



Your strong and independent
voice for livestock producers

LIVESTOCK SA...

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Mr Jeremy Conway

Chief Executive

Infrastructure SA

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Dear Mr Conway

20-year State Infrastructure Strategy

Livestock SA is pleased at the commitment to develop a 20-year State Infrastructure Strategy. It is rare for such a long-term period to be considered, but in planning infrastructure a 20-year framework is much more realistic than the usual three or five years.

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 largely focussed on the infrastructure needed in the future to ensure that the State has a viable and expanding livestock industry.

It is noted that in the Discussion Paper that seven infrastructure sectors are identified. Of these, transport, utilities and digital infrastructure are all required for the future of the livestock industries in this State.

Also noted is the broad definition of infrastructure provided in the Discussion Paper (page 4):

Infrastructure is the physical assets and structures that enable the services necessary to sustain or enhance the economy and liveability of South Australia.

Transport

Good transport networks are required for receiving farm supplies as well as for sending livestock and wool to markets.

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
- \$11m for improved access to the Dublin Saleyards
- \$1m for road train access on Bratten Bridge on the Lower Eyre Peninsula.

These three projects will see greater returns to producers through improved efficiency in the supply chain, resulting in greater returns not only for livestock producers but regional communities. And

this follows 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 Improving Road Transport for the Agriculture Industry 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 estimated that primary producers and road transport operators received industry benefits of at least \$80 million from this project. It is essential that this project continues as there are still many examples of where there could be improvements once these are identified.

Looking to the future, projects that are required for expansion of the State's livestock industries include sealing of Strezelecki Track and Yorkey's Crossing, upgrade of Highway One from Port Wakefield to Port Augusta (particularly for access to the Dublin saleyards), and good access to Thomas Foods International at Murray Bridge.

The State Government is currently providing \$24.3 million towards road and utilities infrastructure at the new TFI abattoir at Murray Bridge over three years, with \$6.4 million from the Economic and Business Growth Fund. Livestock producers across SA were elated 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. While the new abattoir will be in a location which is very well positioned to service the whole of the State, it is essential that the Globelink corridor from Murray Bridge to Gawler is fully developed as soon as possible to allow better access for transport of livestock from all areas of the State north and west of Adelaide, not only to TFI at Murray Bridge but onto JBS at Bordertown and Teys at Naracoorte.

Utilities

Access to reasonably priced **water** is a high priority for Livestock SA.

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 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 to develop self-sufficiency, but such a program will advance the needs of South Australian producers to help this State grow.

Digital infrastructure

With the State's livestock businesses based in rural and remote areas of the State, there is the need for reliable on-line accessibility.

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 other aspects such as TV reception.

Other 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. These are all examples of the infrastructure required for the future of the State's livestock industries.

Red meat and wool industry growth program

The State Government's red meat and wool industry growth program aims to improve productivity in the sector, help with 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.

SA Dog Fence

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.

Once the new dog fence is completed, it will be necessary that it continues to be well- maintained and upgraded when necessary.

Finally, I would like to take this opportunity for thanking you and your organisation (particularly Sabina Schaper) for giving Rob Kerin and Primary Producers SA an extension until August 12th.

Yours sincerely,

A handwritten signature in black ink that reads "Joe Keynes". The signature is written in a cursive, flowing style.

Joe Keynes
President