



# Australian Government

## ISSUES PAPER TO INFORM DEVELOPMENT OF A NATIONAL FOOD PLAN SUBMISSION COVER SHEET

(not for publication)

**Closing date for submissions: 5pm Friday 5 August 2011 Eastern Standard Time (EST)**

**Please complete and submit this form with your submission to:**

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Department of Agriculture, Fisheries and Forestry  
PO Box 858  
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Or email [nfsubs@daff.gov.au](mailto:nfsubs@daff.gov.au)

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# **Submission to Department of Agriculture**

## ***National Food Plan***

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Andrew Gregson  
Chief Executive Officer

## **Introduction**

NSW Irrigators' Council (NSWIC) represents more than 12,000 irrigation farmers across NSW. These irrigators access regulated, unregulated and groundwater systems. Our members include valley water user associations, food and fibre groups, irrigation corporations and commodity groups from the rice, cotton, dairy and horticultural industries.

This document represents the views of the members of NSWIC. However each member reserves the right to independent policy on issues that directly relate to their areas of operation, or expertise, or any other issues that they may deem relevant.

## General Comments

NSWIC welcomes the opportunity to be part of the process of developing a national food plan through a submission on the Issues Paper (“the paper”).

Food production is a combination of human endeavour and natural resources. Water is a key resource in food production and hence the irrigated agriculture sector is both a major food (and fibre) producer and has a significant interest in the development of this plan.

Without water, there is not food. With less water, there is less food. The two are – and forever will be – intrinsically linked.

NSWIC notes the comments of the paper in respect to global food security issues, particularly in light of the foreword statement that “our nation’s food supply is secure.” Whilst NSWIC does not disagree with the latter statement, we submit that it is vital that Australia (and Australian’s) understand the global implications of our food and fibre production policy decisions. Any decision to transfer productive water to alternate use may not have a major impact on Australia’s food security, save and except for pricing issues related to supply/demand equations, but it will certainly have an impact elsewhere.

If Australia produces less food, we will not go hungry – but somebody will.

The United National Food and Agriculture Organisation (UNFAO) note that of those suffering chronic hunger worldwide (1 billion 2010 estimate), well over half (578 million) are in the Asia-Pacific region. Clearly, Australia’s food production is a significant national issue not only internally, but externally. Food security for our neighbours is therefore a national security issue for this nation.

Similarly, an increase in the cost of fresh food – much of which is irrigated – will have a disproportionately greater impact on lower income households. The outcomes in respect of nutrition of such a policy are obvious.

## Specific Questions

1. *What is the most important thing you think a national food plan should try to achieve?*

NSWIC submits that the plan must refocus not only governments, but the nation on the importance of food security. We applaud the paper for recognising that the concept of food security is more than simply a robust supply chain – but an issue covering nutrition, food safety, social availability and affordability. We believe that this recognition must be more widely understood and accepted.

Importantly, we submit that a national food plan must be truly whole-of-government in nature. At present, conflicting policies from various branches do little to enhance the policy goals of the paper. To wit, the Murray-Darling Basin Authority is currently in the process of drawing a regulatory Basin Plan which will see productive agricultural water diverted to alternate uses. Such a policy will clearly impact heavily on the broader view of food security, yet the *Water Act*, on which the Plan is based, does not mention the word “food” within its 525 pages.

2. *What do you think the vision and objectives for a national food plan should be?*

We submit that achieving the cohesion and recognition described above should be the objective sought.

3. *What do you see as the major risks to Australia’s food supply in the coming years and decades? How could they be avoided or managed more effectively?*

The Basin Plan is the most significant risk to irrigated agriculture production. Competing uses of limited resources have become largely politically driven outcomes which do not match the longer term aims of issues such as food security.

4. *What does food security mean to you? How would this be achieved? How would we know if/when we are food secure?*

NSWIC makes no submission.

5. *What are the most important benefits that Australian consumers get or should get from our food supply? Why?*

The paper identifies nutrition as an important issue within food security. NSWIC notes that fresh food plays a significant part in this equation and that a very large portion of Australia’s fresh food is a result of irrigation. Diversion of productive water away from irrigated agriculture will necessarily result in lower production of nutritious fresh food.

6. *What two or three actions:  
by the government sector would most benefit food consumers?  
by the non-government sector would most benefit food consumers?*

NSWIC has long advocated that the *Water Act* must be amended. We believe that this single measure, to provide equal treatment of social, economic and environmental factors, will provide the most significant food security move that government could make.

7. *What do you see as the major opportunities for Australia's food industry in the coming years and decades? How could they be realised?*

NSWIC makes no submission.

8. *What two or three actions:  
by the government sector would most benefit businesses that make, distribute and sell food?  
by the non-government sectors would most benefit businesses that make, distribute and sell food?*

NSWIC makes no submission.

9. *What specific food policy and regulatory functions within or between governments: overlap? are at cross-purposes? have gaps?*

This policy aim – a food strategy – is at cross-purposes with the Basin Plan, which is essentially a plan to significantly reduce food (and fibre) production capacity.

10. *Which regulation or regulatory regime poses the greatest burden on the food industry along the food supply chain (production, processing/manufacturing, transport and logistics, wholesale, retail)? What could be done to reduce this burden?*

NSWIC makes no submission.

11. *What two or three actions:  
by the government sector would most benefit communities that are highly dependent on food production, processing, distribution or sale?  
by the non-government sector would most benefit communities that are highly dependent on food production, processing, distribution or sale?*

NSWIC makes no submission.

12. *Do you think that the development and implementation of government policies related to food are adequately coordinated? If not, please explain why and provide*

*examples. What mechanisms could the government consider that might address your concerns?*

NSWIC submits that coordination is limited, at best.

The development of the Murray-Darling Basin Plan pursuant to the *Commonwealth Water Act* (2007) is an ideal example. The *Act*, which is fiercely prescriptive of the content of the Plan (a Regulation), does not mention the word “food” once. To put this in context, one arm of government is developing a food strategy whilst another is developing a plan for removal of a key input to food production.

NSWIC has called for the amendment of the *Act* to enable important considerations of social, economic and environmental aspects to be considered equally. Clearly, food security would play a part in this which it currently does not.

13. *Have all the possible risks to Australia’s food security been identified in this paper? If not, what other risks are you aware of?*

NSWIC purposely limits our comments to matters relevant to water access entitlement holders. The single most significant risk faced by our constituency is the regulatory risk associated with the Basin Plan.

We also note that the paper makes comment in respect of increased productivity from agriculture. NSWIC is in support of research and development and, indeed, operates programs designed to encourage productivity gains. It must be noted, though, that rates of productivity gain over several decades have slowed to an incremental rate as mechanised and computerised efficiencies are achieved. The same has occurred in water efficiency. Irrigators must achieve annual efficiency to offset inflation at their individual business level. It is not realistic to pursue policy that removes inputs (the Basin Plan) whilst simultaneously relies on productivity to levels rarely achieved in any event.

14. *What specific additional actions by:  
the government sector would most benefit our food security status?  
the non-government sector would assist in maintaining our food security status?*

The single greatest measure that the government sector could take would be to rewrite the *Water Act* with an extended focus to include food security, in line with calls from NSWIC and the wider industry over several years.

15. *Are current arrangements adequate to ensure continuity of Australia’s food supply during significant national emergencies? If not, what further action is needed to prepare for food supply emergencies and improve our ability to manage emergencies if they occur?*

NSWIC makes no submission.

16. *What specific actions would help improve food security in remote Indigenous and low socioeconomic populations?*

NSWIC again submits that a rise in the price of fresh food through diversion of productive water to alternate uses will impact this sector more seriously than others. The paper specifically outlines in section 3.2.1 the non-linear impacts of cost increases in fresh, high nutrition value foods. An increase in fresh food prices subsequent to the removal of productive water will cause much higher impacts on those who can least afford it – in both dollar and social equity terms.

As a result, water security policy must be aligned with food security policy. At present, this is clearly not the case.

17. *Do you see a role for the food industry in supporting population health and nutrition outcomes? If so, what do you believe that role is and what support might industry need in fulfilling this role?*

Chapter 4 of the paper commences with a discussion of diet and nutrition, essentially concluding that Australians do not currently eat enough vegetables, fruits and whole grains. Clearly, price is an issue in food choice. NSWIC submits that lowering of production of these commodities will result in higher prices which will exacerbate this problem.

The Murray-Darling Basin produces 53% of Australian cereal grain (including 100% of Australia's rice production), 95% of our oranges and 54% of our apples. Significant volumes of fresh vegetables are also produced, with large percentages being under irrigation. A policy from Government to remove a key input in Basin agriculture – water – will result in downward pressure on production volumes, upward pressure on price and poor national nutrition outcomes.

Industry has a clear role to play in delivering healthy and nutritious food. It needs a sensible government regulatory environment – including consideration of all facets of a triple bottom line – in water management.

18. *Some food industry sectors have developed tools to demonstrate desirable product attributes to consumers, for example through organic or environmental certification. Do you know of any examples of food supply markets that are not adjusting to evolving consumer demands (that is, potential market failures)? What are they and how could they be encouraged to adjust (that is, not fail)?*

NSWIC makes no submission.

19. *How do consumer perceptions of food production (across the food supply chain) affect food-related businesses and regional communities? What research has been done on this?*



NSWIC makes no submission.

20. *Are you confident in the food you eat? If not, what aspects concern you? Do you believe food in Australia is safe? If not, please outline which aspects of food in Australia you believe are not safe and what needs to be done to ensure all food in Australia is safe?*

We believe that food produced in Australia is, to the greatest extent reasonably possible, safe. We do not believe that the same standards exist universally and are concerned at the replacement of Australian production via imports through the diversion of productive water.

21. *What are the main drivers of, and barriers to, domestic and foreign investment in Australia's food industry?*

In respect of investment in and around irrigation, the Basin Plan process has essentially manifested as a sovereign risk issue. After decades of continuous change, the Basin Plan process has come as a final straw for many. Industry participants see little change of this being a "final act". In order to overcome the perception of a sovereign risk issue, governments must set a sensible water policy and withdraw from the sector.

22. *What would encourage more investment in the food industry?*

NSWIC makes no submission.

23. *For each part of the food industry, where can new or additional investment contribute to a more competitive food industry and to economic growth? Where do gaps currently exist:*

- *along the food supply chain?*
- *in technology or in skills?*
- *in infrastructure to support the food industry?*
- *other (please explain)?*

*Could these be addressed by productive foreign direct investment?*

NSWIC makes no submission.

24. *What are the key issues relating to infrastructure that positively or negatively affect the food businesses along the food supply chain? Is there a role for governments in addressing those issues?*

NSWIC supported the *National Plan for Water Security* and continues to support the *Water for the Future* policy approach of investing in efficient irrigation infrastructure. We have been extremely concerned at the frustratingly slow rollout of these policy aims.

Rhetoric does not provide infrastructure solutions.

25. *What barriers to integrating new and emerging technology into Australian infrastructure hinder improvements to the efficiency of the food supply chain?*

NSWIC makes no submission

26. *What regulatory conflicts in the passage of food or livestock on Australian infrastructure significantly impair the food supply chain?*

The conflict between a Basin Plan regulation to reduce our capacity to provide food security and the drafting of a food security policy is a clear example.

27. *How could the food industry develop more value-adding and product diversification opportunities? What stops businesses from doing this now?*

NSWIC makes no submission.

28. *What are the main drivers of and barriers to innovation in Australia's food industry as a whole, and also the sub-sectors and with the different business models that comprise the industry?*

NSWIC makes no submission.

29. *What would encourage more innovation in the food industry?*

NSWIC makes no submission.

30. *What are the top consumer priorities in product innovation over the next 5, 10 or 20 years?*

NSWIC makes no submission.

31. *What could government do, consistent with a market-based policy approach, to help the Australian food industry take a long-term strategic view to exploit growth opportunities?*

NSWIC makes no submission.

32. *How could the food industry make the most of emerging market opportunities, including niche markets such as food tourism? Could the Australian Government play a role in this area?*

NSWIC has long advocated that diversion of productive water from irrigated agriculture will have significant economic and social impost. Suggestions from various government entities that tourism might replace that economic activity are not positively viewed in our sector. NSWIC submits that tourism is an adjunct to agriculture (at best) and is certainly not a replacement, in economic or social terms, for it.

33. *How could the food industry research and development agenda be improved to ensure more involvement from industry and more effective identification of its needs and the needs of consumers?*

NSWIC makes no submission.

34. *What should a successful, innovative Australian processed food industry look like in the short, medium and longer term?*

NSWIC makes no submission.

35. *What are the key areas for research and development investment that would produce the necessary productivity gains for the food industry?*

The paper correctly portrays productivity gains as a means to ensure more efficient and greater output in food production. At the same time, the Commonwealth is pursuing a productivity gain approach to diversion of water from irrigated agriculture. Productivity gains can achieve but one of those aims – it cannot achieve both simultaneously.

36. *How could the tension between new technology adoption (such as biotechnology or nanotechnology) and public concerns about possible associated risks best be managed?*

NSWIC makes no submission.

37. *What could government do to accelerate food and nutrition research and development to successful commercialisation outcomes?*

NSWIC makes no submission.

38. *What measures or alternative approaches could the government introduce or encourage that would facilitate greater use of public research facilities by small to medium enterprises in the food industry?*

NSWIC makes no submission.

39. *Are there labour supply issues with skilled and professional workers in the food industry? If so, what are they, and what causes them? What particular skills or professions are in short supply and why? Is there a role for government in improving the supply of skilled and professional staff?*

NSWIC makes no submission.

40. *What aspect of workforce development for the food industry should take priority? Why? Possible choices may include (but are not limited to) building an evidence base, initiatives to attract and retain appropriately skilled people, training to upskill existing people, labour mobility, migration.*

NSWIC makes no submission.

41. *Could the Australian Government's current range of initiatives designed to meet the current and future skills needs of employers be used to develop a skills strategy or plan for the food industry? How?*

NSWIC makes no submission.

42. *Are you aware of programs to attract and retain new entrants to the field of agriculture working? If yes, how could these programs be improved?*

NSWIC makes no submission.

43. *What could be done to use growing student interest in environmental issues to meet the skills needs of the food industry? (For example, the decline in supply of agricultural science graduates has corresponded with growth in environmental science graduates—there are crossovers and shared interests for these study pathways).*

NSWIC makes no submission.

44. *What could food businesses do that would enable them to function effectively with a less abundant supply of labour? Are there any barriers to making these changes?*

NSWIC makes no submission.

45. *What else could governments or non-government groups do to promote economic and social sustainability of food production, processing, or distribution (including resilience to economic or other shocks)?*

Both government and non-government groups must recognise that social and economic sustainability is *equally* as important as environmental sustainability. That is, a triple bottom line approach must be taken to all regulatory and resource management issues – including amending the *Water Act* to reflect this approach.

46. *What region-specific issues should be taken into account in a national food plan?*

NSWIC makes no submission.

47. *Who will be farming in 2030 (and 2050)? What will farmers' relationship to the land be (ownership, management, leasing) and what are the implications of this for social sustainability of farming communities?*

NSWIC makes no submission.

48. *What (if any) contribution could action on food waste make to improving the sustainability of Australian food supply chains? What are the best opportunities to reduce Australia's generation and landfill disposal of food? Are these subject to market failures (that is, the private sector does not have commercial incentives to better manage food waste)?*

NSWIC makes no submission.

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