

## **Ensuring a profitable and sustainable agriculture and food sector in Australia Issues for consideration,**

### **Introduction**

Forwarded are initial comments from AgForce Queensland. AgForce, in partnership with the Queensland Government is currently developing the *Blueprint for the Bush*. It is intended that the Blueprint will be a ten-year plan to help rural and remote communities and industries to manage change and growth and strengthen sustainability of rural Queensland.

The Blueprint is expected to be released in June 2006. In the interim a considerable amount of work is being undertaken, much of which will address the matters raised in the paper – Issues for Consideration. AgForce will be in a position to contribute further comment to the Reference Group as the Blueprint project evolves.

### **General**

AgForce is the peak rural lobby group in Queensland that represents over 7,000 producers of cattle, grain, sheep and wool. These broadacre industries use 80% of the Queensland land mass for production and most regional and rural economies are dependant on these industries directly and indirectly for their livelihood. Broadacre agriculture activities contribute significantly to the State and Federal gross domestic product. In Queensland the cattle industry is worth \$2.7 billion, the grains industry \$750 million and the sheep and wool industry \$180 million per anum.

### **Markets for Agriculture and Food.**

With regard to international markets and the domestic market, government needs to work with the agriculture sector to further grow demand for agriculture commodities on the basis that Australian product is high quality, clean and safe.

To do this government needs to support industry marketing programs and assist the agriculture sector in identifying new markets. It is also critical that the agriculture sector and government work collaboratively to maximise the benefit of trade agreements. Whilst all markets (current or potential) are important, the establishment of a Free Trade Agreement with China represents an exciting opportunity for market growth, even though for some commodities it also represents a competitive threat in production. This situation highlights the necessity for government to work closely with the agriculture sector during all trade negotiations.

### **Competiveness of Australian Agriculture and Food Businesses.**

The appropriate role for government in resolving issues such as food safety, labelling, product traceability, quality assurance, audit and product information is through co-regulation (industry self regulation through approved programs with strong legislative underpinning). Government can also assist the agriculture sector in educating producers on the market benefits and subsequent profitability that comes from satisfying food safety, labelling and other consumer requirements.

Government also has a role in providing advice to producers on their position in world markets as globalisation is a continuing trend and needs to be understood by agriculture producers.

### ***Education, Skills and Labour Supply***

Attracting and retaining labour is a major issue in the agriculture sector. The shortage of labour is further exacerbated in rural areas where the mining sector is present due to the high wages in that industry vis-à-vis relative low agriculture sector wages.

The labour situation is also not helped by the perception held by many that work in the agriculture sector is seen as limited, hard and non-rewarding. Government can assist the agriculture sector in a number of ways including promoting an awareness of the range of rewarding careers in the industry.

This is already undertaken by AgForce, who with government funding employ a school liaison officer to promote agriculture industries to school students. Continuation of this funding and additional assistance from government to employ more school liaison officers would be a prudent investment toward a future agriculture labour pool, and an effective means of promoting high quality, clean and safe Australian product to domestic market consumers and in due course will be product purchasers.

AgForce also believe that incentives such as taxation relief for persons employed in rural areas should be looked at as a means of addressing the labour situation. This could begin with a review of the Zonal Tax Rebate Scheme.

Government can further assist by working with the agriculture sector to identify future labour requirements and assisting with the development of targeted labour recruitment programs.

### ***Research and Development***

Given that Australian product is high quality, clean and safe any opportunity to widen the scope for agriculture research and development to place greater emphasis on issues such as food safety, value chains, natural resource management, biosecurity and capacity building is supported.

There is no scope for a decline in research and development in the agriculture sector and a consistent long term strategic approach to research and development is required.

### ***Genetically Modified Organisms***

AgForce agree that one of the biggest challenges facing the agriculture sector regarding Genetically Modified Organisms (GMO) is public perception.

Current public knowledge of the use of genetic technology is not well understood and the agriculture sector would benefit from government support to further educate the public in order to gain consumer confidence in controlled, responsible and deliberate use of biotechnology. This would lead to positive implications for domestic consumers and ensure that the agriculture sector is able to maintain a sound, competitive position in export markets.

### ***Infrastructure***

Road and rail constitute the most important forms of transport for broadacre industries. To ensure financial efficiency major roads must be capable of, and maintained to a sufficient standard to handle semi-double cattle transporters. In terms of transport, a long term investment in road design and construction so that better (and safer) roads last longer represents the most cost effective means of contributing to the competitiveness of the agriculture sector.

AgForce believe that it is the role of government to ensure there is an efficient and effective level of communication technology provision in rural and regional Australia. This includes “future proofing” of telecommunications in country areas through guaranteed acceptable service delivery standards.

Water is a limiting resource and AgForce believe it is critical that government(s), as water regulatory authorities, and the agriculture sector work collaboratively to maximise any opportunities to access and use water more efficiently.

Water infrastructure projects, including water recycling opportunities need to be championed by government. It is also important that the use of available sources of water, provided they are managed in an environmentally sound manner, are not restricted to the extent that producers are unable to maximise the production potential of their land. If this does not occur it will limit the potential of the agriculture sector to expand and in the longer term may impact on the sectors ability to benefit from expanding market opportunities.

### **Using and Managing Natural Resources.**

AgForce believes that broadacre producers are good managers of the land who appreciate that environmental sustainability is essential to ensure land can be passed from one generation to the next.

AgForce would support any move to pay rural producers for their output of environmental services provided incomes from the delivery of these services was at least equivalent to any reduction in earnings from former agriculture production that resulted from changed management practices.

### **Rural and Regional Communities.**

Whilst some rural businesses and communities prosper all too many decline. The effect of continual consolidation of farms to maximise the benefits of scale has contributed to the decline in population in many rural areas and communities. In many instances this has precipitated the withdrawal of government services from communities and a reduction in commercial businesses. The “knock-on” effect of this is that rural and regional communities often don’t have readily available services that will attract or retain people.

AgForce believe that there is scope for government, the agriculture sector and the community to work together to address the situation in many areas provided rural production is economically sustainable. Government in particular could assist in the development or relocation of industries to rural and regional communities through the provision of incentive schemes.

The delivery of most public services to a community, regardless of population is a government community service obligation. To do this government should look at utilising flexible service delivery models.