



Your strong and independent
voice for livestock producers

LIVESTOCK SA...

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Regions SA

Re: Regional Development Strategy Discussion Paper

Primary Industries and Regions SA

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Regional Development Strategy

Livestock SA congratulates the State Government on its commitment to develop a statewide Regional Development Strategy.

Livestock SA was formed in 2013 to represent livestock producers with sheep, beef cattle and goats. Currently there are over 3,500 members spread across the pastoral and agricultural areas of the South Australia. It is on their behalf that this submission is made.

Our comments are largely focussed on the three aspects outlined in the Discussion Paper – Service Provision, Investment in Infrastructure, and Regional Enablers. Our comments relate to what livestock producers need to ensure that the State has a viable livestock industry.

Service Provision

Two vital services required for livestock production are transport and water.

1. Transport

Sound and efficient transport networks are required for receiving farm supplies as well as for sending both livestock and wool to markets. Not only is livestock production important in many regions, much of the processing of livestock also occurs in regional centres. For this reason the attributes of the transport system have a direct impact on regional employment and prosperity beyond farm business benefits.

In the recent South Australian budget, there were several projects earmarked for the 2019-20 financial year which will deliver almost immediate benefits to SA livestock producers. These included:

- \$14 million to upgrade the Naracoorte and Kroemers Crossing roundabouts
- \$11 million for improved access to the Dublin Saleyards
- \$1 million for road train access on Bratten Bridge on the Lower Eyre Peninsula.

These three projects will see improved efficiency in the supply chain, resulting in greater returns not only for livestock producers but also to regional communities. These projects follow the commitments in last year's State Budget including the \$200 million duplication of the Joy Baluch AM Bridge.

Efficient transport infrastructure and freight corridors are integral to operating productive and profitable livestock businesses. Having a road network to support continued growth in the agricultural sector will help South Australia to become more competitive on an international stage with increasing supply chain efficiencies.

The 90-day transport project between Primary Producers SA (of which Livestock SA is a member) and the State Government (specifically DPTI and PIRSA) was a good example of government and industry working effectively together. It is essential that this project continues as there are still many examples of where there could be improvements once these are identified.

2. Water

The cost of water for many livestock producers needs redress. The increasing cost of water has become an effective restraint on investment in livestock production systems in key areas of South Australia.

Livestock SA participated in the State Government's current Water Pricing Inquiry.

In a preliminary report, this Inquiry summarised the water price increases:

"Real water price rises of 12.7% in 2008/09, 17.9% in 2009/10 and 21.7% in 2010/11 were followed by nominal increases of 26.3% in 2011/12 and 25.0% in 2012/13. The process is characterized by a dramatic rise in water prices over the period: from an Index of 100 in June 2008, the increases resulted in a price index of approximately 270 by July 2012." (Third report, page 43).

For livestock producers reliant on SA Water, this is the crux of the issue of inflated water prices.

The State Government states that it is aiming for the lowest cost environment possible to do business. Reducing the price of water needs to be considered as part of this process. It is pleasing that this has started with a reassessment of SA Water's regulated asset base. Livestock producers are looking forward to hopefully reduced water prices from 1 July 2020.

In addition, and in recognition of the significant benefits to be delivered by livestock industries to regional economies and the State overall, support is required to assist producers to manage water costs through improved efficiency and new technology. A program needs to be established that could deliver:

- water efficiency and leak detection assessments on farm,
- grants and interest free loans to support farm investment in water efficiency as well as desalination and storage technology,
- demonstration and case studies of water efficiency as well as desalination and storage measures on farm,
- develop links between farmers and relevant business information, and

- provide commercial opportunities for on farm research, development and implementation in South Australia.

The South Australian livestock industry has already taken steps in these areas, but such a program will advance the needs of South Australian producers to help this State grow.

Investment in Infrastructure

Among the funding commitments in the recent South Australian budget was \$7.5 million over three years to implement a red meat and wool industry growth program, \$24.3 million towards road and utilities infrastructure at the new Thomas Foods International abattoir at Murray Bridge, and \$10 million towards the SA Dog Fence.

The *Red Meat and Wool Industry Growth Program* aims to improve productivity in the sector, help with both cyber and technology adoption and vital infrastructure, and support the One Biosecurity program which provides greater traceability and market advantage for livestock producers. Livestock SA has welcomed the investment in this program as it shows that the State Government has recognised the importance of the SA Sheep and Beef Industry Blueprints in setting the agenda for industry development in South Australia.

This investment from the State Government will further underpin some of the key objectives within the SA Sheep Industry and SA Beef Industry Blueprints, which have a major focus on increasing consistency of supply of premium products based on key credentials including product integrity, animal welfare, natural resource stewardship, product quality and nutritional value.

It is also important that the State Government continues to provide research and development for agriculture and particularly for livestock. Livestock SA would like to see SARDI provide more livestock-related R&D.

The \$24.3m towards road and utilities infrastructure at the new TFI abattoir at Murray Bridge will come over three years, with \$6.4 million from the Economic and Business Growth Fund. Livestock producers across SA were thrilled to hear the announcement from TFI earlier this month that it would be building a new multi-million-dollar abattoir as it provided surety for the industry. The new abattoir will be in a location which is very well positioned to service the whole of the State.

A BDO Econsearch report released in April, jointly commissioned by the State Government and the South Australian Dog Fence Board, showed that replacing sections of the ageing Dog Fence would generate a net benefit to SA of up to \$120.3 million over 20 years.

The State Government has recognised this economic benefit by contributing \$10 million, adding to the \$10 million commitment by the Federal Government and \$5 million pledged by industry. The BDO Econsearch report indicated that a new dog fence will reduce wild dog management costs for pastoralists by up to \$97 million, while sheep enterprise sales income is expected to increase by up to \$69.7 million with a new dog fence.

Regional Enablers

There are two aspects that Livestock SA would like to raise – the need for on-line accessibility for regional areas of the State and the need for good planning processes.

Livestock SA made a submission to the Government's recent review of its Online Accessibility Policy (see <https://livestocksa.org.au/wp-content/uploads/2019/02/9L014-Online-Accessibility-Policy.pdf>). In this submission, it was highlighted that livestock producers continue to express concern and frustration about poor regional telecommunications which limits access and use of the internet including State Government online services. In addition, consideration needs to still be given to blackspots especially for mobile phone coverage, and also other aspects such as TV reception.

Livestock SA also made a submission in response to the Productive Economy Policy Discussion Paper (see <https://livestocksa.org.au/wp-content/uploads/2019/02/9L020-Productive-Economy-Policy-Discussion-Paper.pdf>). As the area of grazing land operated by beef cattle/sheep businesses has been estimated to be almost 50 million hectares, more than half the total area of South Australia (ABARE-BRS 20101), in developing a new planning process it is essential that the livestock industries make input.

As the livestock industries Livestock SA is involved with are mainly broadacre, there appears to be no mention in the State's planning rules of how to protect these from other than urban development. There is often the potential for conflict with both mining and more intensive agriculture, mainly horticulture and viticulture, as well as limiting factors to expanding livestock production, particularly access to water at a reasonable price.

Your Sincerely,



Andrew Curtis