

Agricultural Competitiveness White Paper – Submission IP632  
Regional Development Australia (RDA)-Riverina  
Submitted 22 April 2014

Agriculture Competitiveness Taskforce  
Department of the Prime Minister & Cabinet  
PO Box 6500  
Canberra ACT 2600



17 April 2014

PO Box 8025  
Griffith East NSW 2680  
[www.rdariverina.org.au](http://www.rdariverina.org.au)

## To Whom It May Concern

### **RE: Regional Development Australia (RDA) Riverina submission for the Commonwealth Agriculture Competitiveness Issues Paper.**

The Agriculture, forestry & fishing industry is the major employer in the Riverina region of NSW and in addition to this sector, approximately a third of those people employed in manufacturing are employed in food product manufacturing<sup>1</sup>. In 2010–11 the gross value of agricultural production (GVAP) in the Riverina region was \$1.8 billion, which was 16 per cent of the total gross value of agricultural production in New South Wales (\$11.7 billion) for 2010–11 (ABARES 2013). This is the most recent year for which data is available from the ABS on GVAP for this region.

The region produces wheat, barley, canola, rice, cotton, sheep, cattle, chicken, pigs, citrus, grapes, nuts (walnuts, almonds & soon to be established hazelnuts), olives and other horticulture commodities (potatoes, pumpkins, beetroot, onions, garlic, tomatoes, capers). Significant processing facilities operate in the region for wine, rice, cotton, chicken, beef/sheep/pig meat, olives, walnuts and various horticulture commodities.

RDA Riverina will consider the Agriculture Competitiveness Green Paper later in the year when it is released but in the interim will provide some comments in response to the Agriculture Competitiveness Issues Paper. The feedback provided has been brought to the attention of RDA Riverina through a number of forums and discussions with industry and regional stakeholders over the last 2 years.

Comments relevant to the issues listed below:-

**Issue 1:** Ensuring food security in Australia and globally &

**Issue 4:** Increasing the competitiveness of the agriculture sector and its value chains

**Issue 6:** Improving the competitiveness of inputs to the supply chain

**Issue 8:** Enhancing agricultural exports

### **Transport (Road & Rail & Ports particularly) to expand and access markets**

Enabling infrastructure that allows the delivery of the current volumes of agricultural product to markets or processing points regionally, nationally & internationally is critical. In the Riverina due to the improved seasons, significant tonnes of crop and value added

---

<sup>1</sup> Agriculture and Forestry in the Riverina region of New South Wales, 2013 ABARES March 2013

product is being produced and this is placing a significant strain on the transport system. Roads in particular, but also rail lines that were damaged in the 2012/2013 floods. Local governments are struggling to keep up with the maintenance of this transport infrastructure. Time delays and inefficiencies add to the input costs for all involved in the agriculture supply chain.

Ensuring efficient and cost effective methods of delivering produce & value added products to national markets and also to ports for export is an immediate challenge but also a longer term issue. Improved efficiencies on rail, road and strategic intermodals across the state/s connecting road & rail will ensure goods reach destinations on time and via the most cost effective mode of transport.

Greater collaboration between the States and the Commonwealth in regard to transporting of agricultural commodities across boundaries will support the agriculture sector nationally. Currently transport legislation varies from State to State creating unnecessary red tape, time delays and inefficiencies.

### **Telecommunications**

Access to mobile service coverage & faster or high speed broadband (many farmers now do business from the paddock, adjust watering systems/pumps/feeding units, sell & buy stock via online markets, research new practices, control equipment etc). There are still substantial parts of the Riverina, NSW and Australia where there is no mobile phone coverage and/or limited or no access to broadband. The use of telecommunications not only improves efficiencies on farm it also enables access to international markets and expertise.

### **Electricity**

Access to affordable electricity or having the capacity to generate your own through renewable energy options will reduce input costs. With the increased use of power for improved technology systems, pumps, irrigation systems combined with the current increase in electricity prices, has added a significant input cost to farmers but also businesses involved in value adding. Agricultural enterprises are well placed to take advantage of renewable energy (solar, wind etc) but support programs that provide some financial assistance would be an advantage. Previous government programs have been implemented but to date most of these have been targeted at much larger energy users or corporate entities. There are many small- medium enterprises that could be supported and benefit from a renewable energy scheme that would create sustainable energy into the future.

### **Water Storage & Water Efficiency Infrastructure**

Water storage capacity is not really considered yet improved water storage can mean higher agricultural output and better environmental flows. Greater water storage does not mean as some argue that more water is kept from the environment and downstream users. With appropriate planning more storage means more water for all purposes which is what the large projects in the middle of last century achieved. Funds also directed towards further

efficient and effective water infrastructure will support agriculture development on farm as well as in processing facilities.

### **Gas**

Access to gas and the capacity to connect with existing networks at an affordable rate is particularly important for those enterprises value adding to raw product in the Riverina region. Such as processing nuts, vegetables, wines, rice, cotton etc. and processes that require heating to alleviate waste. This again reduces input costs for agricultural enterprises. The value adding to food and fibre products in the regions has many advantages and is where the potential exists for expansion in agricultural production. This has already been seen with Baiada Poultry Limited who have expanded their chicken farms in the Murrumbidgee Irrigation Area.

### **Labour Force**

Greater promotion of opportunities that exist in the food & fibre industry is needed. Due to the previous drought and decline in water availability many people working in value added industries (transport drivers, contractor tractor, header or earthmover, shearer, stock handler, fencing contractor) in the Riverina moved away, so now primary producers are finding it difficult to find people for positions such as truck drivers, large machinery operators (earth moving equipment, header & tractor drivers), stock hands and irrigators. These are semi-skilled positions where experience is extremely important. There is not readily available or accessible training with these skills sets and training is often learned on the job. Many people with these skills moved from the region to the mines or else where to find work during the drought. Some are returning but there is still a significant skills shortage. Professional positions such as agronomists are also in demand, especially in NSW where the outreach services from Department of Primary Industries have been reduced.

The 457 visa and the Regional Skilled Migration (Employer sponsored) visa have provided an interim solution for agriculture businesses but further programs that link the agriculture industry with education providers and schools to encourage younger people to enter the workforce are required. The Partnership Broker program funded by the Commonwealth Government has been a very successful program in the Riverina Murray region and a program similar to this targeting agriculture would be one solution.

### **Education & Training**

- In the Riverina region substantial funds have been withdrawn from education facilities that offered some of the short courses that delivered practical training suitable for the skilled work (as described in the previous point) to the industry. The Murrumbidgee Rural Studies Centres was one of these facilities. TAFE NSW Primary Industries facility does offer this training but the majority of these components are delivered from the Wagga Wagga and Albury Campuses. The demand for these positions is often further west of the region in more isolated communities. The Agricultural industry also needs to be more positive about the opportunities within the sector and more amenable to collaboration in relation to marketing, education & training and labour force development.

- Greater collaboration between agricultural industries when accessing training opportunities and creating education pathways. Varying agriculture industries need to work together to work out skills sets that can be transferred from one sector to the next, particularly as much of the work is seasonal. In the Riverina Murray region the Riverina Agricultural Education Alliance is endeavouring to work on providing some strategies to address this challenge. This Alliance has been driven by the Partnership Brokers (Commonwealth Government funded program) and works with industry, educators and the wider community to promote the importance of the region's 'Food and Fibre Industry' and the innovative and broad range of careers and career pathways available for the young people of the region. There will be three Ag Inspiration projects occurring across the Riverina Murray region this year for secondary students.
- Technology and mechanisation is also changing the labour and skill requirements of those working in agriculture. Training people with these skills will be important into the future to service the agriculture industry.

### **Research & Development**

- Stronger links between research and industry particularly around new technologies and innovation.
- Further research and trialling of different and diverse agriculture commodities to assist primary producers with diversifying their revenue streams and with standing variable climate and disease.
- Further research and analysis of market trends in the food and fibre sector and communicating this back to producers.

### **Promotion of Australian Agricultural Products**

- Improved labelling guidelines, identifying where products are grown & packaged. Stronger promotion within the regions about local, regional and national products.

Comments relevant to the issue listed below:-

**Issue 2:** Farmer decisions for improving Farm gate returns

#### **Climate**

- Managing business enterprises in the context of a varying climate. Supporting business enterprise to create models that diversify their income to enable them to survive periods of drought, flood etc.
- Storage and further water saving activities to maintain production at a minimal level during dry periods.

#### **Value Adding**

- Support structures and education for producers regarding securing markets for commodities and the concept of primary producers as 'price makers' as opposed to 'price takers'.

- Creating an environment that supports value adding to agricultural products in the region. Education and training for producers about how to establish market relationships with retailers (restaurants, motels, providores). This shortening supply chains, creating further employment opportunities and maximising benefits in the regions.

RDA Riverina recently conducted a Food Futures Forum (10 & 11<sup>th</sup> July 2013) to showcase some younger producers in the Riverina Murray who are passionate about agriculture and who are doing things differently. The forums also provided an opportunity for producers to look at some value adding opportunities and to meet directly with retailers as well as other producers.

You can access an overview of the forum and some interviews with some producers and business enterprises in the food fibre chain.

<http://www.youtube.com/channel/UCY8Xs5wTvf0YV3L4qegpsnQ>

RDA Riverina worked with Charles Sturt University multimedia students to develop 5 videos of young people (under 40) employed in varying occupations within agriculture. There is a new generation of young people emerging within agriculture who are passionate and optimistic about the industry however their voice and presence is often overshadowed by those who have been in the industry for many years with a negative view of opportunities. The promotional videos can be accessed from <https://www.youtube.com/channel/UCY8Xs5wTvf0YV3L4qegpsnQ>

This will be used as a starting point to promote to those in the region that agriculture or the food & fibre economy involves many different and varying occupations or skills. Entities such as RDA Riverina and other levels of government demonstrating that they support the food and fibre economy will help build the confidence of the industry and show the value of agriculture to the broader community.

Comments relevant to the issue listed below:-

**Issue 3:** Enhancing access to finance

### **Finance**

- Access to capital, particularly for younger generations wishing to enter the farming sector. Financial Institutions now require substantial equity and are looking for low risk lending which can provide challenges for the younger generation who have not built this equity.
- Further consultation and discussion around the opportunities that may be presented with corporate and/or overseas investment. Ensuring the right model is adopted to ensure sustainability for all parties involved.

### **Corporate Farming and Foreign Investment**

A balance must be maintained, ensuring local benefits as well as taking advantage of overseas investment and their desire to ensure food security for their growing population (particularly Asia). Further research into the impact of corporate and international investment on communities is needed. Research that analyses both the advantages and disadvantages, ensuring primary producers and communities are fully informed.

Comments relevant to the issue listed below:-

**Issue 5: Enhancing agriculture's contribution to regional communities**

**Language**

Changing the language or the way that agriculture or a farmer is defined will be important into the future. The traditional image of agriculture or a farmer has diminishing relevance in this dynamic industry. Observations and limited analysis indicates that farming enterprises are changing with more corporate ownership and family farms having to grow to be sustainable. This means the opportunity to be a 'farmer' is relatively small however there are many other occupations or employment opportunities associated with working on a farm or in the food and fibre industry that are available. These new and diverse opportunities are where the focus should be for attracting young people into the industry. As mentioned previously many of these positions are classified as semi-skilled but require a high skill level and area of expertise. Creating path ways where young people can work and also participate in on the job training starting at a certificate level but with the capacity to articulate into a tertiary degree if they wish to at a later date. This concept works well for industry and provides the opportunity for full time work and a career pathway for younger people.

As mentioned previously entities such as RDA Riverina and other levels of government demonstrating that they support the food and fibre economy and regional communities will help build the confidence of rural and regional communities. A confident and valued community has much greater capacity to adjust to change.

If you require any further questions please contact me on 0429 444 213

Yours faithfully,



Lani Houston  
CEO  
Regional Development Australia Riverina