develop a Free Trade Agreement with the European Union to improve market access for quality Australian food products such as beef.

Technical Barriers to Trade

Trade barriers for beef exports extend beyond the issues of tariffs and quota that are addressed through FTA's. Teys Australia' experience is that despite large investments and the best efforts of all groups across industry and government, technical barriers to trade persist and are increasing.

Industry research in 2013 found that technical barriers to trade cost the red meat industry \$1.25 billion⁹. It confirmed that a cycle of ongoing technical barriers and/or new issues emerging has established for red meat exports. Negotiations on technical barriers to beef exports are a government to government interaction and cannot be resolved by individual firms or by industries alone.

During 2014 Teys Australia and other red meat exporters worked with the Australian Meat Processing Corporation and the Australian Meat Industry Council to find solutions to the issue of technical barriers. The work confirmed that the problem is multi-faceted and requires:

- Industry leadership in prioritising technical barriers for collaborative resolution by the Department of Agriculture and

⁹ DN Harris. 2013. Comparative evaluation of technical barriers to trade Australian Red meat. Report for Meat and Livestock Australia and the Australian Meat Industry Council

- The need for an agreed mechanism to deliver a whole of government and industry solution.

*Technical barriers to trade are a major impediment to expansion of beef exports by Teys Australia and other exporters.
Resolution will require a whole of government response to priorities agreed by red meat exporters.*

Red meat processors have agreed on priorities for technical market access. In 2015, these priorities will be pursued by the AMPC Trade Director in collaboration with the Departments of Agriculture and Foreign Affairs and Trade to find solutions.

Reducing Red Tape and Excessive Regulation

Decisions on domestic regulations need to take account of the potential impact on international competitiveness. Although it is a subjective measure, Australia ranks 128th on regulatory burden, while Australia's nearest neighbour New Zealand ranks 13th.¹⁰

The high cost of doing business in Australia relative to other exporting nations means that we cannot pursue a strategy of competing as 'lowest cost'. Instead, government action to increase competitiveness need to be about enabling a strategy of competing on quality and other attributes.

The high level of regulation means that Australia is not a business friendly environment for regional manufacturing. Teys Australia is committed to Australia, but considers that without significant reform to the regulatory environment we will increasingly see regional food manufacturers closing down.

When manufacturers pull out of regions, it has lasting and adverse implications for regional economies and communities. However, effective action to reform and remove costs and barriers to efficient business operation will allow regional manufacturers to confidently continue to invest in Australia.

When governments take measures to make it easier for business to operate, business can then play a vital part in building diverse and thriving rural economies.

Teys Australia operates in multiple states and therefore is required to comply with a large number of regulations administered across multiple levels of government.

*Implement a collaborative approach across governments and the industry to identify and prioritise those unnecessary regulatory imposts that add the most costs to beef manufacturers and stifle the growth of the wider beef industry.
Benchmark these regulatory imposts and annually assess and report progress by government in reduction of the regulatory burden.*

The government's commitment to a collaborative approach with the States on program delivery should be extended to its commitment to cut red and green tape and reduce the cross-jurisdictional regulatory burden on the meat industry.

Regulatory reform does require a tailored, collaborative approach with industry to set priorities, take action and measure and monitor performance over time. We propose that the government prioritise

¹⁰ McKinsey Australia. 2014. Compete to Prosper: Improving Australia's global competitiveness.

the work program of the Departments of Agriculture and Industry special deregulation taskforces to ensure that they focus on removing imposts on those industries, such as the beef industry, where deregulation will produce the greatest returns.

Innovation including rural R&D

Teys Australia is a major levy payer in its own right, paying millions of dollars annually for industry R&D and marketing through the cattle transaction levy and meat processing levy. Wise investment of levy funds by rural R&D Corporations can provide business value for firms across the industry and increase productivity and profitability. At a whole of industry level or in the case of large enterprises, even small improvements in efficiency can translate to significant benefits.

With beef processing, substantially higher productivity will be needed (e.g. through product differentiation or process sophistication) to lift competitiveness and take advantage of Australia's strengths in agriculture and food manufacturing.

Teys Australia understands the importance of innovation throughout the value chain to remain competitive and therefore support the basis on which industry levies are collected and used. Further, we strongly support the continuation of government matching of industry investment in R&D.

Continued investment in rural R&D by levy payers requires strong governance and performance arrangements. The following principles identify some areas that are important to Teys Australia.

Important Principles in Relation to Levies

- All levy payers require evidence of value for money from investment of their levies
- All levy payers must have the opportunity to express their views directly to those responsible for management of their levies.
- Levy payers should have a say on levy decisions that is in proportion to the levies they pay.
- As investors of levies, R&D Corporations are accountable for ensuring that tangible benefits are delivered at the enterprise level.
- Rural R&D Corporations must be directly accountable to the levy payer for achieving results.

Labour and skills

Australia ranks very poorly in the World Economic Forum's subjective ratings on labour market efficiency: 137th on hiring and firing practices, 135th on flexibility of wage determination, and 113th on alignment between pay and productivity¹¹. Australia's poor labour market efficiency adds to costs and reduces competitiveness.

The significant national interest questions associated with labour efficiency were recognised in *The Coalition's Policy to Improve the Fair Work Laws*¹² released prior to the 2013 Federal Election. The Coalition recognised that it is fundamentally important to make sure that the Fair Work laws work for everyone and committed a Coalition Government to task the Productivity Commission with undertaking a comprehensive and broad review of the laws.

¹¹ McKinsey Australia. 2014. Compete to Prosper: Improving Australia's global competitiveness.

¹² <http://www.liberal.org.au/improving-fair-work-laws>

The high animal health status of the Australian cattle herd is the basis of continued market access and any strategy to position Australian beef as a differentiated, premium quality product for global customers

The cost and availability of staff is a major issue for regional manufacturing businesses. Teys Australia cannot fully staff its facilities from Australian labour, so it is critical the company has access to skilled employees from offshore. Further, the process of engaging these employees needs to be as streamlined as possible and not cost-prohibitive.

Accessing and engaging skilled employees from offshore needs to be as streamlined as possible and not cost-prohibitive.

Securing Australia's natural advantages

The high animal health status of the beef industry is the foundation of a differentiated marketing strategy for Australian beef as a premium product in export markets. Teys Australia's marketing is built on the high biosecurity status of the Australian cattle herd. Further, Australia's continued access to global markets is dependent on strong biosecurity that prevents incursions exotic disease and pests.

Teys Australia strongly endorses continued government investment and efforts to maintain and strengthen existing biosecurity arrangements.

The government must act now on its election commitment to task the Productivity Commission with conducting an independent review of the Fair Work laws and identify how the laws can be improved so that businesses can grow, prosper and employ while protecting workers.

Industry and government must continue to be vigilant and prepared to respond effectively to any biosecurity issues that emerge and could put Australia's animal health status at risk.

Similarly, a clean environment and responsible production are important values for Teys Australia and four our customers in Australia and around the world. Sustainable use of water and natural resources is already integral to Australian beef value chains and Teys Australia's practices.

The company is committed to environmentally sound practices across its production sites. Our efforts on sustainability issues have been recognised through a number of awards. For Example, Teys Australia was a recent winner of the Energy and Sustainability Award Category at the Regional Achievement and Community Awards held in Queensland. This category recognises businesses, community groups or organisations that are a leader and a forward thinker on good energy practices and sustainability. Our nomination was based on Teys Beenleigh and Rockhampton's Waste Water Treatment Project (WWTP) upgrades currently under construction, as well as Teys Beenleigh's significant efforts in utilities reduction as part of the Utilities Reduction Program (URP).

Aligning with Best Practice for Sustainability

Teys Australia has increasingly aligned itself with multi-sectoral and multi-stakeholder groups where we can share best practice and gain valuable knowledge in sustainability areas that we can improve on. This has included joining the Sustainable Agriculture Initiative (SAI) Platform, a unique member-based organisation committed to supporting the development of sustainable agriculture by connecting the farm-gate, manufacturers, buyers, policy makers, retailers, academics and investors to solve problems in the best interests of the industry, our farmers and productivity. In addition to the SAI platform our Queensland sites are also now members of the Chamber of Commerce and Industry Queensland's (CCIQ) EcoBiz program.

Global Reporting Initiative

Teys Australia is proactive in externally communicating our business's achievements. As a result we have moved to produce our own internal sustainability report that will allow us to continue to report our performance into the future as we take steps to publicly report. To do this we will use the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines. The GRI guidelines are the most widely used sustainability reporting framework to assist organisations to measure and manage their sustainability performance.