

INQUIRY INTO ASPECTS OF AGRICULTURE IN NSW

Organisation: Narrabri Shire Council

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The Crossing Theatre

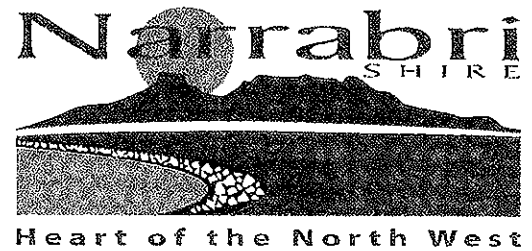
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Our Reference: AEF:AEF ; C80/05002
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17 August 2007

Mr Simon Johnston
Principal Council Officer
Standing Committee on State Development
Legislative Council
Macquarie Street
SYDNEY NSW 2000

Dear Sir,

Re: Standing Committee Inquiry – “into aspects of Agriculture in NSW”

Further to your recent advice concerning the Committee's inquiry into this matter and with specific reference to the terms of reference, this Council wishes to lodge a brief submission. Such submission is presented only in relation to issues relative to this Shire area and as indicated is extremely brief in nature.

1. About Narrabri Shire

Narrabri Shire covers an area of some 13,065 square kilometres and is the heart of the rich Namoi Valley in North-West New South Wales. The Shire area is strategically positioned midway between Sydney and Brisbane at the junction of the popular tourist routes, Kamilaroi and Newell highways.



The Shire population is 14,477 and area is renowned for its wealth in the production of some of the world's highest quality cotton, beef, wheat, fat lambs and wool. The Shire is also looking to the future across a range of industries that will build on our strong economic foundation. Additional natural gas and coal mining projects are joining existing local operations creating many diverse employment and ancillary business opportunities. A desirable place to live, Narrabri Shire has a strong cultural heritage and a vibrant community atmosphere that provides an attractive and exciting place for business and families alike.

2. Responses to the Terms of Reference

(a) the contribution of agriculture and agricultural-based products to the NSW economy

Agriculture within New South Wales is worth \$7.9 billion per annum. The New England North West produces \$1.9 billion. Narrabri Shire is within the New England North West area and is the second richest Shire in the State by way of local value of agricultural primary production.

There is limited value adding to any primary product produced within the Shire area. Exceptions to this fact within this Shire include the following:

- Ginning of cotton
- Production of wine
- Crushing of cotton seed to make cotton oil
- Niche products such as olive oil, skin products, jojoba, condiments

Narrabri Shire plays a significant role in the advancement of the agricultural industry through its substantial involvement in the research sections of both cotton and wheat. The Australian Cotton Research Institute incorporates CSIRO, New South Wales Department of Primary Industries and the Cotton Research and Development Corporation. The IA Watson Grains Research Centre incorporates the University of Sydney, Australian Grain Technologies and the Wheat CRC. In combination with the above, there is a locally based organisation called Cotton Seed Distributors who are the largest cotton seed producers in Australia.

In conjunction with local primary production within the Shire area, the value adding of product, be it of a limited nature, and the substantial research stations there are significant ancillary operations that support these enterprises. These include the following:

- Machinery sales and repairs
- Seed production and distribution
- Fertilizer sales and distribution
- Rural merchandise
- Weed and insect reduction and minimisation
- Marketing, broking and trading of primary production.

(b) impediments to sustaining appropriate levels of productive capacity and growth in the agricultural industry, and

Impediments to the agricultural industry within New South Wales and Narrabri Shire include, but are not limited to:

- The need for an integrated State, regional and Shire based strategic direction for agriculture.
- Through the various planning processes there should be clear direction given to address ever increasing land use conflicts, especially from a local perspective in relation to mining and agriculture.
- The upgrade of rail lines within the State and this Shire that service the broader agricultural area. This would benefit in a number of ways, such as:
 - Allow product to be transported effectively and efficiently to its required destination.
 - Decrease green house gases by removing 276 semi trailers from the roads for every train movement.

- Alleviate substantial costs to Councils for road and bridge upgrades due to the heavy truck movements on local roads.
- Upgrade capacity of ports to allow increased flow of product to be exported, as and when required.
- Ensure that communications in this Shire area are to the highest standard available and commensurate with that of a regional or city based environment.
- Realistically address the significant cost of doing business by the primary sector as levied by the State Government:
 - Government taxes
 - OH & S compliance
 - Workers compensation
- Vertical integration and value adding potential to Narrabri's primary products that include the following:
 - Cotton
 - Wheat
 - Cattle
 - Sheep
 - Olives
- Empirical evidence clearly indicates the following challenges:
 - Ageing and declining rural communities.
 - Ageing and declining number of farmers.
 - Declining real investment in rural initiatives by both the corporate and Government sector.
 - External and overseas market forces and politics impacting upon local primary production.
 - Climate change and political perceptions.
 - Lack of vision for the "bush".

(c) initiatives to address impediments to sustaining appropriate levels of productive capacity and growth in the agricultural industry, having regard to the NSW' and 'Environmental for Living'

Initially, a proposal to increase agriculture within the State would be to adequately fund the Department of State and Regional Development. The following is a comparison of funding for Queensland, New South Wales and Victorian States based development organisations.

People Employed Per State Based Organisation	297	700	680
State Based Funding to Respective Bodies	\$115,000,000	\$329,700,000	\$333,500,000
States Population	6,830,000	4,180,000	5,090,000
Investment Per State Based on Population	\$16.84	\$78.87	\$65.52
Percentage of funding allocated to NSW DSRD by comparison to QLD DSD	34.88%		
Percentage of funding allocated to NSW DSRD by comparison to VIC DIIRD	34.48%		

Further suggestions to increase the agricultural competitiveness of this state and the Narrabri Shire area would be as follows:

- Ensure that the intrastate rail and all blockages within that delivery system are alleviated to allow direct movement to destination in a cost effective and timely manner.
- Expedite the Melbourne to Brisbane Inland Rail line proposal allowing the efficient transfer of products across three States.
- Fund the Department of State and Regional Development to a level commensurate with that of other east coast States.
- Provide tax incentives for organisations that value add to primary products within the regional setting.
- Increase the size of loading stations and wharves to allow for greater numbers of ships to be loaded or the throughput increased for faster loading of ships, or preferably both.

Council would also like to extend an invitation to the Committee to visit Narrabri during the setting of the inquiry.

Yours faithfully,

Mr Max Kershaw
GENERAL MANAGER