NSW_DPI: Agriculture Industry Action Plan

Issues Paper: Growing the partnership of industry and government (June 2013)

Submission of Comments from

Mr Todd Williams, CEO

Regional Development Australia (RDA) Hunter

L3 251 Wharf Rd

Newcastle NSW 2300

Email: todd.wiiliams@rdahunter.org.au

Phone: 02 4908 7300

Based on a strategic conversation

In Singleton NSW, on Tuesday 23 July 2013 Regional Development Australia Hunter hosted a strategic conversation regarding agriculture and land use in the Hunter.

Participants

Principal of Tocal College	Dr Cameron Archer
Zone two representative, Dairy Connect	Shane Gee
Director, HCCREMS	Meredith Laing
Hunter & Central Coast Regional Environmental Management Strategy	
Director, Community Development NSW Minerals Council	Claire Doherty
General Manager, HCRCMA	Fiona Marshall
HCRCMA	Joanna Blunden
Hunter-Central Rivers Catchment Management Authority	
Chair RDA Hunter	Gaye Hart
CEO RDA Hunter	Todd Williams
Policy and Research RDA Hunter	Trevor John
Apology	
CEO Baida Poultry	Simon Camilleri

Several other participants, including the Regional Manager of NSW Farmers, Chair of the Grain Committee of NSW, President of Hunter Valley Wine Association, and CEO of Hunter Thoroughbred Breeders Association, accepted an invitation to join this roundtable, however attendance was impacted due to a petrol tanker rolling onto its side at a notorious Maitland roundabout early that morning (23/07/2013); spilling hundreds of litres of fuel onto the New England Highway and causing major traffic chaos for thousands of commuters. Breakfast radio reports advised that a detour added 27 kilometres and at least 45 minutes to each journey and that roads throughout the Coalfields were clogged. The extensive clean-up operation forced the closure of the highway's four lanes for more than 10 hours.

At the conclusion of the strategic conversation, the Chair of RDA Hunter, Dr Gaye Hart AM, committed RDA Hunter to continuing to monitor and coordinate discussions with a broad range of Hunter stakeholders with a view to preparing a response to the Draft Agriculture Industry Action Plan.

Executive Summary

Agriculture is vital to the Hunter region as a contributor to economic diversification, gross regional output and community identity. The Hunter's climate and geography, from coast to high country, rivers and plains, support numerous agriculture industries, including dairy, beef cattle, pasture production, poultry for meat and eggs, thoroughbred breeding, aquaculture, grains, vegetable and fruit farms, including vineyards and protected cropping.

The Hunter region incorporates a variety of land types and portions of a number of river catchments. The Hunter River is a vital source of water for the Hunter population and many of the Region's key industries. It has a wide flood plain and its mouth divides at Kooragang Island north and south through the Port of Newcastle. The Hunter River drains the largest coastal catchment in New South Wales, covering some 22,000 square kilometres. Rising in Barrington Tops, the Hunter River is fed by a number of major tributaries including the Pages and Isis Rivers; Goulburn, Paterson and Williams Rivers, plus a number of minor tributaries.

The Hunter is the state's most populous region outside the Sydney metropolitan area with an estimated resident population of 650,773 in 2012, or 8 per cent of NSW's population. Proximity to Sydney and existing key infrastructure makes the Hunter a prime location as a major regional activity hub. Access to markets is facilitated by extensive road and rail networks, Newcastle Airport, the deep-water Port of Newcastle and the Internet.

Recommendation 1

The Agriculture Industry Action Plan recognises the Hunter region's comparative advantages in agriculture and access to Australian and global markets.

Recommendation 2

That a whole-of-region approach is adopted when framing strategic land use, water security and industry plans for the agriculture industries in the Hunter.

1. What do you see are the key issues for the agriculture sector over the next 1-2, 10 years?

1.1. Water security
1.2. Land-use conflicts and adequate safeguards around productive agricultural land
1.3. Ensuring agricultural industries are profitable
1.4. Business challenges as price takers not price setters
1.5. Extreme weather conditions
1.6. Ageing population of farmers
1.7. Succession planning
1.8. Retention of the required skill levels to run a productive agriculture operation
1.9. Capacity to attract and retain younger workers in rural agricultural communities
1.10. Inability to easily access education, health, research, high speed broadband and other services
1.11. Prime productive land is not being used for intensive farming, rather owned and managed to run at a loss for short-term tax breaks.
1.12. Financial stress and infrastructure back-log remaining in the sector following prolonged drought conditions
1.13. Personal stress and associated implications for primary producers and families on the land

2. How can innovation and productivity be improved in the agriculture sector?

2.1 Ensuring infrastructure meets demand levels for delivery of production inputs and access to markets: local, state, national and global.
2.2 Improve the flow of information and promotion to farmers of new ideas and methodologies that have been proven to work, e.g. at demonstration sites.
2.3 Support for local communication networks across the broad range of sources and influencers that primary producers use to determine whether to alter their practices or make changes to their businesses.

3. What can industry do differently to encourage the agriculture sector to grow?

3.1 Directly influence the research carried out in universities and specialist institutions to ensure the focus is on solving local problems facing today's primary producers and agribusinesses.
3.2 Combine resources and increase collaboration along supply chains from primary producers to vendors to processors, market outlets and consumers.

4. What can government do differently to encourage the agriculture sector to grow?

4.1 Progress the Council of Australian Governments (COAG) National Water Initiative, with a comprehensive water plan for the state.

4.2 Review and streamline legislation, compliance and reporting requirements as these apply to the agriculture sector, for instance Workplace Health & Safety, taxation law, quality control, pest and disease, management of contamination and land care.

4.3 Ensure competition and consumer legislation adequately covers the entire supply chains of the diverse range of agriculture industries.

4.4 Improve the environment for co-investment with the private sector in agriculture research and development.

5. How can your industry enhance the competitiveness of the agriculture sector?

5.1 Stimulate discussions within farming communities to share experiences, information, skills and advice that motivate change.

6. How can governments (whether State, Commonwealth or local) enhance the competitiveness of the agriculture sector?

6.1 Formally protect productive agricultural lands from encroachment by urban developments and other industries

6.2 Strengthen relationships with trade partners to ensure market access, so that Australia's agriculture sector is in a position to influence practices and respond to opportunities for growth.

6.3 Provide practical and relevant research and development services in local areas.

6.4 Support training and workforce development programs in local areas that are specifically targeted at the needs of each agriculture industry.

6.5 Development and distribution of tools to improve productivity, profitability and innovation.

7. What are the opportunities that the agriculture sector can capitalise on over the next decade?

7.1 ***Feeding the Future:*** *A Joint Australia-China Report on Strengthening Investment and Technological Cooperation in Agriculture to Enhance Food Security*, Australian Government, Department of Foreign Affairs and Trade, December 2012.

7.2 "Given emerging economic opportunities, particularly those associated with Australia's deeper integration with Asia, the region's industry base and its services orientation is likely to be clustered around its strengths in heavy industries and high value agriculture. (p32) There does, however, seem to be significant opportunities for the Hunter agriculture sector. The premium focus of the Hunter's agricultural goods means the industry is somewhat insulated from the persistence of the high exchange rate. In particular, the Hunter's niche agricultural products are likely to benefit from the changing tastes and preferences of the burgeoning Asian market. (p41)"

Deloitte Access Economics, 2013

8. What does the industry need to do first to improve growth in the agriculture sector?

8.1 Convince buyers of the industry's capacity to deliver more without comprising quality.

9. What does the government need to do first to improve growth in the agriculture sector?

9.1 Enlarge the number and size of markets for the State's agriculture industries

10. What is stopping the agriculture sector in NSW from taking up these opportunities?

10.1 Level of relationships and depth of understanding.

An example from the dairy industry: Testing the quality of Hunter produced fresh milk supplied to China takes place in China. Milk is being left on the shelf and not tested for up to two weeks after delivery. Consequently the milk fails the freshness test.

11. What are some of the low cost solutions that industry can do in the short term?

11.1 Raise the profile and awareness of the significance of agriculture in schools and with community groups to spark career interests in the younger generation.

12. What are some of the low cost solutions that governments can do in the short term?

12.1 Recognise the poultry industry as a critical industry cluster to protect farms, processors and packaging centres inter-connections from urban expansion pressures.

13. What actions or roles are you prepared to undertake to assist in positioning the agriculture sector in NSW for future growth?

13.1 RDA Hunter will continue to facilitate region-wide discussions and contributions to the development of the Agriculture Industry Action Plan.

14. Other comments

Sources of further information regarding the Hunter region

14.1 Lower Hunter Regional Sustainability Planning and Strategic Assessment

http://www.environment.gov.au/sustainability/regional-development/lower-hunter/index.html

14.2 Hunter & Central Coast Regional Environmental Management Strategy

http://www.hccrems.com.au/Home.aspx

14.3 Hunter-Central Rivers Catchment Management Authority

http://www.hcr.cma.nsw.gov.au

14.4 Prospects and Challenges for the Hunter region: A strategic economic study, Deloitte Access Economics, March 2013

http://rdahunter.org.au/hunter-region/prospects-and-challenges-for-the-hunter