



**Submission for**

## **Agricultural Competitiveness White Paper**

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## SHIRE OF WILUNA OVERVIEW

The Shire of Wiluna is a Western Australian Local Government Authority, located in the central-eastern district of the State and covering some 182,000 square kilometres.

The only townsite in the Shire, being Wiluna, is located approximately 530km north of Kalgoorlie and 970km north-east of Perth. The town is the service centre for town residents and outlying pastoral stations, mining operations and Aboriginal land occupants.

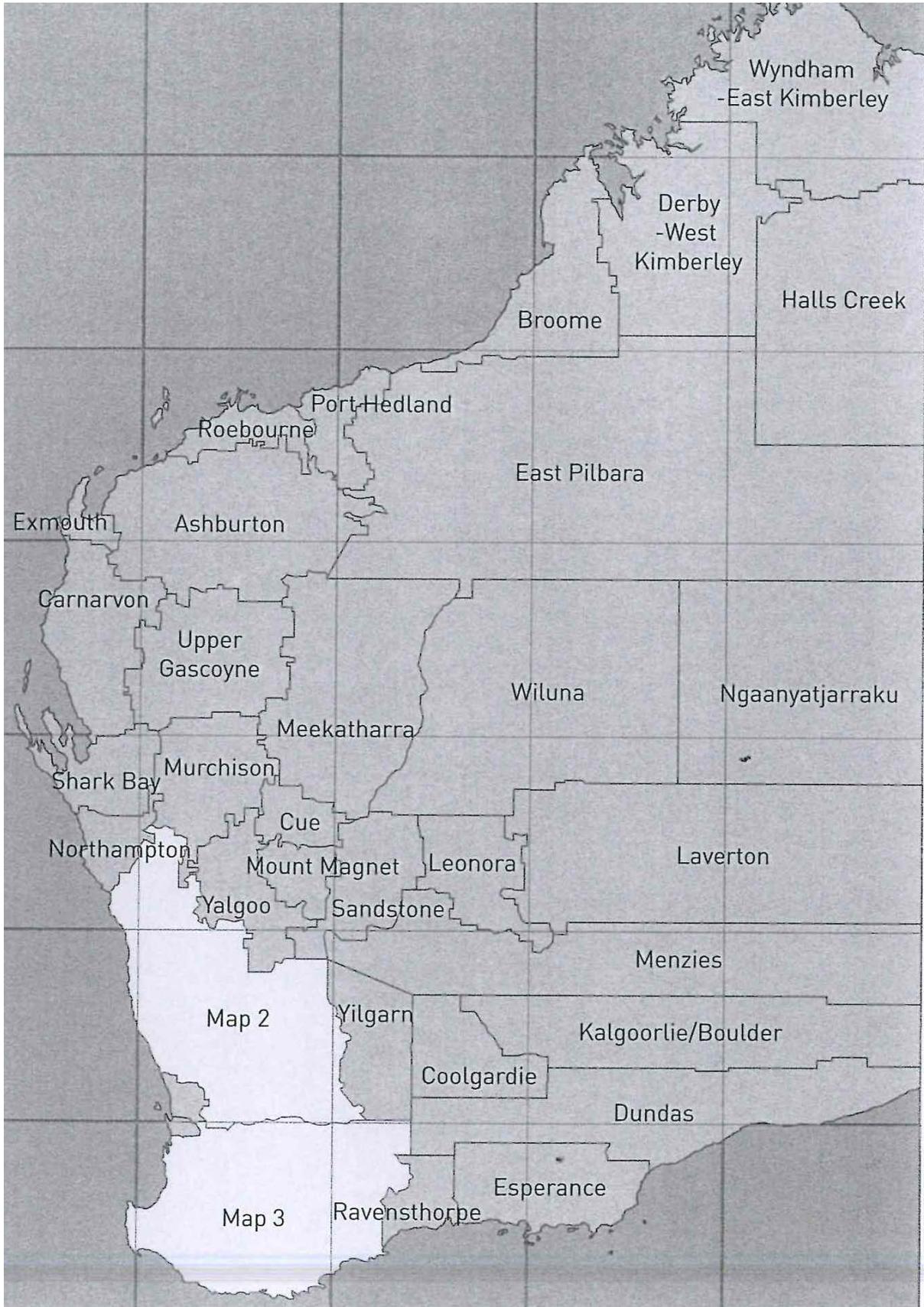
The town of Wiluna is the gateway for both the famed Canning Stock Route and Gunbarrel Highway; the district has had a key role in the state's agricultural and pastoral history. In 2015, the completed of the "Heritage and Interpretive Centre: Canning Stock Route and Gunbarrel Highway" is expected. This is a project being undertaken by the Shire of Wiluna as part of the regional vision, through the Midwest Development Commission, to increase tourism in the region.

The Shire's predominant industries are mining and pastoral. A (2012) report done by the AEC Group, commissioned through the Midwest Development Commission, showed that of the Gross Regional Product (chain measure volume) of the Shire of Wiluna (as a district) was 95.3% from mining and following this was 0.2% pastoral.

However, the mining industry in the district operates almost entirely on a FIFO basis, whilst the pastoral industry is completely locally based and make up almost 90% of the local business base. Therefore whilst the mining sector is the main economic contributor on a regional basis, it is the agricultural sector that has the strongest community ties and economic contribution to the district. This is because there appears to be very little inputs by the mining sector into the local economy.

The 2013 ABS statistics show a total population as 1160 (excluding all FIFO residents); at least 90% of residents are Aboriginal.

The following page shows a map of Western Australia and the location of the Shire of Wiluna within the state.



## SHIRE OF WILUNA WHITE PAPER SUBMISSION

### 1 ENSURING FOOD SECURITY IN AUSTRALIA AND GLOBALLY

#### 1.1 Land Use Options

Explore all land use options that can co-exist with Native Title, the Environment and Industry, where soil type and water availability are compatible to “Food and Fibre” production. There are numerous small to medium areas of land, particularly in Western Australia, that have been taken out of production because of native title and land that has been resumed by the State Government as parks and wildlife reserves.

#### 1.2 Water Sources

A concerted and collaborative approach needs to resume in order to harness water from Northern Western Australia and pipe-down south, through central Western Australia and Australia, to open up potential inland food banks.

#### 1.3 Land Quarantine

Quarantine/excise the best agricultural/pastoral lands (soil types) for food production, rather than for urbanisation or ideological use, irrespective of location.

#### 1.4 Government Priority

All tiers of government to prioritise agriculture/‘Food and Fibre’ as one of the top economic and social pillars of the local, state and federal communities (besides mining, tourism and services).

### 2 FARMER DECISIONS FOR IMPROVING FARM GATE RETURNS

#### 2.1 Transport Infrastructure

Adequate and priority funding is desperately needed by the agricultural/pastoral industry to improve transport corridors so as to ensure more efficient transport. This would improve times for produce and livestock to travel to markets and/or ports, as well as reduce overall costs to the producer/farmer.

As an example, cattle trucks leaving the Wiluna district have to do a minimum of 100km of unsealed roads OR to ensure they travel on sealed roads, it adds almost 100km to the route.

This equates to an additional cost of \$700.00 per load of cattle for the producer/farmer. This is a significant impost/increased cost to the producer.

Current plans for transport hubs and links for intrastate and interstate focus too greatly on hubs within metropolitan and very large regional areas; all of the produce that enters the metropolitan area for market comes from regional/rural and remote areas. A focus on transport Improvements in regional and remote areas would offer additional benefits such as the reduced transport time as well as other flow-on effects to all such as reduced costs and reduced price of purchase.

Roads should be prioritised as dedicated produce routes and funded accordingly. At State Government Level, for example, Local Government is able to obtain road funding for roads that are directly related to aboriginal community access; the same sort of positive differential should be extended to the agricultural/pastoral areas.

The most suitable economic environment to streamline “transport efficiency” from producer to market/posts needs to be fostered, so that all businesses along the supply chain can operate on the most practical and shortest transport routes.

Port access needs to be improved, particularly for live exports.

## 2.2 Local Government Rating

Local Governments can apply differential rating (under the Local Government Act 1995 WA) which can be used to financially assist (by way of having a lower rate) the agricultural/pastoral rated properties. Going one step further, if this is applied, the Federal Government could then reimburse the Local Government the income foregone through a decreased agricultural/pastoral rate.

## 2.3 Federal Taxation

Drought Policy needs to be uniform and not political or based upon who makes “the biggest noise”. The focus needs to be on drought-proofing or preparedness , rather than current and previous approaches of attempting to respond to the damage drought has already caused (e.g. socially, economically, environmentally)

Taxation incentives could include:

- Critical infrastructure (100-150%) e.g. Water, fencing, pasture improvement, genetics, stock management
- On-road/on-farm fuel excise tax rebate to producers and transporters of livestock/fodder (100%)
- A fairer, more equitable long term financial system (including taxation) aimed at drought prevention and preparedness, not responsiveness

- “Stewardship” payments to pastoral/agricultural families/single operators who are experiencing difficulty in harder times. Decades of family/local experience is invaluable from a land management point of view.

## 3 ENHANCING ACCESS TO FINANCE

### 3.1 Dedicated Rural Bank

The creation of a dedicated rural and associated lending bank (similar to Commonwealth Development Bank)

### 3.2 Capital Finance

Consideration of access to longer term finance for capital, to improve productivity and profitability as well as drought preparedness (for example, at cost or low interest finance).

### 3.3 Investment Finance

Consideration of access to longer term finance as an attraction for investment in rural industry by new people/organisations.

### 3.4 Means Testing for Finance

Provide operational finance to businesses at cost, through a system similar to “means testing”, in times of drought, in order to maintain staff, cash flow and, in the bigger picture, communities.

The QRAA 2009 is an example of what should be considered, but certainly wasn’t available, to Western Australia!

## 4 INCREASING THE COMPETITIVENESS OF THE AGRICULTURAL SECTOR AND ITS VALUE CHAIN

### 4.1 Australian Produce Identification

Stricter requirements for the labelling, and easier identification, of Australian produce both at local/domestic and international level.

## 5 ENHANCING CONTRIBUTION TO REGIONAL COMMUNITY

### 5.1 Collaborative Government Approach

A collaborative approach by 3 tiers of government for investment in critical transport and social infrastructure, in order to positively assist/influence the survival of small rural towns.

Royalties for Regions in WA is one example where this has had vast benefits to regions and towns.

## 5.2 Local Government Autonomy and Recognition

There is no recognised tier of government that understands the needs, desires, strengths, weaknesses and opportunities for a local community that it's local government authority.

Local Government is expected to be responsive to the needs of its community but this is done through the mechanics of legislation and the "one size fits all" approach that State and Federal Government impose on Local Government. Local Governments are considered an arm of the State Government and have no authority to make own decisions outside of what is allowed for in the State Acts of Parliament.

The absolute importance of the role of Local Government (as an organisation) in its district area needs to be taken seriously by State and Federal Government; it needs to be understood that community governance, economic development and participation (like common sense) cannot be legislated for and that Local Governments require AUTONOMY to allow organic collaboration with other stakeholders including NGOs, government bodies, community residents and other interest groups.

Many Local Government districts are finding that their small communities are becoming unviable and/or deteriorating because of the levels of "red tape" applied down to local governments from State and Federal levels.

To sustain communities will sustain population and services which will sustain the need for agriculture and visa-versa.

## 5.3 FIFO Impact and Industry Change

The Fly-In/Fly-Out culture needs serious review at a Federal level, given the benefits that are being lost to local communities and Local Governments through the FIFO approach.

For example, if the mining industries were to have workers and their families reside in towns, this added population delivers immediate benefits of "land, labour, capital and enterprise" in the local community but will also increase the needs to services, such as health, education, rural services and transport, to the community. This is something communities can further leverage from to create further economic opportunity. It is a positive cycle that can only begin with a commitment from Mining Industry to house more workers locally.

The Federal Government could then review FBT, PAYG income levels and the like for those who are residing within the town, as well as review company taxation structures for those companies that have a certain % of workers permanently housed in a town.

The State and/or Federal Government to then also review approvals process for certain development (essential to Mining Industry) to allow Local Governments to take back control of their communities. At present, Local Governments have limited (to none) say in development approvals and process such as:

- Construction of mining camps within the Local Government area, but outside of the town (i.e. on the mining site) – therefore the activity on mining sites provides very little back to the immediate local economy
- Approval of construction of aerodromes on the mining site – this has a negative impact on the Local Government’s ability to afford its own aerodrome, and it negatively affects the RPT service

All of the above have a flow-on effect to the survival of small rural towns, where both mining and rural/agricultural are primary operations.

#### 5.4 Secondary Welfare Review

Aboriginal/Indigenous welfare policies need reviewing. There are vast areas of lands that could be brought into production, thus aiding food security and reducing welfare dependency and reduce the much touted “gap” between aboriginal and non-aboriginal circumstances.

There is a huge potential for training of Aboriginal/Indigenous people in rural production, rather than the focus being on mining employment. There is a great focus at State and Federal Level about having Aboriginal/Indigenous people employed within the mining industry, and yet a locally based Wiluna survey revealed that mining is not a career that our Martu people are seeking.

Aboriginal people in rural areas are spiritually, culturally and physically connected to land, particularly in relation to the pastoral industry. This needs to be harnessed for economic growth. Many Aboriginal families within the Wiluna district had very productive lives working and living within the pastoral lands, but this is no longer the case due to welfare and land changes.

#### 5.5 Financial Options

Practical and attractive financial options should be available to assist in nurturing and developing services in rural and remote communities.

The ideological “community garden” and minimal grants received, for example, could be expanded on a much larger scale to extend to pastoral areas and farms, so that they become the actual “community garden” and more produce is retained locally and/or offers newer/alternative local markets.

## 6 INCREASING THE COMPETITIVENESS OF INPUTS INTO THE SUPPLY CHAIN

### 6.1 Special Taxation Zones and Rebates

Creation of special tax zones/rebates for rural areas or agricultural/pastoral occupations, to help attract workers back to agriculture, thus making net incomes higher and more attractive.

### 6.2 Wages/Labour Crisis

The Mining Industry has basically created a two –wage tier system, in which agriculture, small business, local industry and Local Government cannot compete. A review of the Mining Industry and structure of its remunerations may help shed some light on possible solutions to the overall competitive wages/labour problem.

### 6.3 Transport Infrastructure

As mentioned in point 2.1, development and improvement of transport infrastructure is critical.

In Western Australia, alternative highway access to Central and Eastern Australia will create new interstate market opportunities; for example, the sealing of the Outback Highway and Tanami Road.

There are also numerous intrastate highways in Western Australia which need urgent attention as to ensure current and future efficient delivery of livestock and produce which will then enhance trade opportunities. For example: Goldfields Highway (Wiluna to Meekatharra) to Gascoyne Junction Road is a main transport route and would otherwise be efficient if the road was sealed.

The Goldfields Highway between Wiluna and Meekatharra is one of the only sections of Highway in the state that is NOT sealed in its entirety.

Please refer to the map following this section 6.3.

Interstate and intrastate road improvements will also enhance tourism, which will add vibrancy and sustainability to towns and regional cities, and especially for the small rural towns.

Port access and development of new ports needs prioritising; for example: James Price Point, Oakajee, Carnarvon and Port Hedland.



## 7 REDUCING INEFFECTIVE REGULATIONS

### 7.1 Legislation Change

Impractical and ideological red/green tape is impeding development and farm improvement/production. Vegetation/Heritage clearing laws are a good examples as they affect matters such as: feedlots, water harvesting and regrowth.

Local Government needs exemption and/or autonomy from such laws, especially within road and gravel reserves, to carry out necessary road works in a timely and practical manner in order to create efficient and safe transport infrastructure. This then will aid rural production.

The current Heritage/Flora and Fauna regulations are excessive and prohibitive. It needs to be recognised that primary producers are, and always have been, natural resources managers without the need for intervention of bureaucracy (again, the organic approach versus mechanical approach of legislation).

There is little recognition at legislative level that decades of experience with land management has been obtained through families/sole operator producers. This experience and understanding should always be considered and not omitted because of legislative requirements or a “know better” approach from laboratory scientists, for example.

## 8 ENHANCING AGRICULTURAL EXPORTS

### 8.1 Local Focus

Whilst the focus is on creating new markets and watching our potential competitors, there should be an equal or greater focus on liaising with our current customers to gain a better fuller understanding of what they require and what improvements are to be made, and this will then potential increase access and value adding.

### 8.2 Biosecurity

Biosecurity should be a responsibility of all Australians, and a simple way to do this would be to apply a levy on all taxpayers to contribute to such.

### 8.3 Rangeland Biosecurity Arrangements and Associations

Now, in the absence of DAFWA, RBAs need adequate funding to facilitate programmes and provide services to producers to enhance sustainability.

For example:

- a) Allowing single pastoral properties to apply for NRM/other funding as a catchment within their own right
- b) Advising of all funding options

#### 8.4 Feral Animal and Wild Dog Control

Consideration of a National/Federal Wild Dogs Policy; a control and bounty system with a legal obligation on all land owners/occupiers/manager to control such animals.

Consideration of a national bounty system for feral camels.

#### 8.3 Local Government's Role

Local Government could play a leading role, where guidance and representation to local rangeland biosecurity associations would be applied more at a local, rather than state, level.

Funding could be given directly to LGAs to work with the RBA, rather than an added level of State and/or Federal involvement.

## 9 ASSESSING THE EFFECTIVENESS OF INCENTIVES FOR INVESTMENT AND JOB CREATION

#### 9.1 Meat Livestock Australia – Cattle Levy

An ad valorem levy is appropriate, i.e. Cattle levy needs to be based on a kg/head, sliding scale. At present, the producer of a 700kg Japox pays the same as a producer of a 200kg weaner.

#### 9.2 Meat Livestock Australia – Void areas

In Western Australia, MLA seems to have a void area between the Northern Agricultural region and southern boundary of Northern Australia. This needs some serious attention to address production requirements etc., which at present are lacking.