

Agricultural Competitiveness White Paper

April 2014



CENTRAL NSW
COUNCILS



Centroc's Mission is to be recognised as the lead organisation advocating on agreed regional positions and priorities for Central NSW whilst providing a forum for facilitating regional co-operation and sharing of knowledge, expertise and resources; effectively nurturing sustainable investment and infrastructure development.

www.centroc.com.au

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Reference kk:vp 041417
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Agricultural Competitiveness Taskforce
Department of the Prime Minister and Cabinet
PO Box 6500
CANBERRA ACT 2600

email: Agricultural.Competitiveness@pmc.gov.au

Dear Minister Joyce,

Re: Agricultural Competitiveness

Thank you for the opportunity to respond to the Agricultural Competitiveness White paper.

Central NSW Councils (Centroc) represents over 222,000 people covering an area of more than 64,000sq kms comprising the Local Government Areas of Bathurst, Blayney, Boorowa, Cabonne, Cowra, Forbes, Lachlan, Lithgow, Oberon, Orange, Parkes, Upper Lachlan, Weddin, Young and Central Tablelands Water.

Centroc's vision is to be recognised as vital to the sustainable future of NSW and Australia.

Its mission is to be recognised as the lead organisation advocating on agreed regional positions and priorities for Central NSW whilst providing a forum for facilitating regional cooperation and sharing of knowledge, expertise and resources.

Centroc has two objectives:

Regional Sustainability - Encourage and nurture suitable investment and infrastructure development throughout the region and support members in their action to seek from Governments financial assistance, legislative and/or policy changes and additional resources required by the Region.

Regional Cooperation and Resource Sharing – Contribute to measurable improvement in the operational efficiency and effectiveness of Member Councils through facilitation of the sharing of knowledge, expertise and resources and, where appropriate, the aggregation of demand and buying power.



The Centroc Board is made up of the 30 Mayors and General Managers of its member Councils who determine priority for the region. These priorities are then progressed via sponsoring Councils.

For more advice on Centroc programming and priorities, please go to our website <http://www.centroc.com.au>

Reviewing the questions for consideration in the White Paper, Centroc makes the following commentary.

While regional development is of concern to Centroc communities and all of our members are located in communities that have varying degrees of agricultural primary and value adding production, the direct support of agriculture is not core business at the Local Government level. We therefore make this submission not as practitioners or as entities capable of moving the levers of reform. We do however have a growing knowledge of and responsiveness to our communities.

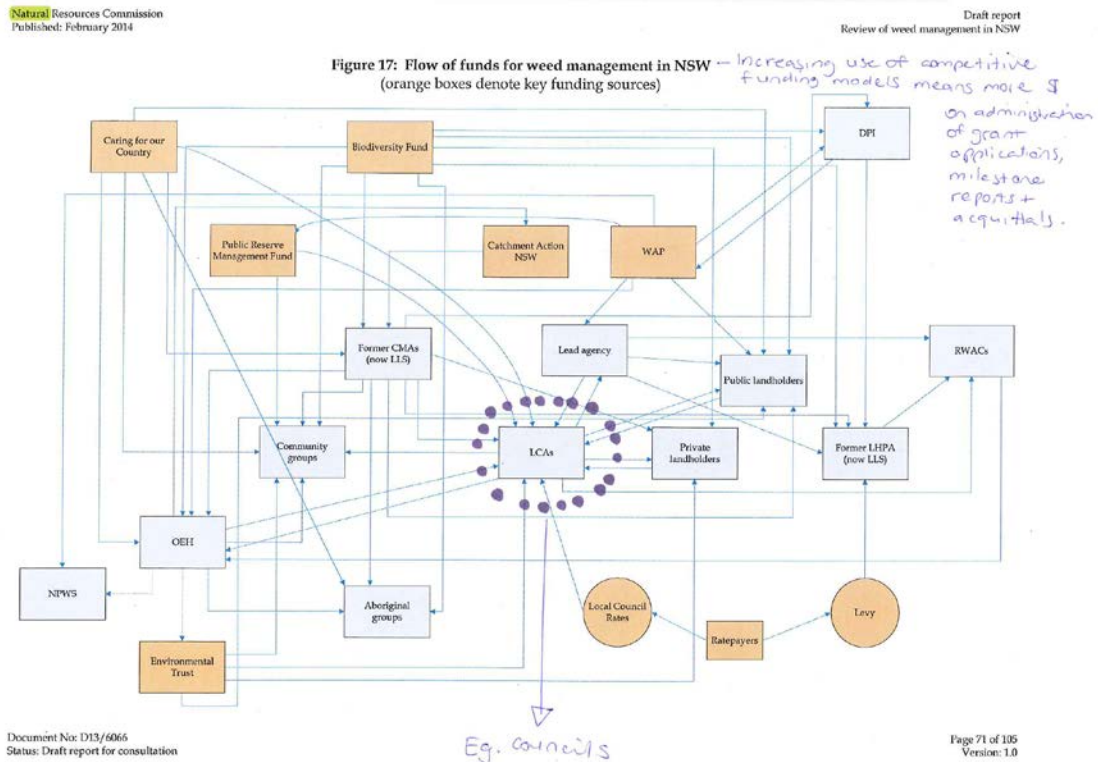
Having said that, the provision of infrastructure to make our agricultural based communities more liveable and resilient is core business of Centroc member Councils. Roads, community halls, sporting & recreational infrastructure and a growing number of community services are core business of Centroc members. Further, the provision of secure water to our urban communities needs to be considered in the growing complexity of the mix of Murray Darling Basin management.

As our communities request better support for health and aging infrastructure, child care and the like, so our members are engaged in the provision of nursing homes, medical centres, childcare centres and the like. All of this in a rate capped environment.

At the same time, through the Integrated Planning and Reporting process, formal and informal work in communications with our communities, our members are experiencing growing alarm at the diffuse but generally declining support for agriculture at both the State and Federal levels. The following are only some of examples of this decline:

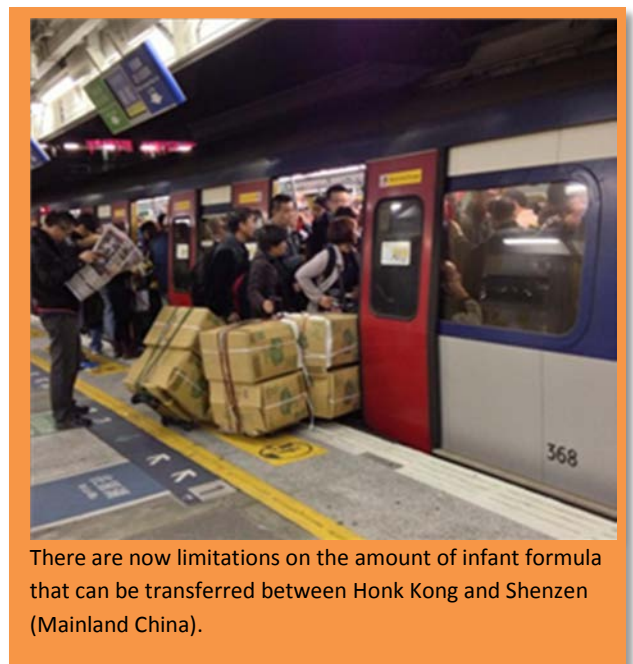
- Threatened and actual closure of agricultural research stations;
- Reduction of staffing and services from the NSW Department of Primary Industry;
- Closure of grain rail lines;
- No HML over the Blue Mountains into Sydney;
- Grid lock of rail in Sydney meaning no capacity for growth in freight rail;
- Poor support of rail in general in the nation;
- Complex and difficult to navigate water licensing, regulation and management;
- Erosion of real funding for road infrastructure owned by Local Government – typically the “last mile” for agriculture;
- No weather radar station near Dubbo despite ongoing and repeated advocacy in this space for years;
- Closure of food processing businesses such as Simplot and Windsor Farms;
- Competitive and challenging to navigate funding arrangements to support innovation;
- Too regular reform of catchment and land services, for example LLSs are now replacing LHPAs and LLS;
- Increasingly invasive and poorly managed regulation leading to disaffection in the agricultural community, for example water storages, septic systems, weeds and tree protection; and

- Too much complexity in funding, for example the management and funding of weeds, which looks like this:



Our members and their communities believe that clean, green and reliable product is what is being delivered by farmers in this region. They believe that in a world where there is so much growing concern over food quality, that Australian product should be able to position itself based on reputation. Further, the Centroc Board is of a mind that it is the quality of our agricultural product that should be a point of difference and effort should go into a combination of marketing and value adding. The Board recognises this is a herculean task but that consistent, targeted support by the Federal Government working with both other levels of Government and industry could have a profound effect.

Having said that, the Centroc Board is aware that “feeding China powdered infant formula” is not as easy as it sounds. Coherent, long term policy based strategy with regard to both a deep knowledge of potential trading partners/target markets and strong, respected communication channels into the producing communities are what is required. Take for example China, it is a very complex nation for whom “Achieving national food security with perceived controllability is the core for policy



making.”¹ On the one hand the Government wants to be in control of feeding its own people and on the other, its people are travelling to Hong Kong in droves to buy fear-free infant formula.

Further, the research undertaken by Centroc with regards to “how to have a conversation with farmers about farm management” is very instructive. Relations between the farming sector and government are poor. In our region, the farming community reports that government policy:

- Is too often developed from a metrocentric perspective and has unintended but poor impacts rurally. This ranges from training opportunities, access to health care and structural support arrangements not taking into account the tyranny of distance or existing relationships in the region.
- Does not seem to recognise the tension between liveability and efficiency in farming communities. As farms become more efficient so they need less people. As the people go so does the rate base for community assets and services. This has a knock on effect for the liveability of communities which then impacts on attracting and retaining the next generation of farmers. Some direct action is required to manage this tension.
- Is at differing times not trusted, ignored or overlooked while not taking advantage of trusted communication networks;
- Is too short term and subject to “changing the deck chairs on the Titanic.” As successive Governments and cabinets come and go, so does rural support programming. An added problem is that at each iteration, a legacy layer of complexity is left. See for example the weeds funding framework above. Our rural communities look on this with increasing bewilderment and disengagement.
- Is often perceived as being developed without a solid understanding of the needs of farmers, is paternalistic, disrespectful and at times just plain wrong.
- Is not responsive enough to trends. This is particularly the case with marketing policy and implementation.
- Is process rich and outcomes poor, requiring on farm and other relevant sectoral investment in managing red tape.

Our farmers are looking for a Square Deal – this region’s brand for how to work together and solve problems where we can in the context of Local Governments capacity and delegation. In this region we reflect on marketing of product as a solution. Take for example bottled water. Or for that matter infant formula. Arguably both products are unnecessary, water comes from the sky, hopefully via a tap and breast is best. Both

The screenshot shows a blog post from Centroc. The header includes social media icons and a 'Contact Us' link. The main title is 'Tussock Tamer Project, Upper Lachlan Shire'. Below the title, it lists the author as 'Centroc, user', the date as 'May 5, 2010', and several categories: 'Biodiversity & Vegetation', 'Community Engagement', 'Farming & Agriculture', 'Industry & Business', 'Member Councils', and 'Regional Economic Development'. A photo shows two men, Mayor John Shaw and CMA board member David Marsh, examining tussock plants. The text below the photo describes the project as a 'Public Enemy Number 1' in the Upper Lachlan Shire, mentioning a Federal Government grant and a public meeting in Gunning. On the right side of the page, there is a circular call-to-action: 'WE'D LOVE TO HEAR ABOUT YOUR PROJECT. CLICK HERE TO TELL US ABOUT YOUR SQUARE DEAL!' and a 'FOLLOW US ON FACEBOOK' section with a list of local councils including Central NSW Councils, Jerrawalla Creek Landcare Group, Japanese Garden and Cultural Centre, and The Coura Japanese Garden and Cultural Centre.

¹ <https://www.adelaide.edu.au/global-food/documents/food-security-in-china.pdf>

products are all about value adding and marketing. Therefore our members are very concerned that should we, as a nation, fail at manufacturing food for international consumption, so we are less able to market product with value adds, with its knock on effects on export income.

The Mayors and General Managers of the Centroc Board do not pretend to have the answers. We can however advise the Federal Government that proactive strategies to position and support value added product from this region are not obvious to us. Nor, do we believe, are they obvious to industry. Further, there may be potential for Local Government working collaborative in this region to be part of the solution and our members would be keen to work with the Federal Government on what this might look like.

Our members suggest that considered investment of time and money at the federal level, supported by stakeholder engagement and buy-in at the state, regional and local levels will turn this round. There are no silver bullets, only longer term and consistently better activity supporting farmers and manufacturing into export markets. We need to work, root and branch, on our agricultural business, including in terms of:

- Building better targeted, more trends responsive national food and beverage related marketing campaigns;
- Reviewing regulation such that it is removes that which is unnecessary and support structures are in then put place to help farmers through the remaining regulatory framework with a view to growing exports;
- Reviewing funding and program delivery structures that affect agricultural competitiveness (see for example the advice on weeds earlier); and
- Addressing the tension between more efficient farming practices and the liveability in rural and remote communities.

Once again thank you for this opportunity. Please contact Ms Jenny Bennett our Executive Officer on 0428 690 935 or via email if you wish to discuss this further.

Yours sincerely,



Cr Ken Keith
Chair
Central NSW Councils (Centroc)

