



NSW Legislative Assembly Committee on Investment, Industry and Regional Development
Inquiry into Performance of the Regional Investment Activation Fund and the Regional Job Creation Fund

NSW Farmers Response to Supplementary Questions

1. In your submission (page 2), you stated that there are optimal points at which government and industry interventions can enable or accelerate beneficial flows. How can the NSW Government leverage these optimal points to support economic growth in regional NSW?

NSW Farmers response:

If regionally focused stimulatory spending can be directed to maintain stability in the agricultural sector and increase regional job opportunities, this will in turn shore up the security of both regional and national economies, creating a virtuous economic cycle. A strong agricultural sector, availability of regional jobs and financial capital, and improved regional liveability are interdependent. The three connected key enablers are:

1. **Connectivity:**

While regional digital connectivity remains sub-standard, the farming sector and its connected socio-economic entities cannot take full advantage of emerging opportunities in digital agriculture, productivity improvements and energy efficiency. Education and health services in regions will also continue to be constrained, undermining the potential of the agrifood sector to attract and retain skilled workers.

2. **Infrastructure:**

The viability of the agrifood sector is reliant upon access to efficient, robust infrastructure networks for physical access to markets, and regional supply chains are critical not only for industry but also to supply communities with basic needs; yet significant deficiencies in regional infrastructure quality and access are compromising productivity and liveability.

3. **Workforce:**

Attracting and retaining a skilled workforce cannot be divorced from the issues of regional amenity, connectivity (physical and digital) and the basic needs of housing and health services within proximity of the place of employment.

Economic recovery strategies which include targets relevant to the interconnected goals of simultaneously strengthening agriculture and regional should address supply chains and infrastructure; water and environmental reform; cutting red tape for farm businesses; job creation; and upskilling, training and education.

2. In your submission (page 3), you stated that poorly designed government investment can drain local resources and undermine regional economies. Can you provide more information and examples on this, and what does well-planned government investment look like?

NSW Farmers response

Spending which innervates regional processing of food and fibre, such as value-adding or manufacturing, will benefit regional economic development as well as strengthening the agricultural sector. Food and grocery manufacturing currently employs 276,000 people with 40% in rural and regional areas of Australia.

There are numerous pathways to grow this sector, including through exports and innovation to meet the changing demands of consumers. It has been suggested that, with the correct incentives and intervention, the sector could double and grow employment by 54% within the decade; however, challenges over the past decade that have hampered its profitability, dampened investment and hindered potential including the rising costs of food manufacturing compared to wholesale selling prices, a dearth of innovation R&D compared to global competitors and oppressive regulatory systems. Investment into energy efficiency, physical access to markets, and a review of regulation and renewed focus on relevant R&D, will counteract some of these issues.

Decision-makers must envision goals for agriculture and regional communities at least a decade ahead, preferably many decades, and consider the alternative scenarios resulting from action or inaction.

More jobs equals more people, an expansion of services and a greater injection of social and intellectual capital in regions; however, liveability must be addressed if people are to *stay* in regions. Governments have to date lacked a clearly defined policy agenda in this space. If a region is under-serviced, any business seeking to expand or develop in that region will have to offer extra remuneration to compensate for the lack of amenity, which impacts the competitiveness of the business.

3. Could you provide more information on your program AgSkilled (page 8, uncorrected transcript), including whether the program partners with TAFE and how effective is it?

NSW Farmers response

AgSkilled is widely acknowledged as a very effective skills program that provides targeted funding for skill development across agriculture sectors.

The funding is allocated from the Smart and Skilled vocational training funding and provides access to short courses to support capability development for workers in the agricultural plant-growing and livestock sectors. <https://www.nsw.gov.au/education-and-training/vocational/vet-programs/agskilled>

The training is available to existing workers as well as supporting new entrants into the sector and until 2024 was industry led in determining the type and quantum of skill development opportunities available across the key demand areas for agriculture.

This is partly due to its continuity as a long-running program, co-contributions and industry input, and trust of its outputs. It has the potential to be expanded more broadly across the agricultural sector, with much of its core content relating to Work Health & Safety, business and technology relevant to all industries. With ongoing funding and a commitment to strong industry input and governance, it has the potential to provide further and expanded key industry training.

There are several challenges facing the agriculture industry which make the training and skills of the workforce a unique issue:

- The percentage of employers in agriculture providing no training has been consistently higher than average across all industries.

- At 18.6%, Agriculture, Environment and Related Studies has experienced the lowest percentage increase of student enrolment numbers of any broad field of education.
- There were no agriculture courses represented in the 25 most popular VET in Schools courses by number of enrolments in 2021. The Certificate II in Agriculture is the 26th most popular course with 3,700 enrolments.
- In 2020, the agriculture, fisheries and forestry industry accounted for 24% of worker fatalities (46 fatalities) with the highest fatality rate of any industry at 13.1 fatalities per 100,000 workers.
- The agriculture, forestry, and fishing industry accounts for 2.1% of employed persons in Australia but only 1.4% of apprentices in training.
- Research outputs show that universities now contribute more than 70% of research papers in agriculture (Figure 26). Thus, much of the research is being done by research students in the universities or by researchers who are commonly funded only on short-term contracts through funds generated by, for example, the research and development corporations (RDCs). The scientist pipeline thus becomes an important agricultural workforce consideration.

All Registered Training Organisations – including TAFE NSW – can deliver short courses under the AgSkilled program – subject to these RTOs having the competencies on their scope of registration.

4. You gave evidence that the Government should focus more on forward planning (page 8, uncorrected transcript). In your opinion, what does this model look like and how might it be achieved?

NSW Farmers response

The viability of the agrifood sector is reliant upon access to efficient, reliable, robust infrastructure networks and sound, long-term strategic planning for physical access to markets. Regional supply chains are critical not only for industry but also to supply communities with basic needs; however, the local governments and agencies tasked with maintaining critical transport infrastructure are often inadequately resourced for the task.

Reliable, efficient road and rail infrastructure that is designed and constructed to attract the needs of the future rather than the needs of today will be critical to enable forward planning for private investment and capacity growth. At its heart forward planning equals liveability – access to services, cultural richness, education to build and expand skills, and identification of opportunities for attraction and retention of industries that complement the natural advantages of a region – including agricultural value.