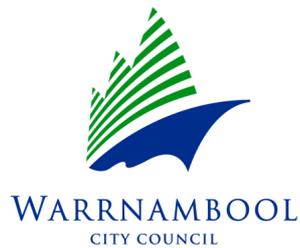


AGRICULTURAL COMPETITIVENESS

RESPONSE TO THE ISSUES PAPER



APRIL 2014

A. About the City of Warrnambool and the Great South Coast region

Thank you for the opportunity to respond to the Agricultural Competitiveness Issues Paper.

The City of Warrnambool is located in south-western Victoria, about 260 kilometres from Melbourne. Warrnambool is Victoria's largest coastal City outside Port Phillip Bay and is one of Victoria's fastest growing regional cities with a current population of 33,300. Council attributes the strong population and economic growth of Warrnambool to the strength of its diverse regional economy and the liveability of the City and its region.

Warrnambool (circled below) is considered the economic, academic, cultural and social capital of the Great South Coast region. The Great South Coast comprises the six municipalities of the City of Warrnambool and Shires of Colac Otway, Corangamite, Moyne, Southern Grampians and Glenelg.



The strategic importance of Warrnambool is underpinned by its location as:

- a growing regional centre with the capacity to sustainably support further population growth;
- a high rainfall region with a strong resilience to climate change;
- the key regional centre for dairying and milk processing;
- the health and academic centre for the Great South Coast Region;
- the Western Gateway to the Great Ocean Road tourism region;
- a location of emerging importance for green energy power production (natural gas and wind power generation); and
- a centre with good quality rail connection (freight and passenger) to the capital city;

B. Response to the Agricultural Competiveness Issues Paper

The author notes the wide scope of issues raised in the Issues paper. This submission seeks to address the following Issues (and some of the associated questions raised under each Issue):

- **Issue 1 - Ensuring food security in Australian and globally**
- **Issue 2 - Farmer decisions for improving farm gate returns**
- **Issue 5 - Enhancing agriculture's contribution to regional communities**
- **Issue 8 - Enhancing agricultural exports**

ISSUE 1 ENSURING FOOD SECURITY IN AUSTRALIA AND GLOBALLY

- **What opportunities exist to expand agricultural production in Australia and how can we take advantage of them?**

The Great South Coast region is one of Victoria's largest food exporting regions and Victoria is Australia's largest food exporting state. The Great South Coast region is a material contributor to seven of Victoria's top ten major exports of Goods (shaded below). Of these seven types of Goods, five are food commodities produced in the Great South Coast region. Major food commodities produced in this region include dairy products (milk, cheese and yoghurt), beef, lamb and wheat.

	<i>Victoria's top ten major exports of Goods (2011)</i>	<i>A\$ millions</i>	<i>Commodities produced in this region</i>
1	Wool & other animal hair (incl tops)	\$ 1,463	<input checked="" type="checkbox"/>
2	Aluminium	\$ 1,161	<input checked="" type="checkbox"/>
3	Milk, cream whey & yoghurt	\$ 1,039	<input checked="" type="checkbox"/>
4	Passenger motor vehicles	\$ 1,011	
5	Wheat	\$ 945	<input checked="" type="checkbox"/>
6	Refined petroleum	\$ 769	
7	Meat (excl beef)	\$ 757	<input checked="" type="checkbox"/>
8	Beef	\$ 607	<input checked="" type="checkbox"/>
9	Cheese & curd	\$ 602	<input checked="" type="checkbox"/>
10	Edible products and preparations	\$ 518	

Source: DFAT STARS database and ABS Catalogue Nos 6291.0.55.003, 5220.0, 3101.0 and 5368.0, June 2012

Importantly, all shaded sectors above are net exporters of Goods for the State, not the case for Motor Vehicles and Refined petroleum which are net importers.

The Great South Coast (GSC) region is an agricultural dependent economy:

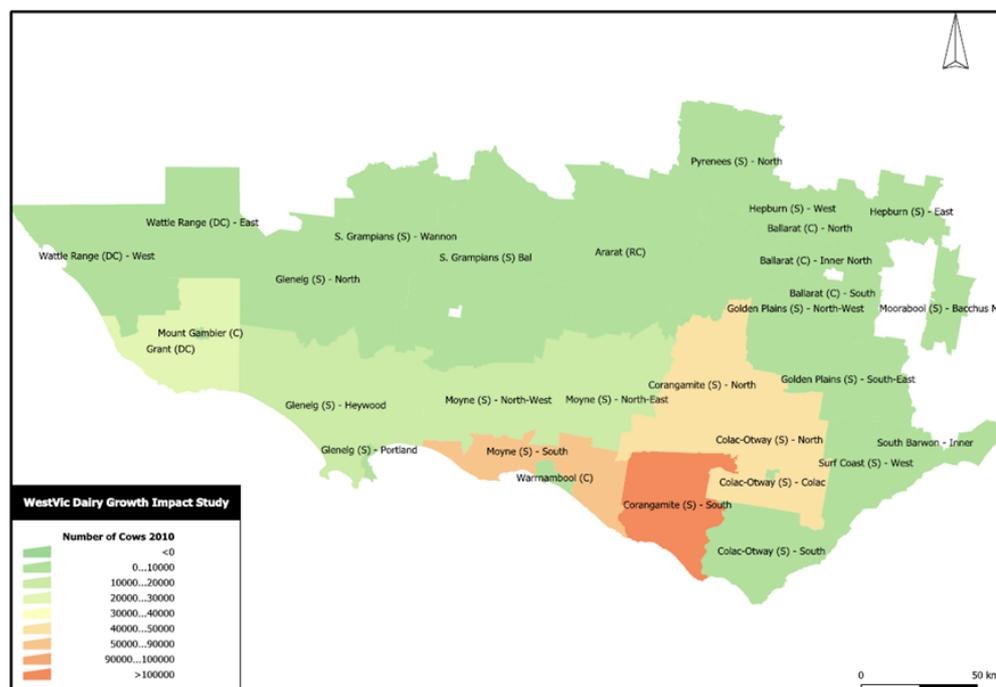
- Food & Fibre is around 60%¹ of the economy and the largest employer
- GSC is 12% of the land mass of Victoria and produces over a third of Victoria's Milk, about 1/3 of its Beef and 1/3 of its Lamb
- GSC produces around a quarter of the Nation's Milk.
- 84% of GSC farmland is grazing
- Half (51%) of the farms produce 9% of the value; 28% produce three quarters (74%) of the value
- For every person in the GSC, there's 60, sheep, 18 cattle and \$21,000 value at the farm gate
- GSC daily produces:-
 - enough milk to fill a line of 1 litre milk cartons (side by side) from Melbourne to the SA border
 - 50 trucks of Beef (1500 tonnes/day)

¹ Great South Coast Food and Fibre Data Project (May 2013). The value of the Food and Fibre industry in a farm dependent economy is typically 3.8 times the value of the produce at the farm gate (AFI 2004), this delivers a value of \$7.98 Bn (\$2.1 Bn x 3.8) or 58% of the GSC economy (\$13.8 Bn).

The Great South Coast region is economically reliant upon the dairy industry, including the milk production sector (dairy farms), processing sector (milk processing companies) and the service sector which supports them.

- In 2012, Western Victoria produced 2.2 billion litres or 23% of Australia's total milk production of 9.5 billion litres, making it Australia's leading milk production region.²
- In 2010 there were 1,651 dairy farm businesses in southwest Victoria (1,554 businesses) and southeast South Australia (97 businesses) that produced over 2 billion litres of milk.³
- The region is highly suited to dairy production with efficiently grown pasture, access to grain for supplementary feeding, and a relatively high and reliable rainfall complemented with adequate soil types.
- The industry directly employs 5,160 people on farm and a further 2,240 in the processing sector, representing 15% of the regional workforce⁴.
- It is estimated that the total annual regional economic contribution of the dairy industry, including both the direct economic output and the indirect effect on the service industries that support the industry, is \$3.5 billion⁵.
- Dairy farmers within the region supply processors that are located both within the region (Bulla, Fonterra, Murray Goulburn, and Warrnambool Cheese and Butter) and outside the region (Bega Cheese, National Foods and United Dairy Power).

The Great South Coast is a nationally significant agricultural producing region. The location of the dairy farm sector within the region is represented by the following map, which shows the distribution of milking cows across the region (2010). The figure shows that the highest concentration of milking cows in the region is in Corangamite South, followed by large populations in Moyne South, Corangamite North and Colac-Otway.⁶



² Western Victoria Dairy Strategy 2014-2019 DRAFT

³ Dairy Australia (2010) A snapshot of the dairy industry in Western Victoria.

⁴ Beattie, L., et. al. (2011) Dairy Industry in Western Victoria

⁵ RMCG (2012) Filling the Glass: an impact study of growth in the Western Victorian and southeast South Australian dairy industry.

⁶ RMCG (2012) Filling the Glass: an impact study of growth in the Western Victorian and southeast South Australian dairy industry.

Milk production in our region doubled (from 1 billion to 2 billion litres) between 1989 and 1999, but milk production has since plateaued (remaining at circa 2 billion litres). The extract below from the *RMCG Filling the Glass report: an impact study of growth in the Western Victorian dairy industry (2012)* identified the following factors that triggered the doubling of milk supply in our region in the 1990's:

- *A relatively stable milk and grain price, providing dairy farm businesses with confidence to invest in production efficiencies.*
- *The real costs for farm businesses have increased over time and this demanded a response to adapt, change and improve efficiency, or alternatively to leave the industry.*
- *Milk production per land area, milk production per farm and stocking rates all increased, as businesses responded to the operating environment and less profitable situation.*
- *Average profit margins have been decreasing over time in the industry. This will continue to see an exit of unprofitable dairy farm businesses from the industry. It will also make ongoing investment in production efficiencies more difficult.*
- *Many dairy farm businesses do not have sufficient profits to reinvest in their operations to create further efficiency and future profits and even if they did have access to funds, it may not be a good investment for them.*
- *A small group of farm businesses are making a strong profit and will continue to achieve good returns on invested capital as they drive future efficiencies.*

In recent times there has been a lack of focus on profitable farming in the south west, with the industry more focussed on production. Therefore, as we consider future growth opportunities it is important to recognise these messages and the critical role that business confidence and profitability plays in the industry. Future growth in the industry will be driven by profitable production, thus we need to consider how to focus on profit and the production will follow.

Source: RMCG (2012) *Filling the Glass: an impact study of growth in the Western Victorian dairy industry.*

RM Consulting Group's (RMCG) full report titled *Filling the Glass: an impact study of growth in the Western Victorian dairy industry (2012)* is included by way of attachment to this submission.

The RMCG report identified the following principal limitations to growth in the region's dairy industry (in priority order):

1. Business confidence and profitability
2. Peoples' desire and capacity to adapt
3. The skills and labour required to operate larger dairy farm businesses profitably
4. Water availability
5. Access to power
6. Road infrastructure
7. Environmental impact

The RMCG report forecast that a 3 billion litre dairy industry (i.e. a 50% increase in present production) would mean:

- Substantially more cows in the region (25% - 50% more)
- Fewer, but larger herds (358 – 525 cows per farm, which is 35% - 100% larger than now)
- Fewer, but larger farms (292 – 375 ha per farm, which is 20% - 50% larger than now)
- Greatly increased stocking rates, which would need to be achieved through further intensification of feeding methods (grazing management, fodder crops, irrigation, grain).

The RMCG report concluded that that the industry “*can physically do it, if the business environment is conducive.*”

What is the Great South Coast region doing to plan for a growing and sustainable agricultural sector?

Significant progress has already been made towards enhancing the strategic planning to accommodate growth in this region's agricultural sector. Examples include the Great South Coast Regional Strategic Plan and Westvic Dairy's⁷ long term strategic plan for the region's dairy industry (the latter is presently being updated to reflect the 2014-2019). An important study was completed in 2012 titled *Filling the Glass (attached to this submission)* which is an impact study of growth in the Western Victorian and southeast South Australian dairy industry designed to provide improved understanding of the likely pattern of growth, its drivers and barriers, and a clear set of recommendations to facilitate growth. However, this region recognises there is still much work to do to harness the opportunities available.

The Victorian State Government has set a goal to double agricultural production by 2030 to meet the growing world demand for food and fibre. This region's already material contribution to the state and nation's food output, coupled with this type of goal (and the opportunities that will inevitably arise from the Agricultural Competitiveness White paper), clearly places this region at the national forefront of what can be achieved in terms of increasing food production in a safe and sustainable way.

Warrnambool City Council has taken a leadership role in promoting the Great South Coast as a region capable and ready to accept the challenge of sustainable growth in its food sector. There are current efforts to develop a regional food leadership group with the end outcome of a Great South Coast Regional Food Plan. In collaboration with the many stakeholder groups connected to food production in this region, the leadership group will be looking to establish pillar groups along the following themes to inform this Regional Food Plan:

- Food Sustainability and the Environment;
- Skills;
- Connections;
- International relations; and
- Branding.

These proposed pillar groups will consolidate and augment existing and new relationships and networks across the food sector in this region. A key body to help drive that ambition is the newly formed Great South Coast Group, the region's peak body to advocate for and drive the delivery of the region's strategic plan.

Warrnambool City Council has also been working with the Global Foundation⁸ to articulate the region's food aspirations. Council hosted a regional Food Summit in May 2013 in partnership with the Global Foundation, State Government and key regional food producers and stakeholders. If the region knows what is required in the business case to implement the vision, the National and State Food Plan will be critically important to help deliver a future for our region that many might say is unimaginable.

⁷ WestVic Dairy collects the priorities of the regions dairy farmers and allocates part of their levy to applied research and development priorities. WestVic Dairy maintains partnerships with other agencies and additional funding to ensure a profitable and sustainable dairy industry within Western Victoria.

⁸ Global Foundation is a citizens' organisation with extensive private sector membership, based in Australia. Fully independent of government and funded by its members. The Global Foundation promotes high level thinking within Australia and cooperation between Australia and the world.

In addition to strategic planning for our region's agricultural future, the City of Warrnambool has been making good progress with our Sister City in China (Changchun):

- To better understand the food and agriculture trade opportunities available in Changchun;
- To better understand the capability of the City of Warrnambool and the GSC region to supply the Chinese market;
- To improve the awareness and export readiness of GSC firms in relation to the opportunities;
- To develop business relationships and an understanding of business practices to enable two-way trade in food and agriculture and the leveraging of related opportunities in education and tourism;
- To leave a legacy in the form of a body of knowledge, expertise and relationships that can be utilised and further developed over time; and
- To satisfy Changchun's expectation that similar objectives will be achieved for itself.

Australia has never experienced food shortages in the same way as Europe during the World Wars. i.e. our region, state and nation is politically and/or culturally disconnected to supply/demand imbalance. ***The key question is what is the region's appetite to contribute to global food demand?***

Warrnambool City Council is ready to accept the challenge of population and economic growth and welcomes the opportunity to engage in discussion with the Federal Government as to how this region can assist the nation to develop a strong, safe, and stable food system with a high level of food security.

ISSUE 2 FARMER DECISIONS FOR IMPROVING FARM GATE RETURNS

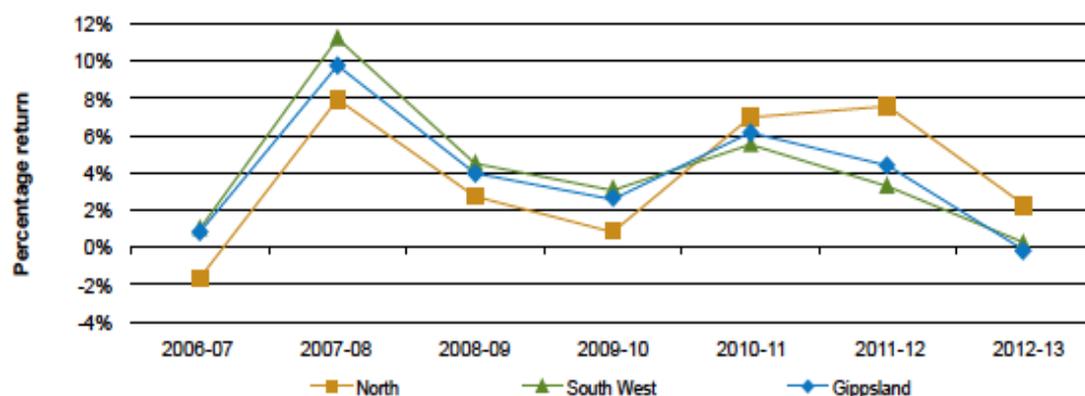
- **What are the drivers and constraints to farmers adopting alternative business structures, innovations or practices that will assist them in improving farm-gate returns?**

The following extracts are taken from the *Western Victorian Dairy Strategy 2014-2019 (DRAFT)*, detailing the status of dairy farm profitability in our region.

There is a strong perception of a lack of profitability at the farm level, yet the top 25% are making money. Often those with the strongest voices are those who are hurting the most, yet we need to listen to and learn from those who are operating profitably.

The GSC Region's Dairy Farm profitability⁹, as measured by return on assets over the period of 2006/07 to 2012/13 has been volatile, with strong returns in 2007/08 and poor returns in 2006/07 and 2012/13. The outlook for 2013/14 is positive, with an upward swing in the graph expected.

Western Victoria was historically more profitable than the other regions in Victoria, but has lost that competitive advantage since 2010/11, due to higher cost structures, more debt and challenging seasons.



However, there is ample room for improvement when the profitability of the average farm in Western Victoria is compared with the Top 25% for the region. The Top 25% of farmers in Western Victoria have been approximately twice as profitable as the average farmer over the past seven years, achieving an average return on assets of 7.9%.

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	Average
Average	1.0%	11.2%	4.5%	3.0%	5.5%	3.3%	0.2%	4.1%
Top 25%	5.5%	15.0%	8.0%	6.7%	9.3%	7.2%	3.7%	7.9%

⁹ Department of Environment and Primary Industries, Dairy Farm Monitor Project Annual Reports, 2006/07 – 2012/13.

The following were identified in the Western Victorian Dairy Strategy 2014-2019 (DRAFT) as constraints and/or variables to the growth of the regional dairy industry:

Global environment¹⁰:

- **High Australian dollar** – The dollar's strength for an extended period has damaged local competitiveness. Whilst unfavorable pricing pressures can be cyclical, farmers need to find other ways to remain competitive.
- **Historically low local investment** – Under investment both on farm and in processing infrastructure has undermined global competitiveness, especially compared to New Zealand.
- **Growing international demand** – Demand continues to increase for dairy products despite global economic volatility due to increasing prosperity in Asian markets. The market remains very competitive, however, and Asian demand may not support price premiums.
- **Global trading environment remains challenging** – Factors include export subsidies, restricted market access and other non-tariff barriers to trade.

Domestic environment¹¹

- **Significant regional differences** – Queensland, northern New South Wales, South Australia and Western Australia are now predominantly domestic market focussed, while Victoria and Tasmania are largely export market focussed. Addressing the different exposures and needs is a strategic challenge.
- **Competitive retail environment** – Heavy retail competition and the “price-taker” position of dairy farmers have adversely impacted wholesale and farm gate pricing.
- **Farm profitability under pressure** – Price pressure and increasing farm input costs, such as energy and feed have had a negative impact on farm profitability. Recent price increases and interest rate reductions may provide some relief.
- **Farm earnings volatility** – this undermines farmer and financial market confidence and impacts the willingness and ability of farmers to invest. Corporate farming models are not a short term game but incremental. Future investors need to shift dividend expectations to longer term incremental growth where peaks and troughs of performance are smoothed out.
- **People availability and capability** – These remain important factors for effective farm operations. Farm business management skills vary significantly across the industry.
- **Rapidly evolving genetics industry** – Opportunity exists for greater on-farm gains, but change is required.
- **Climate variability and water availability** – These have generally negative impacts for expansion of supply.

¹⁰ Western Victorian Dairy Strategy 2014-2019 (DRAFT)

¹¹ Western Victorian Dairy Strategy 2014-2019 (DRAFT)

- **Changing social expectations, dietary trends and environmental trends** – There are consequences for industry sustainability and local product demand.

Local challenges and opportunities¹²

Key industry leaders identified the current and emerging challenges and opportunities facing the Western Victorian dairy industry as:

- **Business confidence is currently low**, however many are optimistic about the potential for growth and change, as they believe the current situation provides the best opportunity for new entrants and transition in a long time. There has been a lack of focus on profitable farming in the south west, with the industry more focused on production. Business confidence at the farm level has declined, as a result of a series of tough years and increased volatility in the market. However, the highly public take-over battle for Warrnambool Cheese and Butter by Canadian group Saputo demonstrates confidence in the long-term future of the industry.
- There is a firm belief that low business confidence also reflects a **negative culture within the regional industry**, with much room to improve business management skills, encourage transition and reduce the focus on the bottom end of the industry.
- They also believe that the **region requires enhanced leadership** and clarity of roles and accountability within industry organisations to maintain and improve collaboration.
- Whilst **demonstrating the value of dairying and responsible management**, particularly in relation to animal welfare and natural resource management, are a key to maintaining a “social licence” to operate.

RM Consulting Group (RMCG) have just completed a piece of work for Horticulture Australia on the costs of production of vegetables¹³ which has some interesting comparisons with pigs and dairy (Western Victoria data). With the permission of RMCG the key findings are shown below.

It can be included from the examination of the impact of financial performance on the cost of production that:

- *The top 25% of vegetable growers by financial performance, on average, farm more area, produce more product per area sown and achieve a higher price per tonne produced.*
- *Vegetable farm business profitability is directly linked to costs of production with total farm costs per tonne decreasing as financial performance increases and that this decrease in costs of production is achieved by reducing overhead costs with increases in the scale of production (i.e. area sown and yield).*
- *Operator and family imputed labour is the single largest contributor to the difference in overhead costs between the most and least profitable vegetable growing farms. Other major costs that contribute to this difference are repairs, depreciation, other costs and administration.*

¹² Western Victorian Dairy Strategy 2014-2019 (DRAFT)

¹³ Investigating the costs associated with the production, sale and distribution of vegetables, Discussion Paper (DRAFT), RM Consulting Group (2014)

- *Therefore, low profitability in the vegetable industry is mainly the result of high overhead costs, especially operator and family imputed labour, because of insufficient scale to cover this cost.*

The vegetable industry is not alone, as the causes of low profitability in the industry are similar to those in other similar industries, notably dairy and pork, thus there is an opportunity to learn from other agricultural industries with similar problems.¹⁴

¹⁴ Investigating the costs associated with the production, sale and distribution of vegetables, Discussion Paper (DRAFT), RM Consulting Group (2014)

ISSUE 5 ENHANCING AGRICULTURE'S CONTRIBUTION TO REGIONAL COMMUNITIES

- **What impact does the growth of populations in regional centres and the decline in more rural or remote townships have on farming businesses and the agriculture sector?**

Warrnambool's role as a regional hub for retail, commercial, trades, education, health and professional services means Council provides an extensive range of services not only to Warrnambool but to the broader South West Coast of Victoria catchment area. The provision of these services plays a pivotal role in the health, social and economic wellbeing of the broader community. It also means Council must gear itself to service a population that is significantly higher than that which resides within its municipal boundaries.

Warrnambool's economy has grown from what was historically primary-production based, through a period of manufacturing to the existing economy based on regional service delivery and the export of agricultural and processed produce. The success of the region is linked to global trends, global financial markets and global demand for food production and it is prudent for the region to be cognisant of the influence of these issues.

Whilst beef and sheep farming are both significant contributors to the regional economy particularly in the northern parts of the region, the importance of the dairy sector to the Warrnambool region is evidenced in the extent of the regional employment in the dairy farming sector and economic output, income and exports generated from the milk processing industries.

The agricultural sector in the region is vitally important in providing business and employment opportunities in other sectors in Warrnambool. This includes providing milk for Warrnambool Cheese and Butter, Murray Goulburn and Fonterra and livestock for the meat processor Midfield Meats.

The agricultural sector also creates demand for the transport and logistics sector through the storage and distribution of milk and processed dairy products and demand for farming services such as machinery sales and repairs, fencing contractors, veterinary services and financial services.

Whilst Warrnambool is the key service centre for the region and offers residents in the region access to high quality retail, cultural, recreation, medical and education facilities, these services are supported by the earnings of the agricultural sector and without this significant contribution the prosperity of the service sector in Warrnambool would be greatly diminished. The Great South Coast Regional Growth Plan identifies that a strong Warrnambool is beneficial for a strong Great South Coast region.

- It is proposed that population growth targets be revisited in light of the need to ensure that expected population growth is balanced between metropolitan and non-metropolitan areas. New targets to be set to act as the basis for a comprehensive government decentralisation strategy.
- Establish business incubators across major regional centres in Australia, particularly those where sophisticated incubators do not currently exist. These should be positioned within close proximity to higher education facilities and strong links to the business community.

- A policy of promoting and further developing regional universities rather than city universities with regional campuses.
- **What skills including specialised skills and training, will be required in the future and how can these be delivered and uptake encouraged?**
 - Commit to the provision of Agricultural and Horticultural Studies into the future and assist rural and regional schools deliver this subject, such as clustering and online.
 - Support agricultural colleges (through enhanced training offerings and upgraded facilities)
 - Review the scaling of subjects such as Agricultural and Horticultural studies where this industry is experiencing skills shortages to encourage greater enrolments in this important area.
 - Government continue to work with the region to develop a workforce development plan for the region's agriculture sector.

ISSUE 8 ENHANCING AGRICULTURAL EXPORTS

- **How can industries and government respond to the key challenges and opportunities to increase or enhance exports?**
 - Defining the region's opportunity with a strong business case is critical. What do we need to do to 'tool' up our region to increase food production and smooth out supply chain links? What are the products and markets for the future, more of the same or additional new foods? Where is the value add? A national overarching framework describing the Government's role in the food system will assist the region to mobilise, engage better and communicate our story of what type and scale of food this region wishes to produce and move!
 - Developing strong relationships are critical when working within Asia and there is support for Warrnambool City Council's newly developing relationship with Changchun in China.
 - Not just food products that can be exported, but expertise also! This should not be lost when investigating new market opportunities.
 - Benefits realised of a strong relationship with Asia might not just be food but extend to other areas – education, health?
 - Critical economic enabling infrastructure gaps need to be prioritised and addressed to accommodate growth in food production. For example, the freight task – roads and rail freight system will not cope with additional throughput without extensive upgrades. Economic case for infrastructure gaps needs to be demonstrated better (particularly through linkages back to food supply) to State and Federal Governments.
 - The City is exploring the possible benefits of forming a 'Warrnambool Asia Society' to assist with cultural, social and business development within Warrnambool and the region. Lessons learned can be passed on and relationship networks enhanced.
 - Although milk and meat processing materially underpin the region's exports, there are other opportunities – particularly in aquaculture and stock feed. An informed discussion about how this region defines 'food' and what potential target markets might look like is needed.
 - Do not underestimate the power of SME's – numerous examples in this region of SME's already conducting business successfully in China.

- The Great South Coast region's food producers are constantly seeking new export markets. One innovative example is a local dairy processor who has recently partnered in a 'pilot' project to export fresh milk flown out of Geelong's Avalon Airport into China. Flights land at distribution centres in Guangzhou and Shanghai, with flights each carrying about 110,000 litres of fresh milk. While these milk export volumes are low relative to the overall milk production in the region (circa 2 billion litres per annum) it is but one of numerous examples in the region of Exporters constantly seeking new types of markets – whether it be bulk or boutique product.
- Build our relationships within the region and into Asia - political, social and cultural confidence between Australia's regions and Asia must be a priority.
- 'Local' or 'regional' university research and education must match the aspirations of our regions food future. Links between regional education and industries are improving which will build capacity to support a regional food growth plan.
- Council would support an industry-led working group to develop a strategy to help improve access to the labour and skills needed in the food sector, with particular emphasis on meeting the skill needs of abattoirs. Skills attraction and training and need for skilled migration visas that support new workers joining our community.
- Warrnambool is home to a major meat processor (Midfield Group) which is one of the region's largest private sector employers. This food producer has experienced ongoing difficulties in accessing visas for properly qualified tradespersons in accordance with ASCO standards. In some instances, this company has resorted to reducing its operating capacity as a direct consequence of the inability to source sufficient skilled labour that in turn generates the work for unskilled and semi-skilled persons. This food producer is an Australian owned company ranked as one of Australia's top 1,000 companies (by turnover). Council would strongly urge that a key action from the Agricultural Competitiveness Green Paper be directed to address critical shortages of skilled labour in this particular food sector.
- The need to promote and brand our region as an important food bowl or similar, gaining recognition of the significance and value of product already produced and our region's potential. This region needs to learn from New Zealand style regional branding – "clean green food bowl for Asia".
- This region has an overwhelming sense that we can't just be good at what we do we must promote ourselves at the regional, national and global level.
- Council would advocate for funding to be directed on a region by region basis to support the development of business cases for expansion and diversity in regional food production. With funding, a region by region business case (investment plan) could be developed that would tell a story of how each region can contribute to the objectives of the national policy framework.
- Base line evidence is important but Council would argue that efforts should be directed to how the nation is going to get to a strong, safe and stable food system rather than a prescriptive (and heavily resourced) account of why we are where we are!

- As evidenced by last year's regional Food Summit, our local dairy, meat, logistics, education and food production sectors are keen to work together to ensure that we maximise our regions opportunities into Asia over the next 5 - 10 years. Co-ordinated approach to the region's agricultural industry to capitalise on the benefits of greater demand and a larger export market. 'One strong voice to progress the big issues' – not dozens of industry associations promoting different agendas.
- Policy settings to account for demographic change/workforce shortages. Develop more robust agricultural workforce strategies to deal with looming skill shortages across dairy sector. Revise migration policy in collaboration with industry and engagement with investors.
- What are the learnings of the mining industry boom? Are there collaborative projects here with dairy/agribusiness?

C. CONCLUSION

The City of Warrnambool is at the geographical and economic centre of the Great South Coast region which is a material contributor to the Victorian and Australian production and export of food commodities. The prosperity of the region is underpinned by the agricultural and food processing sector. Without the significant contribution of the agricultural sector the high quality regional services and facilities supported in Warrnambool would be diminished. Thank you for the opportunity to input into the Agricultural Competitiveness Issues Paper.

The views in this submission do not necessarily represent those of the Warrnambool City Council or Community but are those of its author, Andrew Paton (Manager Economic Development & Investment, Warrnambool City Council).

Andrew Paton
Manager Economic Development & Investment
Warrnambool City Council