



Wheat belt

Development Commission

Secretariat

Agriculture and Food Policy Reference Group GPO Box 858
CANBERRA ACT 2601

AUSTRALIAN AGRICULTURE AND FOOD POLICY - WHEATBELT REGIONAL DEVELOPMENT CONSIDERATIONS

I am writing in response to invitations for submissions by the Australian Government Agriculture and Food Policy Reference Group in regards to considering future considerations for agricultural and food policy.

The Wheatbelt Development Commission is a statutory authority of the Western Australian Government charged with maximising Wheatbelt community well-being through self-sustaining regional development.

The objects of the Commission in the Wheatbelt region are to:

- Maximise job creation and improve career opportunities
- Develop and broaden the economic base
Identify infrastructure services to promote economic and social development
- Provide information and advice to promote business development
- Seek to develop equitable service provision of a standard comparable to metropolitan areas
- Encourage, promote, facilitate and monitor the economic and social development of the region.

The Commission covers an area of 154,862km² with agricultural production of \$1.78billion from 4,556 enterprises in 2002-03.

The following submission is provided in the context of agricultural and food policy impacts on ongoing regional development, Items for consideration are listed under the four key themes as identified in the Issues Paper. Where required a brief summary is provided with potential options, to background the item.

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MARKETS FOR AGRICULTURE AND FOOD

COMPETITIVENESS OF AUSTRALIAN AGRICULTURE AND FOOD BUSINESSES

Agriculture as a career option - maintaining capacity. -----

The Wheatbelt region has been built on both agricultural production and mining. The region has a number of manufacturing and services industries reliant on agricultural production and as a result provides a diverse range of career opportunities. However unlike the mining, construction, health and education sectors, the agricultural sector here and nationally is presently not marketing itself as a career option.

With the attraction of skilled people into regional areas impacting significantly on the production capacity of all industries, the future development and application of innovative technologies that have to date advanced Australia's agricultural production efficiency to in most cases world best practice, is threatened if there is not a skilled labour force available for the future.

If agriculture and its related service industries are not seen as a career option, then the capacity of Australia to produce food competitively will diminish significantly as the minimum labour needed is not matched by technological advances, resulting in maximum production levels determined by labour available not resource capacity. The mining industry is dealing with this issue at present in WA's Pilbara region.

The Commission seeks consideration of the following:

1. The marketing and promotion of the agricultural sector as a career option for people of all ages, in line with the effort currently being made by the mining, construction, health and education sectors.
2. Analysis of the sustainability of sourcing skilled staff for agriculture and related industries through Regional, Sponsored Migration based on a current ageing world population, decreasing population replacement rates in developed countries and the attention to the creation of skilled people in agriculture around the world.
3. Consultation with developed countries on the measures undertaken and planned to sustain agricultural economies and sectors, given the promotion of agriculture as a career option is not only an issue for Australia.

Enhancing Australia's agricultural product market competitiveness

The Wheatbelt region's diverse agricultural base includes base commodities grain, grapes, milk, cut flowers, oranges, lobsters, freshwater shellfish, wool, beef, lamb, pig meat, in addition to value-added products such as wine and flour.

Present market competitiveness of these products is affected by: -

- Increasing freight costs;
- Lack of planning for future freight needs and the infrastructure required to deliver products to domestic and overseas markets;
- Telecommunications and related technology access in regional areas;
- Ability of regional-based food processors to remain accredited to export standard;
- Attracting and housing skilled labour;

Maintaining supply in dry periods; and,
Level of expertise and advice available to existing and new industry enterprises
(Private and Government advisory services).

The Commission seeks consideration of the following:

1. The development of a national freight infrastructure maintenance and development policy and relating funding program that considers the ongoing requirements of delivering agricultural produce to domestic and export markets.
2. The development of a national telecommunications infrastructure maintenance and development policy and relating funding program that ensures rural and regional based agricultural industries are competitive providers of agricultural produce and services to Australia and the world.

New industry development programs and access to government and private industry advice

The Australian Government's New Industry Development Program delivered by the Department of Agriculture Fisheries and Forestry is a very useful source of financial assistance for emerging industries in the agricultural sector.

However what the program lacks is dedicated Australian Government support staff to assist in the development of new industries through advisory services, instead relying on unconnected and variable advisory services provided by industry consultants, research bodies, universities and State Government agencies.

The Commission seeks consideration of the following:

1. The creation of a coordinated approach to new industry development around Australia, where the Australian Government takes an active role in ensuring new industry proponents have access to best practice services and advice.

USING AND MANAGING NATURAL RESOURCES

RURAL AND REGIONAL COMMUNITIES

Retention of skilled staff in rural and regional areas

While attracting new people into agricultural industries is an issue, the retention of the present labour force is a growing issue as other industries requiring similar skill sets are offering higher remuneration, career progression opportunities, education and training opportunities, family services, lifestyle options or employment locations in metropolitan areas.

There are a number of areas where governments, Australian and State, can assist in retaining staff. These are related to the delivery of education and training; health service range and frequency; and, community facility and services funding.

The Commission seeks consideration of the following:

1. A review of the delivery of education and training for staff of rural businesses, such that present options are often delivered in metropolitan areas some distance away from work sites increasing costs to rural businesses for staff travel, accommodation and time away from work. A joint Australian and State

- Government approach to rural employee education and training delivery is required.
2. Health services availability and frequency are often cited in the Wheatbelt as a reason why employees and their partners leave rural communities. A joint Australian and State Government review of health service delivery is required for rural and regional areas as traditional health service delivery options based on higher rural population bases are no longer the case for many Wheatbelt communities and other communities around rural Australia.
 3. The lack of provision of child care in rural towns is in most rural communities contributing to high staff turn-overs in business and Local Governments, as partners of employees do not have the choice of utilising available full-time or casual employment. Current Australian and State Government funding requirements for child care providers are based on metropolitan based services and as such attempts to access this funding for proposed regional based services to date have not been successful.

Drought and government response in the provision of financial assistance to rural town businesses in declared Exceptional Circumstance areas

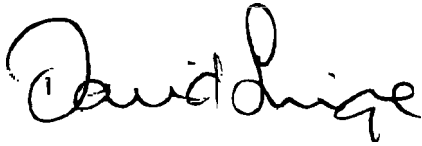
In recent years the Wheatbelt region has experienced drought periods in 2000 and 2003. While financial assistance has been provided to primary producers in the form of Exceptional Circumstances (EC) funding in declared areas, rural town businesses that provide goods or services to primary producers have not had ready or timely access to such government provided financial assistance.

The Commission seeks consideration of the following:

1. Funding programs tailored to rural town businesses reliant on primary producers for income flow during drought periods in EC declared areas;
2. The provision of government funded employee-assistance programs for businesses whose terms of trade during extended drought periods are such that staff are made redundant. Attraction and retention of staff in rural areas is a growing national issue. If the government provides for 25-50% of an employees wage through *Centrelink* for the duration of a drought, businesses could be compelled to provide those staff for community services activities during that period of one day a fortnight, retaining staff in rural towns while boosting Local Government capacity to service communities in drought periods. The alternative, in many cases, is redundant staff being provided 100% allowance through *Centrelink*.
3. The re-instatement of 'Better Business' programs for both primary producers and rural town businesses accessing EC funding (and available to those who do not). There is a present need to ensure rural business people maintain adequate and profitable business skills such that ongoing reliance on government assistance during drought periods is lessened by maintaining and building business skills during and between drought periods.
4. On declaration of EC areas, automatic funding boost should be instated for rural financial and family counseling provided by *AgCare* providers, presently joint-funded by the Australian, WA and Local Governments. The economic and social health of rural communities during drought periods is significantly weakened and rural communities should not be concerned with attracting funding to boost services at such times.

The Wheatbelt Development Commission welcomes further discussion from the Australian Agriculture and Food Policy Reference Group on this submission if required, by contacting Mr Andrew Prior on 08 9041 1445 or [and rewpriorwheatbelt.wa.gov.au](mailto:rewpriorwheatbelt.wa.gov.au) .

Yours sincerely,



DAVID SINGE
Chief Executive Officer

14 July, 2005