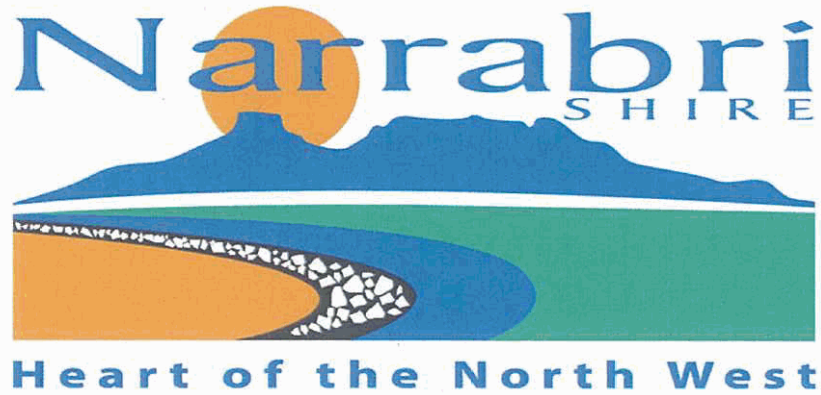


INQUIRY INTO ASPECTS OF AGRICULTURE IN NSW

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6/09/07
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The New South Wales Parliament's Standing Committee on State Development inquiry into aspects of agriculture in NSW



THURSDAY 5:00PM 6TH SEPTEMBER, 2007
TO: PUBLIC FORUM FOR NSW PARLIAMENT'S STANDING COMMITTEE
ON STATE DEVELOPMENT.

SUBMISSION FOR MAYOR GEORGE SEVIL

On behalf of Narrabri Shire Council and the broader community, I would like to welcome everyone here today to this public forum on the contribution of Agriculture to the NSW economy.

I would like to thank the members of the Standing Committee for organising and attending this public forum today and giving our community the opportunity to speak about this important industry. It would be remiss of me not to highlight the point that Narrabri Shire is one of the largest Agricultural producing Shires in this state (second) and nation. As such, everyone in this Shire has a very proactive interest in the long term sustainability of agriculture for our Community's well being.

Agriculture in New South Wales is worth approximately \$7.9 billion per annum, with the New England and North West region producing some \$1.9 billion.

Narrabri Shire is in the heart of the Namoi Valley and being located in the New England and North West, is an area well renowned for producing some of the world's highest quality cotton, beef, wheat, fat lambs and wool.

(See Slide One) Natural gas and coal mining projects are also emerging to compliment existing local operations and offering a wide diversity of employment and ancillary business opportunities.

Agriculture in Narrabri Shire employs a majority of the working population.

(See Slide Two) This slide highlights the areas of employment within Narrabri Shire from the years of 1991 to 2001 taken from the national census data. It is clearly evident that agricultural based industries are the major employers. Unfortunately, the labour related data from the recent 2006 Census is not yet available, but one could

imagine that the number of mining employees would have increased within this time, as well as other industries due to greater economic activity such as the growth in the hospitality and retail trades. It is also notable that the number of employees only decreased slightly in agriculture with the drought in the mid 90's, but in the 2000's I believe that that decrease in the local agriculture sector has increased dramatically.

It is imperative that emerging industries such as mining and natural gas compliment and work with the existing agricultural industry to ensure the sustainability of those endeavours. We, governments and the corporate sector, need to facilitate that agriculture and mining understand one another's interests and work together to achieve mutual benefits where possible, and not a situation of Agriculture versus Mining.

Wee Waa, some 40 minutes drive from Narrabri is known as the "Cotton Capital of Australia" and historically is the area where cotton was first grown in this country. Cotton is the major agricultural industry in Narrabri Shire with a majority of production being based on irrigable land around Wee Waa. Out of the five largest individual exporters of cotton in Australia, two of them are based in the Narrabri Shire area. These are the grower owned co-operative of Namoi Cotton and Auscott Limited.

The drought, international cotton prices and demand as well as water availability and licensing issues have impeded the growth of this industry over the last five years and this can be seen in these figures produced from the Cotton Australia Annual Report for the Namoi Valley.

(See Slide Three) The reduction in production value and number of growers is clearly evident. market steadiness is needed and water licensing and availability issues addressed to ensure employment and industry stability.

Narrabri Shire plays a significant role in the advancement of the cotton industry through the Australian Cotton Research Institute Facility located between Narrabri & Wee Waa. Some of the research projects being undertaken at this facility include;

- Looking at more efficient use of Nitrogen fertiliser.

- Increased water use efficiency.
- Integrated pest management – the most effective insect and weed management strategies.
- Development of new varieties to overcome effects of hot and humid weather conditions in cotton crops which effect production and quality.
- Research into links between cotton quality and crop management.
- Development of new technologies to increase in-field decision making for growers.

Bollgard (genetically modified to make them toxic to certain insects) and Round-up ready cotton varieties have also been developed to lessen the chemical burden on the surrounding environment and improve sustainability of the industry.

The Wheat industry in Narrabri Shire is also a large employer of the workforce, particularly at busy times such as sowing and harvest. A majority of the wheat produced is on dryland farms with suitable weather conditions and rainfall levels being required to grow A winter crop to its maximum capacity. Most wheat is grown on broadacre properties North of Narrabri in the Bellata and Edgeroi areas.

Production levels of wheat over the past five years have been supplied to us from Graincorp.

(See Slide Four) These figures are based on grain stored with Graincorp and are not entirely accurate as many growers utilise on farm storage to reduce pooling and storage costs, as well as taking advantage of better market returns.

The Wheat Research and Plant Breeding centre in Narrabri is vital in keeping the national wheat production at the forefront of world developments. Research projects being run at this centre include;

- Working with winter crops (mainly wheat) to achieve best results.
- Breeding and research programs on field pea production.
- Production of Mustard seed for the biofuel industry.
- Research into triticale production which is a hybrid wheat and rye seed.
- Research into agronomic practises to gauge the impact of tillage levels on various wheat, field pea and barley germs.

The expansive floodplain makes agricultural land mostly suitable for cropping but areas of the Shire are utilised for livestock production and have on occasions achieved world class results. As an example, Inglegreen Pork just outside of Narrabri is said to be one of the largest piggeries in the Southern Hemisphere.

Many “niche” or cottage industries are also grown in Narrabri Shire including;

- Grapes;
- Jojoba;
- Olives;
- Dorper Lamb;
- Goats;
- Peanuts; and

- Citrus.

Value adding opportunities show the diversity of production in this area. Some examples include;

- Wheat from the Bellata area is sent to Tamworth to be made into pasta by Bellata Gold.
- Sorghum is used by Nutrimix and added to stockfeeds.
- Jojoba is made into beauty products.
- Cotton Seeds are crushed by Cargill and made into oils for cooking and used in beauty products.
- Olives are converted into olive oil and beauty products.
- Cotton is ginned and compacted before haulage. and
- Locally grown Grapes are made into some of the world's best quality wine!!!

More value adding and vertical integration opportunities are evident to create additional wealth in local business, but these need to be fostered whenever possible.

One of the major impediments confronting the industry is transport of agricultural product to port. This problem must be alleviated with the upgrade of rail lines within the State and the development of the proposed inland rail line from Melbourne to Brisbane.

(See Slide Five) This slide shows the proposed route for the Far West Corridor which is the desired route for the Narrabri area.

Narrabri is home to an inland port with storage and facilities owned by IPS Logistics Australia and Auscott. IPS alone moves over 100,000 tonnes of containerised agricultural product from its site each year giving an indication of just a small portion of the product being transported from this region for export.

The Far West route is the optimum option as recommended in the study done by Ernst & Young. It is imperative that there is support from the NSW Government and the corporate sector to further this project.

State and local planning processes need to be given a more definitive direction to address ever increasing land use conflicts, especially between mining and agriculture.

There is a need for an integrated State, regional and Shire based strategic direction for Agricultural production.

It is essential that the State Government recognise and proactively support the State's agricultural sector and in my opinion, this could be achieved in several simple ways:

- Development of an integrated agricultural plan for the State.
- Address transport challenges - ports, rail and road.
- Increase the viability and usability of rail to ports as the preferred transport system for bulk agriculture freight, both inwards and for export.
- Address planning legislation to reduce emerging land use conflicts.
- Increase funding for the Department of State & Regional Development and make it more accountable for outcomes.
- Effectively engage the local agricultural sector on water and natural resource management issues.

- Promote a government culture “of supporting and encouraging the agricultural sector.” and
- Encourage and sponsor research for the agricultural sector.



BRISBANE

*Narrabri
Shire Council*

SYDNEY

SLIDE ONE

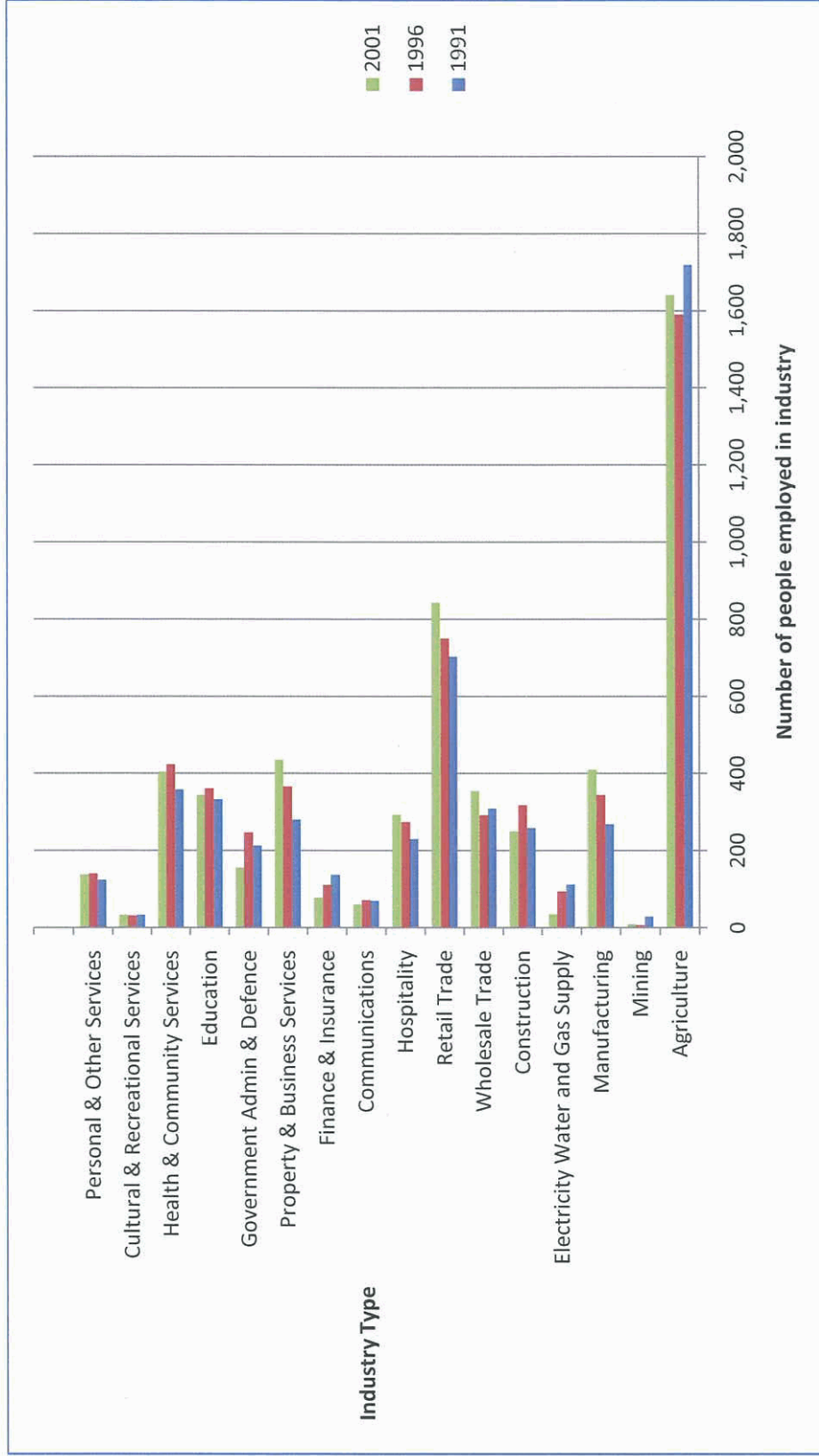
Mining and Natural Gas Details and Data

<u>Company</u>	<u>Location</u>	<u>Production per annum</u>	<u>Employment Level</u>
<u>Whitehaven Coal Mining Pty Ltd</u>	15 km East of Boggabri	1 million tonnes	60 people
<u>Tarrowonga Mine</u>	16 km North East of Boggabri	1.5 million tonnes	60 people
<u>Narrabri North Mine</u>	30 km South of Narrabri	1.5 million tonnes reaching up to 4.5 million tonnes.	95 – 110 people
<u>Eastern Star Gas</u>	15km South West of Narrabri	50 – 100 Petajoules	30 permanent staff in the future

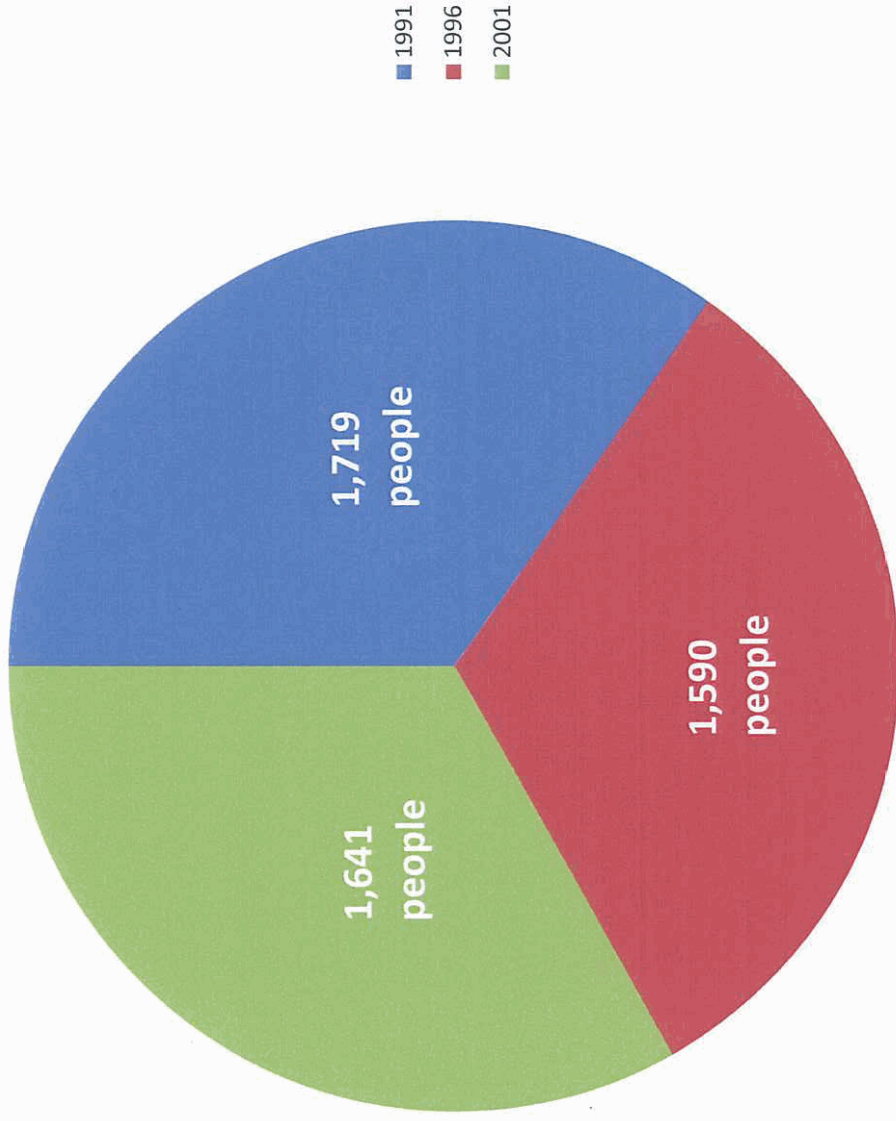
Figures taken from Assessment of Opportunities for Narrabri Shire from Coal Mining and Gas Extraction in the Gunnedah Basin – Jenny Rand & Associates

SLIDE TWO

AREAS OF EMPLOYMENT IN NARRABRI SHIRE – 1991-2001

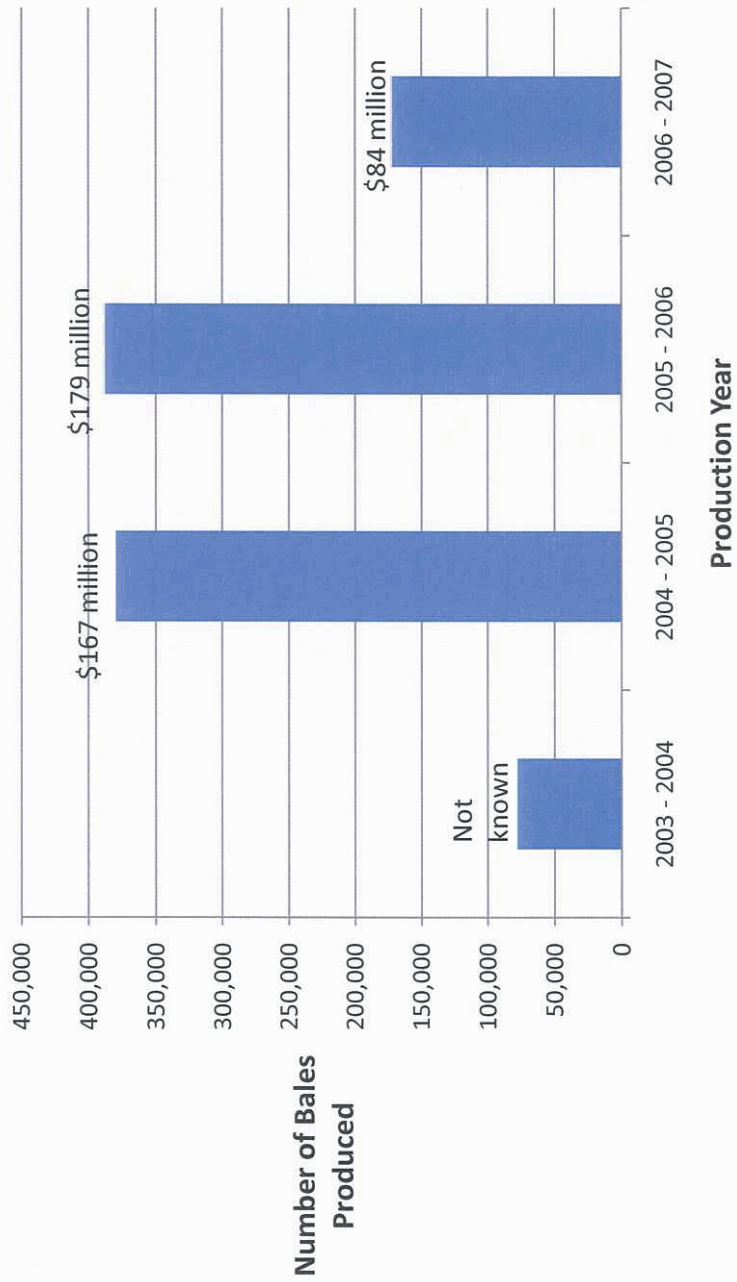


Employment in Agriculture in Narrabri Shire



SLIDE THREE

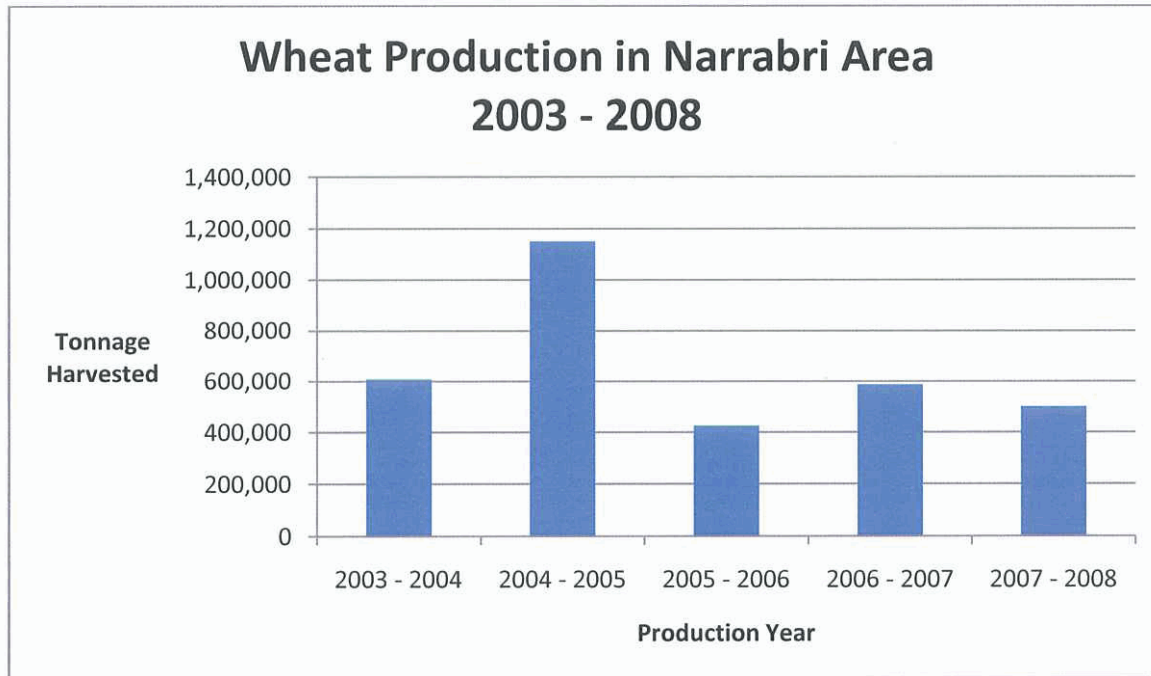
Cotton Production in Lower Namoi 2003-2007



Figures provided by Cotton Australia

SLIDE FOUR

Grain Harvest figures from the past 5 years – Narrabri Area including Moree

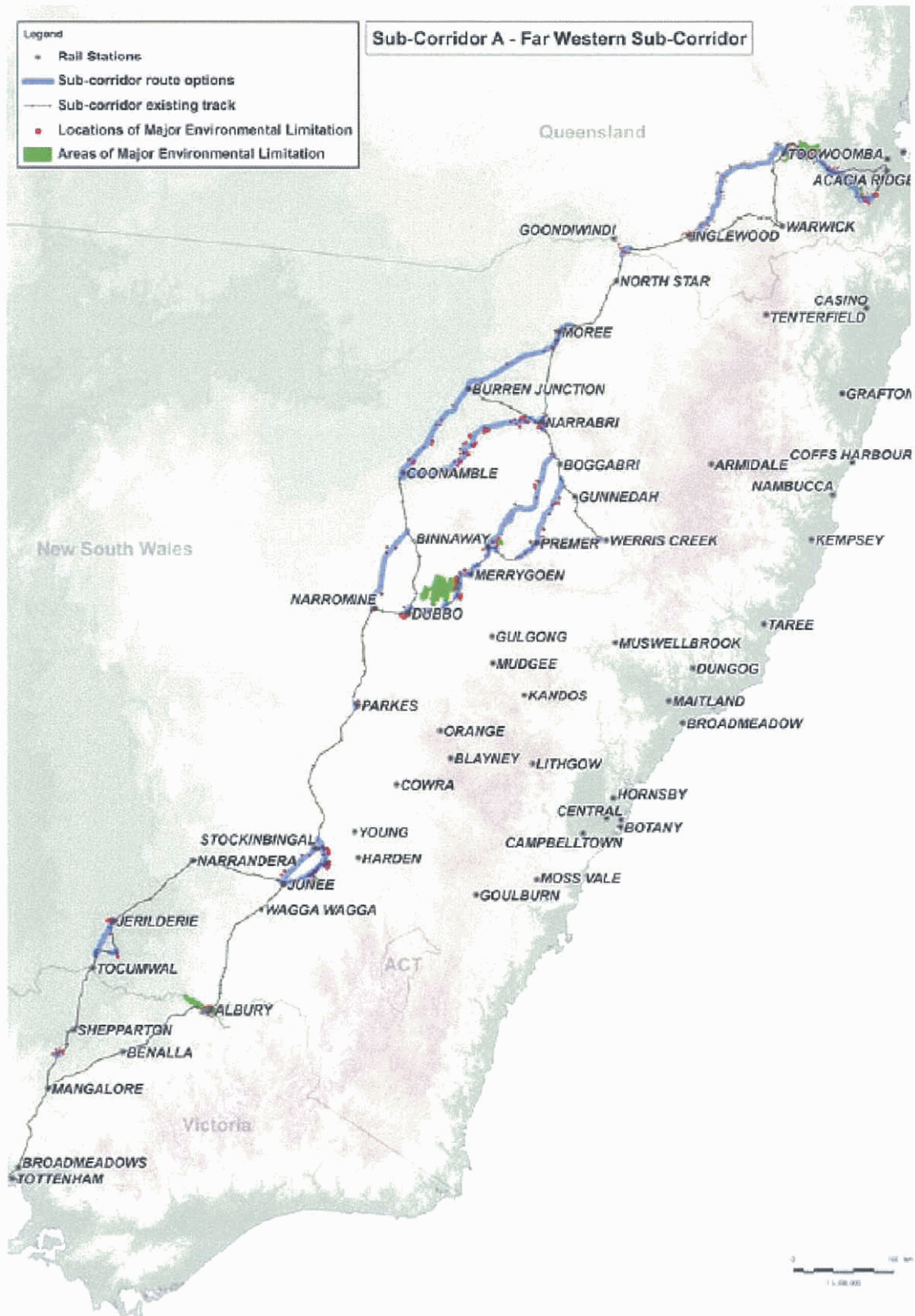


<u>Wheat Production (includes Durum and Soft Wheat)</u>	
2003 – 2004	609,000 tonnes
2004 – 2005	1,151,170 tonnes
2005 – 2006	425,700 tonnes
2006 – 2007	587,970 tonnes
2007 – 2008	500,150 tonnes

Figures provided by Graincorp Operations Limited

SLIDE FIVE

Proposed Far West Corridor for Melbourne to Brisbane Inland Rail Link



Information taken from www.mbir.com.au