



Tasmanian Agricultural Productivity Group

December 2013 Newsletter

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New Directors ratified at AGM.

The result of this year's call for nominations has further strengthened what is already an excellent Board. Rosie MacKinnon will become one of two representatives for the Primary Production Sector. Rosie is an owner/director of Tas. Natural Garlic operating out of Mouquet Farm at Hagley. Of equal importance is the networking she provides as an executive member of Tasmanian Women in Agriculture.

Further, a currently vacant “Agri-business Marketing” position has been created by the Board to ensure that we continue to fully encompass the “whole of supply chain” overview already mentioned.

It is pleasing to see direct Dairy Company representation return to the Board through the appointment of Roger Kay from Fonterra. International companies are understandably cautious about being represented on groups such as TAPG but, again, it is an endorsement of our professional, non-denominational approach to the representative role that has allayed such concerns.

While strictly speaking Allan Barr will join the Board in the “Regulatory Affairs” portfolio his huge experience across most agricultural issues will see him provide valuable depth to our consideration of all topics.

Rodney McLaren from McCains has already joined the Board during the past few months. He manages the Smithton plant and like all our Directors, brings a level of general agricultural experience that surpasses the narrow definition of his “processed food” portfolio. This breadth of knowledge and wide interest in all matters agricultural are readily apparent in the contributions that Rodney has made at the Board table thus far.

Peter Hardman is another icon of the processed food sector on the NW Coast where he works for Simplot. He is one of the founding members of the sub-committee “Potatoes Tasmania” and is currently its “spokesperson”. Peter has a wealth of knowledge regarding the vegetable industry in Tasmania together with an extensive network of colleagues across all sectors.

Industry Forum and Awards for Excellence

From the general agricultural community’s point of view TAPG’s most notable activity this past year was the Mid-Winter Industry Forum conducted in partnership with the Tasmanian Division of the Ag. Institute of Australia. This partnership was a very appropriate fit for us as our underlying premise, when considering agricultural policy and regulation, is

that *“any decisions should be based on good science.”* At a more practical level the committee representatives from both groups blended harmoniously to develop a praiseworthy program that was well delivered. I believe both groups learnt a great deal from each other and there are definite opportunities for this alliance to be repeated in the future. A highlight of the day was the inaugural presentation of the TAPG *“Award for Excellence”* to recognise outstanding achievement within our industry.

Two people were recognised by their peers through this presentation:

- **Hoong Pung** received her award in the category of **Scientific Achievement** in *“recognition of research accomplishment within the agricultural industry.”*



Hoong Pung being presented with her certificate.

- **Brian Hartnett** received his award in the category of **Lifetime Achievement** for his “sustained contribution over the course of a career.”



Tasmanian Agricultural Productivity Group

Award for Agricultural Excellence

Presented to

Brian Hartnett

For his work in the category

of

Lifetime Achievement

*“a sustained contribution over the
course of a career”*

Awarded this 23rd day of August 2013

.....
*Mr. Jim Wilson
Chairman TAPC 2013*



Annual General Meeting

Speaker Program:

We were fortunate to secure Senator Richard Colbeck to open our Speaker Session after the close of the AGM. He was followed by Lucy Gregg, Frances Bender and Tim Reid who were well received by our members and guests.

Chairman's Report (extract)

Chairman Jim Wilson delivered an outstanding Annual Report that received strong acknowledgement from the assembled audience. A highlight of his presentation was this extract on the subject of input costs combined with the notion of a level playing field:

"As a nation of sports lovers Australians place great value in "playing by the rules". Indeed, we are so passionate about this aspect of sport that we can often be heard offering "friendly" advice to umpires on issues that we believe they may have missed!

In the great "game" of agriculture that is our focus today I believe the "umpires" who govern it need some of this "robust" Aussie advice. While many here would argue for more I will restrict myself to raising two issues:

♫ My first point concerns the frightening increase in the cost of overheads. The sporting parallel would be to imagine the uproar if all AFL clubs were advised today that their salary caps were to be halved for next season? Couldn't happen! Ridiculous I hear you say. Well, my point is that we find equivalent examples of this kind of draconian action being announced every day in Agriculture. Some of our companies have provided

confidential advice to the Board around the changed operational environment they now find themselves in.

♫ Let me quote some examples:

o Did you know that the base hourly rate in Australia for food processing labour is \$26.82/hr? Compare to New Zealand at \$12.85/hr, compare to USA at \$14.57hr, compare to Europe at \$16.11/hr, and finally compare to Thailand at \$1.25/hr.

o Did you know that weekend penalty rates in Australia mean that the base rate of \$26.82/hr is doubled? Compare to new Zealand where the base rate increases by \$0.85/hr, compare to the USA where the base rate stays a base rate – no penalty, compare to Europe where the base rate of \$16.11/hr is increased by a modest 50%, and finally compare to Thailand where there is no penalty rates.

o Did you know that the rolled up weighted average hourly cost of human resources in Australia is \$51.50/hr?

o How about utility cost movement in the past 5 years? Electricity up 34%, Gas up 14% and water up 52%.

o Clearly this is an unsustainable trajectory!

♫ There simply must be a recognition that this can't keep happening. Unless the public expectation regarding the price they pay for food is radically altered then the producers can't keep absorbing these costs. I heard one bureaucratic representative commenting on the cost of wastewater treatment with the words: "well, if these companies don't pay the real cost of treatment then everyone else will have to pay a proportion." May I contend that this, in fact, could be the way to deal with the issue? People don't want to radically increase the price they pay for food so perhaps they should help subsidise its production?

♯ *Whatever the answer, it is fair to say that many companies are just keeping their heads above water and it won't take much more to be fully overrun by more competitive overseas processors. At a time when we hear lofty statements about the capacity of both Tasmania to once again be the "bread bowl" of Australia and for Australia itself to be a world player in the production of food we are not seeing legislation that will help to ensure this vision. It can be better described as constantly awarding a free kick to our overseas competitors!*

♯ *My second point is best introduced by reflecting on the "Bitter, Sweet" theme introduced into the speech by the Prime Minister of Australia when he symbolically ended our country's involvement in Afghanistan. Tony Abbott spoke of the loss of life as one of the "bitter" takeaways from the conflict. Considering that a terrible percentage of these deaths were from so called "green on blue" attacks by supposedly friendly forces turning their weapons on our soldiers then this is "treachery" of the deadliest kind. However, you don't have to be gunned down to feel that the bitter, sweet analysis applies in our forest industry, for example. A perfect storm perhaps, global market conditions, foreign exchange, supply issues, but what about the continual attack of "misinformation, distortion and radical activism" of groups that have not only destroyed jobs and livelihoods for landowners, contractors, service providers and our extended community, but have also shattered the investment prospects for new jobs, in one of the world's best fibre growing regions, with the best environmental regulatory protections, and what many would realise as one of our most truly sustainable industries. These groups have got to be held to account for their actions in the same way as all other sectors of our community. They are even given tax concessions as registered "not for profit" organisations that assists them to go out and destroy other people's livelihoods. This is not a fair go! This is not the Australian way! A level playing field must be restored!*

Tasmanian agriculture is at a crossroads. We have a new federal government, we operate in a global marketplace that is evolving at an unprecedented rate, and markets are massively influenced by increasingly sensitive and informed consumers, for good and bad. The biggest certainly

is things won't stay the same as they are now....change is inevitable. Tasmania needs leadership, Tasmania needs appropriate legislative frameworks. Tasmania needs innovative thinking to capitalise on our demanding but ever changing workplace...agriculture."

Director in Profile:

As we have a number of new Directors on the Board we will be using our regular "Updates" and "Newsletters" to profile these people for you.

The first of these will be: Rosie Mackinnon

Rosie Mackinnon joined the TAPG Board in November 2013. She lives at Hagley in the north of the state. She and her husband Andrew have a 300 hectare property which has been in operation since 1981. Located near the Meander River the property operates a fine wool and prime lamb enterprise alongside a gourmet garlic business.

In 2005 Rosie began investigating the outcomes of growing naturally produced garlic bulbs after 35 years as a primary school teacher.

The business, Tasmanian Natural Garlic now produces 5 tonnes of garlic bulbs which are direct marketed to a variety of retail outlets in Tasmania and the mainland.

Her involvement with Tasmanian Woman in Agriculture has provided an excellent platform to develop her business and rural leadership skills. She has a Diploma in Agriculture and is now studying a Diploma in Agribusiness Management.

She looks forward to contributing her knowledge and experience to the Board discussions.



Rosie Mackinnon

I have attached copies of two relevant submissions for your further information. As always your questions or comments are most welcome. Please contact me directly.

Best wishes for the Festive Season and we look forward to your continuing support in the New Year.

Terry Brient

Executive Officer

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