



July 31st, 2019

Committee Secretary
Department of Senate
PO Box 6100
Parliament House
Canberra, ACT, 2600

Dear Committee Secretary,

Northern Territory Farmers Association wishes to lodge a submission to the Select Committee on the **Effectiveness of the Australian Governments North Australia Agenda.**

Northern Territory Farmers Association is the peak body representing Northern Territory producers of high-quality plant-based produce for local, domestic and international markets.

NT Farmers are a unifying voice for Northern Territory Growers since 2012, our purpose is to advance sustainable agribusiness, create economic opportunities and to advocate on behalf of the horticulture industry on current and relevant issues.

Our strength continues through our membership and provides policy direction, solutions to challenges, and builds on opportunities for all producers. NT Farmers also links rural and regional Northern Territory with urban communities through numerous initiatives.

The Northern Territory plant industry sector has seen significant growth over the past three decades and is continuing on a positive growth trajectory. It is important that industry and government work in partnership to put in place a framework within which the industry can continue to prosper.

As indicated by the 2015 Gross Value of Production (GVP) data collected by NT Farmers, the industry is now worth over \$270M and this is excluding forestry, a fledgling industry that may add another \$100M to the preceding figure. The Government has rightly identified Horticulture as a growth pillar for the Northern Australia economy and we applaud you and your colleagues for this.

Given the above, we believe the development of North Australia is critical to the future prosperity of all Australians and will create significant opportunities for emerging Indigenous enterprises. Further, Plant industries are inextricably linked to other industries such as the Cattle industry, as it provides much of the feed that is relied upon. A growth in Plant industries will therefore result in a growth in Cattle and other industries.



1. Facilitation of Public and Private investment in infrastructure and economic development.

1.1 The focus on North Australia has been welcomed. The government's commitment to upgrading of road infrastructure, specifically the 'Mango Roads Project' announced by the Deputy Prime Minister 8th May 2019, pledging support for the "Mango Roads" initiative developed by Litchfield Municipality and NT Farmers was welcomed by the entire Mango Industry of the Northern Territory. This investment of \$20 Million will upgrade 15km of unsealed roads and will improve fruit quality for consumers and improve profitability of growers within this important region.

The sections of roads covered within the "Mango Roads" announcement includes;

- Chibnall Road between Old Bynoe and Leonino Road (5.4km);
- Mocatto Road between Whitstone and Acacia Gap Road (3.2km);
- Horsnell Road between Elizabeth Valley Road and Alverly (3.4km); and
- Kentish Road between Hopewell Road and the end of the road (4km)

These investments in "Mango Roads" is part of the broader \$162.3 million Alice Springs to Darwin ROSI corridor.

1.2 In addition, the development of the Darwin Airport agriculture hub is on track to start building a freight and cold storage facility next year, which will allow fresh agricultural products to be exported by plane to markets across Asia.

The Federal Government recently committed \$4.8 million towards the project, which will also include a vapor heat treatment (VHT) plant.

1.3 A valuable opportunity to support the development of export capacity from Northern Australia would be the consideration of a Freight Subsidy Scheme. As part of this modelling there needs to more consideration for the remoteness of Northern Australia and what this means to access domestic and international markets: the tyranny of distance and high transport and handling costs inhibit development of key manufacturing industries and sustainable agricultural and aquaculture products.

The remoteness is similar to that of Tasmania which, as an island state, is isolated by the Bass Strait stretch of water. For many years the Federal Government has had in place the following scheme (see link below), which is conditionally applied across industry to minimise or remove the additional costs of trade between the island and mainland Australia for domestic goods and those transhipped to the world.

The scope and parameters for the TFES have similar characteristics to that of Northern Australia, where there is a clear geographical disadvantage for industry and producers in securing business inputs and getting goods to market. Strong consideration should be



given to the establishment of a Northern Australia Freight Equalisation Scheme (NTFES) to reduce the cost imposts of doing business in remote regions.

A clearly defined NTFES would need to include fuels and lubricants, as the only reason for this category 's exclusion from the TFES (as is bulk goods such as wheat) is that there is a number of key shipping facilities linked into the Tasmania Port infrastructure for distribution (and not impeded by long road distances).

The link below is for the Tasmanian scheme.

<https://www.infrastructure.gov.au/maritime/tasmanian-transport-schemes/tasmanian/>

1.4 The complexities of water management are a considerable challenge for government, which works in increasingly singular silos – good water management is critical to conservation outcomes, to commercial outcomes, and to cultural/social outcomes but no one Minister has such broad responsibilities and no one agency has such broad expertise. There is no cross-government collaborative approach to water management, no recognition that shared responsibility and shared resourcing will be essential to addressing current management shortfalls and a truly strategic and long-term outcome. As a consequence, we see a water management framework which is not providing security to licence holders nor clear parameters for sustainable development.

Given the Northern Territory Government's (NTG) tight fiscal constraints, consideration must be given to assisting the Northern Territory Government with financial support to implement a substantive water monitoring capability which will allow for real time water management/monitoring and an adaptive water policy. This would potentially free up more water for agricultural development in the Northern Territory. Currently many Growers would like to expand and are ready to do so, but access to water is a limiting factor. This should not be the case in the Northern Territory where water is our one competitive advantage.

2. Economic and Social Benefit arising from that investment for North Australians, in particular First Nations people.

Agriculture more broadly, has benefited from the increased focus on Northern Australia Development. Potential development of a cotton industry in the Northern Territory has significant opportunity to increase employment in regional and remote communities. The indigenous estate in the Northern Territory covers some 51% of the Northern Territory Land mass and with the implementation of Strategic Indigenous Water Reserves by the NTG this creates a very attractive investment opportunity for agricultural development.

The difficulties of brokering a deal to gain access to the land and water are not yet abundantly clear. Although with a bipartisan approach to this opportunity on indigenous lands across all levels of government would yield significant dividends. Thus, creating an economy and jobs for some of our most disadvantaged Australians.

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3. Funding models and policy measures that capture the full value of existing and emerging industries;

There are a range of competitive industries in northern Australia, including agriculture, mining and gas production. Each of these have their own set of economic factors that need to be considered to maximize the development potential of the north.

Expanding agricultural development in northern Australia requires:

- sourcing significant capital investment to cover the high up-front cost of new ventures
- the identification of crops with efficient supply chains that can be cost-effectively and sustainably grown in the northern environment
- the establishment of new and viable export markets where these cannot be simply accommodated by existing global trade.

NT Farmers, in collaboration with partners, provides policy makers with a clear indication of the location and scale of medium and longer term opportunities for agricultural production, and critical supply chain and infrastructure investment issues that may help to foster those opportunities. Both Cotton and Industrial Hemp should become a significant investment opportunity now and into the future.

4. Measures taken to develop an appropriately skilled workforce;

4.1 All sectors of our industry are dependent on the availability of skilled, semi-skilled and unskilled staff for casual and permanent roles. Due to the often-remote employment locations and the sometime harsh environmental conditions within which staff are required to work, the sector has significant challenges in accessing and retaining the staffing and skills necessary to most effectively support all farming operations. These challenges are often most pronounced during peak operational periods such as harvests.

The potential negative impact of staff shortages on individual businesses and on the industry can be extremely significant and threaten the successful harvesting of an entire year's investment in crops.

For this reason, NT Farmers gives very high priority to its role in advocating for policy settings and industry arrangements that deliver improved labour sourcing options and mitigate the risks of an over-dependence on one source of casual harvest labour (ie: the working holiday makers).



The development of an Agriculture specific visa would be beneficial to a developing industry that has difficulty attracting a stable workforce.

- 4.2 Plant based businesses are significant employees in regional and remote areas, one of the key areas of opportunity is to develop a seasonal worker program targeted at Indigenous communities where employment rates are very low. Seasonal work is a good entry point for people to enter the employment market and a project could be developed in the Northern Territory to pilot this program. A large component of this program would be mentorship and employee support; in many situations' employees would come from family units that are multigenerational unemployed people and creating practical change can be slow, but a flexible approach to an Indigenous Agriculture Employment scheme would be valuable.

5. Emerging national and international trends and their impact on the Northern Australia agenda;

Demand for high Quality Australian produce continues to grow, our proximity to Asia places the Northern Territory in a strong position. The increased infrastructure at the airport will allow for quick and efficient transportation of produce to key Asian Markets. It would be worthwhile for the Australian Government to consider supporting an emerging industry with a dedicated logistics and marketing support imbedded in Industry to capitalize on these opportunities. This project would build on the skills of growers to understand and be able to access new international markets. NT Farmers are coordinating a trial shipment of melons to Singapore in the coming months and are working closely with the grower to facilitate his maiden shipment. NT Farmers have identified other growers that are international trade ready and with the right support structures in place these growers will establish valuable trade partnerships into Asia.

6. Any related

Consideration should be given to an alternate taxation methodology for agricultural investments on Indigenous lands in the Northern Territory. Currently Indigenous lands are under utilized for economic activities, encouragement needs to be given to industry to change this. An opportunity exists to allow for accelerated write offs of investment costs of setting up agricultural developments on Indigenous lands. This would incentivise established business's to partner, lease or enter into formal arrangements for development on these lands; thus creating an economy and jobs in these marginalised areas of Australia.



Conclusion:

NT Farmers strongly support the work done thus far on developing the North Australia Agenda. The industry is committed to growth and realising export opportunities.

For North Australia to reach its full potential a bipartisan approach to development in the North needs to be reached. North Australia is largely underdeveloped compared to Eastern and Southern Australia. Legislative reform from all levels of government does not always reflect the current underdeveloped status of the region. A good example of this is vegetation management; vast portions of the north remain as remnant vegetation. The fact that the Northern Territory has only 10,000 hectares of irrigated cropping, which could be increased 10-fold without impacting on the biodiversity of the Territory.

NT Farmers congratulate the Federal government on the North Australia agenda and would welcome an even greater focus on this largely under-utilized resource called Northern Australia.

Regards

Paul Burke
Chief Executive Officer
Northern Territory Farmers Association.