

Inquiry into growing Australian agriculture to \$100 billion by 2030

November 2019



The CNSWJO member councils are; Bathurst Regional, Blayney Shire, Cabonne, Cowra Shire, Forbes Shire, Lachlan Shire, Oberon, Orange City, Parkes Shire and Weddin Shire. Associate members are Central Tablelands Water, Department of Premier and Cabinet (DPC) and Regional Development Australia, Central West.

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Chairman: Cr John Medcalf, OAM, Mayor, Lachlan Shire Council

Reference jm:jb 19112
Enquiries: Ms J Bennett: 0428 690 935

25 November 2019

Standing Committee on Agriculture and Water Resources
Committee Secretariat
PO Box 6021
Parliament House
Canberra ACT 2600

agriculture.reps@aph.gov.au

Dear Sir/Madam,

Re: Inquiry into growing Australian agriculture to \$100 billion by 2030

Thank you for the opportunity to provide advice regarding the Inquiry into growing Australian agriculture to \$100 billion by 2030.

We understand the Committee will inquire into and report on, the opportunities and impediments to the primary production sectors realising their ambition to achieve a combined \$100 billion value of production by 2030.

With respect to this inquiry we write about the following opportunities for growing agriculture in the Central NSW region:

- Inland Rail
- Safe swift link between Sydney and Central NSW
- Central West Food and Fibre Strategy
- Raising the wall at Wyangala Dam and the Basin Plan
- Special Activation Precincts

About the Central NSW Joint Organisation

On 11 May the NSW Governor General the Hon David Hurley, proclaimed the Local Government Regional Joint Organisations (JOs) under the Local Government Act 1993. The Central NSW Joint Organisation (CNSWJO) represents over 200,000 people covering an area of more than 50,000sq kms comprising the Local Government Areas of Bathurst, Blayney, Cabonne, Cowra, Forbes, Lachlan, Oberon, Orange, Parkes, Weddin, and Central Tablelands Water.

Tasked with intergovernmental cooperation, leadership and prioritisation, JOs have consulted with their stakeholders to identify key strategic regional priorities. The CNSWJO Strategic Plan can be found here:

For more information on the Strategic Plan go to:

https://docs.wixstatic.com/ugd/51b46b_31886650ecf546bc916f15e99a733b3e.pdf

The region's vision is to be a vibrant, prosperous and welcoming place of seasonal landscapes that is recognised in the nation for its agricultural heart. Central NSW Councils aim is for their region to be one of the 7 top contributors to National Gross Regional Product,¹ where agriculture is identified as the primary economic driver.

With the enabling of JOs there is an opportunity for regional NSW to do business differently with the State and Federal Governments. This involves both continuing what is working well to grow productivity while removing barriers to growth. While early days, this region sees great opportunity through having a more formalised role under the Local Government Act.

Inland Rail

This region welcomes the benefits from Inland Rail and commends the Federal Government for its visionary investment.

Inland Rail in combination with the raising of the wall at Wyangala Dam and innovation in the region like the Parkes Special Activation Precinct has the potential to transform this region's economy. To support this potential, interest has been expressed in the region in enabling local producers' access to this future transport opportunity.

While we understand there is a competitive funding program that encourages regions to come up with ideas and this region is giving consideration to projects that fit within the program's scope, every community will have the same challenges of aggregating product and therefore it is logical for this work to be undertaken at the federal level with good consultation in the region.

We would like to take this opportunity to thank the Federal Government for extending the footprint for the CSIRO Transit Freight Data project to cover all Councils in this JO.

The region is seeking to optimise outcomes for our region and are approaching the NSW Government accordingly. Critical to leveraging the region is ensuring the links between Inland Rail and port. A constraint is the link between Central NSW and Sydney, particularly Port Botany.

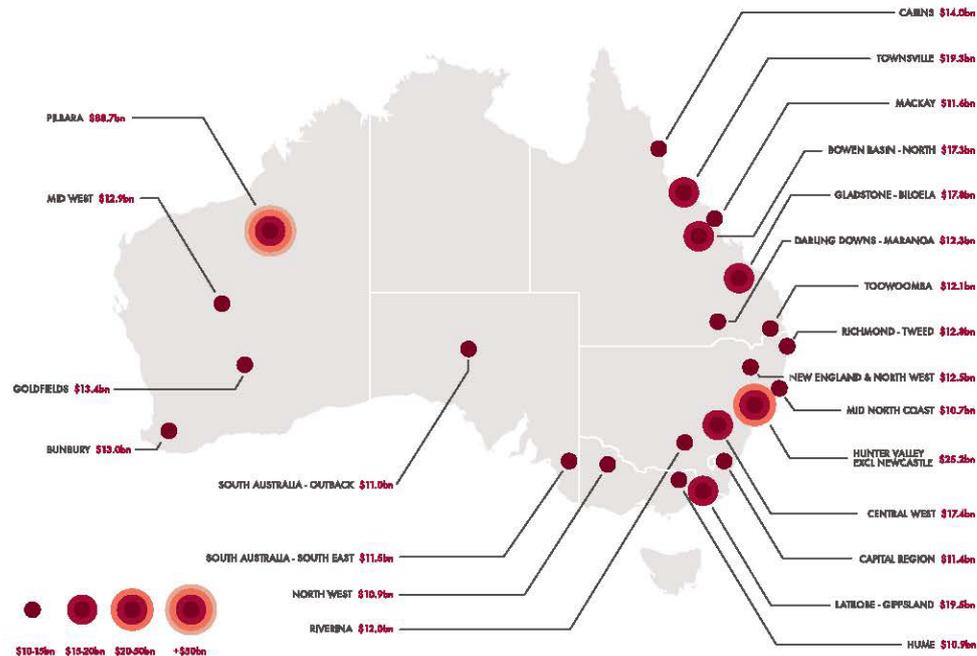
This brings us to our most significant transport constraint.

A safe swift link between Sydney and Central NSW

Where this region is slated by Infrastructure Australia in their 2015 Audit, to be one of the top 7 for GDP in 2031, our greatest need is for a safe swift link into Sydney able to take high productivity vehicles.

¹ Infrastructure Australia, Australian Infrastructure Plan 2015 cited in the Central NSW JO Strategic Plan page 9

Figure 4.1: Projected gross regional product for major regional centres in 2031



Source: Australian Infrastructure Audit, 2015

Infrastructure Australia more recently produced a report on Corridor Protection² showing that the Outer Sydney Orbital Corridor, including the link to the Bells Line across the Mountains to the west, is the highest priority for corridor sequestration in the nation.

The Central West Food and Fibre Strategy

Central NSW Councils describe our region as “having an agricultural heart.” According to ABARES, in 2016/2017 this region contributed \$1.7b in gross value in agriculture.

Recognising this priority, the State Government has funded a series of plans and strategies to support a strategic approach to optimising agriculture in this region. The Central West Food and Fibre Strategy is the most recent of these. Importantly it is not just a plan on a shelf. Already both the State government and the Joint Organisation are programming implementation.

The Federal Government has a significant role in agriculture, and it is the intention of our Joint Organisation to provide you, as Minister, with an update on how implementation of our Strategy is progressing with specific advice around opportunities to work with the Federal Government.

Wyangala Dam Wall Raising

Funding support from the Federal Government for the Wyangala Dam wall raising project presents an opportunity for a step change in water management in the Lachlan Valley that has the potential to not only solve long-term water security for urban communities but also to drive growth and prosperity in the Lachlan valley through increased reliability of supply.

² Infrastructure Australia, Corridor Protection, July 2017

Studies over the past decade including the Centroc Water Security Study and the NSW Government's Lachlan Valley Water Security Investigations have identified the need for improved water security and reliability for the highly vulnerable Lachlan river valley.

Over the last 20 years there has been increased year to year variability – in 2016/17 there were 1,495,000 ML inflows, with 900,000 ML of this released between August - November 2016. If 600,000 ML of that could have been retained, the Lachlan would not be in the situation we're currently facing, and some of the flood damage of 2016 could have been reduced.

WaterNSW estimates that the upgrade will provide an additional 21,050 ML/year for general security usage, as well as significant flood mitigation benefits. The project Fact Sheet can be found here: https://www.watarnsw.com.au/__data/assets/pdf_file/0020/149051/Wyangala-Dam-Raising-Fact-Sheet-14.10.2019.pdf

Notably, additional storage is not about *more* water, it's about more *reliable* water, not just towns, but to underpin regional growth, new industries, high value-add industries, new mining developments, activation precincts etc. The reliability of water supply is a major factor in having the confidence to plan ahead, invest and run a profitable business.

The Wyangala Dam wall project together with the announcement of Parkes as the first Special Activation Precinct (SAP) in NSW presents a real opportunity for a Government-led strategy for sustainable agriculture similar to the Dutch national commitment to produce twice as much food using half as many resources. See Case Study attached.

Special Activation Precincts are dedicated areas in regional NSW that have been identified by the NSW Government as places where businesses in many sectors will thrive. These precincts will create jobs, attract businesses and investors, and fuel economic development in regional NSW to ensure regions are well placed to grow and meet future economic needs. All Special Activation Precincts will be delivered as part of the \$4.2 billion Snowy Hydro Legacy Fund.

The two principal investment opportunities that have been identified for the Parkes SAP is Freight and Logistics and High-Value Agriculture. A 5,600-ha area just west of Parkes has been identified as the principal region to locate the activities of the SAP and a master plan is being developed.

To ensure the additional water security created by the Wyangala Dam upgrade project is optimised, it is suggested that modelling needs to be done of the impact of converting a portion of General Security to High Security. If the modelling supports High Security conversion, a component of the water security improvement could be attributed to increasing High Security and town water. This has the potential to catalyse a range of high value industries, creating jobs and wealth for the Lachlan region. If the improved security is apportioned to existing users, there will be only a modicum of change.

In addition, there is a need to ensure policy and water management settings are right. There needs to be more storage and a change in how the Murray Darling Basin Plan is administered to sustain growth, particularly in the context of drought.

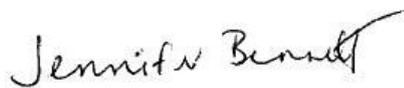
The Wyangala Dam upgrade, Parkes SAP and review of the Water Sharing Plan presents the opportunity to potentially address long-term water needs for Lachlan Valley towns and communities while delivering an economic driver through increased high security water.

The reality is that with the right storage and pipe network there is plenty of water for town water supplies for Central NSW communities and to enable substantive growth in high value agriculture- it's just a matter of getting it to the right place, at the right time and for the right price.

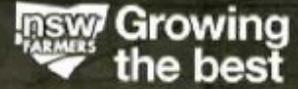
In summary, the region's policy position is that we need to do things differently if we are to get a different result and there is already activity in region moving in that direction. The CNSWJO would welcome alignment with and support from other levels of government, preferably in some type of genuine collaboration, where growing agriculture presents a perfect opportunity to work together to achieve mutual objectives. We would be pleased to meet to enlarge on any of the issues raised in this submission.

If you require further information or clarification on comments in this submission, please do not hesitate to contact me on 0428 690 935.

Yours sincerely,

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

Jennifer Bennett
Executive Officer
Central NSW Joint Organisation (CNSWJO)



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November 2017

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Case study

The Dutch way for sustainable agriculture

'Twice as much food, half as many resources'

Dealing with scarcity is something the Dutch are well accustomed to, and their agribusiness sector has developed over centuries to be the leading example of good practice. The Dutch Agribusiness and Food sector contributes 6.6 percent of global food exports. That output is made all the more remarkable considering the size and relatively small population of the country.

In comparison, The Netherlands is approximately one tenth the size of NSW, or roughly the size of the Sydney Basin, with 41,543 square km and a population of approximately 17 million (six million fewer than Australia), which equates to approximately 500 inhabitants per square km.

It is also bereft of almost every resource thought to be necessary for large-scale agriculture. Yet it is the globe's number two exporter of food as measured by value, second only to the United States, which has 270 times its landmass. So how on Earth have the Dutch done it?

Considering the constraints of limited land, expensive labour, production in high density urban environments and a high social awareness of sustainable practices, this is an example where innovation thrives when constraint is high.

Almost two decades ago, the Dutch made a national commitment to sustainable agriculture under the rallying cry, 'Twice as much food using half as many resources.'

In the relatively short period of time, this has led to an innovative and a highly productive sector with a big focus on sustainability.

Since then farmers have reduced dependence on water for key crops by as much as 90 percent. They've almost completely eliminated the use of chemical pesticides on plants in greenhouses, and since 2009 Dutch poultry and livestock producers have cut their use of antibiotics by as much as 60 percent.

Fresh fruits and vegetables are now shipped around the clock. Aside from growing their own produce, they import food from other countries. Food products are shipped in bulk to the Dutch port of Rotterdam, processed and packaged for consumers, and then moved to markets by air, rail, and sea. This is agribusiness.

The Dutch show that when farmers, businesses, government, scientists and the community work collaboratively to develop technological and social innovation to produce good, healthy and safe food that is produced sustainably, the country and the world will benefit.

Aside from food, food knowledge is now also a key export product. They actively disseminate their knowledge across the world to contribute to the sustainability of the global food ecosystem.

(Main content source: NG 2017)

New South Wales

Netherlands



² <https://www.nationalgeographic.com/images/2017/03/the-land-agriculture-sustainable-farming/>