

Chairperson's Annual Report 2014

I wish to welcome and thank the Deputy Premier of Tasmania and Minister for Primary Industries and Water: The Honourable Jeremy Rockliff, who has kindly offered to deliver the Annual Address to Members.

May I also welcome and acknowledge Eric Hutchinson (Federal Member for Lyons), Joan Rylah (MP for Braddon), Roger Jaensch (MP for Braddon), Mark Shelton (MP for Lyons), Hon. Greg Hall (MLC for Western Tiers), Hon. Leonie Hiscutt (MLC for Montgomery), Hon. Mike Gaffney (MLC for Mersey) and Hon. Ruth Forrest (MLC for Murchison)

Finally, welcome to our Award Recipients who will be more formally presented later, our guest speaker Bryan Hayes (CEO of Forico Pty Limited, a new TAPG member), other new members, Tasmanian Dairy Products, Agility and TAP Agrico, other distinguished Guests and Members of TAPG.

Ladies and Gentlemen, it gives me great pleasure to present the Chairman's Report for 2014.

I intend to speak to you under three broad headings:

- Success Indicators;
- Areas requiring our further attention; and
- concluding with Comments and Recommendations.

Success Indicators:

- Many of you here today will recall that the "Address to Members" at last year's AGM was delivered by Senator Colbeck? While providing us with many interesting and thought provoking points to consider there was one small item missing from the Senator's address. We were desperate to know whether the new Federal Government had approved our funding application under the Caring for Country Program to implement our Controlled Traffic Farming and Sub-soil Manuring Project. We were impressed with his "poker face" on this matter as he played his cards very close to his chest providing not the slightest hint of the outcome! However, as the saying goes, "good things come to those that wait" and we finally received advice that a little over one million dollars had been

awarded to TAPG to conduct the project over two years. A very visual indication of the progress made during the winter months is the sub-soiler parked outside for your inspection. After today the machine will be commencing trial and adjustment exercises before commencing some spring work with BRA and possibly the VDL Company. TIA is a critical partner in the project and John McPhee is here today and, along with Michael Hart and Terry, will be happy to answer any questions you may have over lunch. While the machine itself is a high profile aspect of the project, it represents only a small part of the total program and we look forward to reporting all aspects of our findings over the coming year.

- Our ongoing relationship with TIA continues to strengthen and is a source of great comfort to the Board in conducting its business. TAPG's core business is talking to government about its agricultural policy settings. The basic premise that we advance in these discussions is that policy decisions should be based on good science. The TIA "Honorary Membership" that we maintain on the Board ensures that the Board have ready access to this "good science".
- We have provided formal responses to a range of government papers including;
 - Agricultural Competitiveness Task Force;
 - Response to the Freight Logistics Co-ordination Team; and
 - Response to the Issues Paper arising from the Review of the Primary Industry Activities Protection Act 1995.
- Our two standing Committees, Potatoes Tasmania and the Fresh vegetable Marketing Group continue to be available to their respective industry sectors as the need arises.
- TAPG is too small a group in terms of resources to both initiate and maintain leadership across the full range of potential activities. This reality has actually become a great strength for us as it has forced us, albeit willingly, into networking effectively with like-minded groups. We

have continued as an active member of the Primary Industries Biosecurity Action Alliance (PIBAA) as one stand out example as well as several other similar relationships. A key learning for all representative groups is that cross-sector cooperation is a very powerful way of working.

- We continue to benefit from the quality contributions made by all our Board members. They are all respected leaders in their own right and bring a wealth of experience and knowledge to the table. Their voluntary offering of time and effort is essential to the operation of the group and is responsible for the high standing that TAPG enjoys in the agricultural community. The presence of Ashley Bastock from the Minister's office at our meetings as an observer is of great value in ensuring that communications between the Board and the Minister are of the highest quality.
- We have again been oversubscribed with nominations for vacant Board positions and needed to conduct an election. In this instance a tie resulted and subsequent discussions were encouraged between the candidates themselves and the Board, resulting in a very mature "transition" plan emerging that will serve both TAPG and the candidates very well into the future.
- The past two elections have led to significant "renewal" across the industry representation on the Board. One outcome of this renewal is reflected in the amended "Corporate Profile" that itself reflects a more mature and confident understanding of our place in the industrial representational scene, and the general acceptance that is accorded the group by government, the department and other industry bodies.

It is now the 25 year since the inception of TAPG, and as we celebrate the milestone that it represents, this quick sample of some of the current success indicators racked up by the group speaks of an industry group that remains unique in the Australian context in representing the whole of supply

chain; a group that has its “house” in order; and a group that is ready to tackle the many challenges ahead as it continues to represent its member’s interests. TAPG optimises a continued spirit of cooperation amongst a diverse industry, and remains the envy of our mainland counterparts.

Let me turn now to these challenges or, as I described earlier, “Areas requiring further attention”. In listing these I will not attempt to unpack them in detail as I am sure that most of us in this room are tackling them from different points of view but with shared determination and goals.

- The Board is currently seeking advice around the “Modern Award Objectives” particularly as it impacts on what is described as “unfair working hours”. Clearly the agricultural sector requires “flexibility” within a framework that still provides reasonable checks and balances alongside adherence to relevant OH&S requirements.
- The question of “Balance” is also relevant when the issue of “Workers Compensation” is being considered. These two matters will continue to challenge our industry and have the potential to call into question the very viability of some of our members unless people of good will and integrity from both sides of the workforce equation sit down and resolve what is fair and reasonable.
- High energy and labour costs have captured the headlines throughout the past year and it is hoped that reforms in the energy market will flow through to business and that the “balance” nominated in my earlier points is achieved in the latter.
- Within our own group we have the ongoing challenge of effective two way communication between the Board and the general membership. The Board regularly engages in proactive and confidential discussions with a range of other stakeholders whether that is from government, departmental personnel or other representative groups, and occasionally an individual member company. Unlike other groups with strong public profiles, TAPG is challenged when attempting to convey the volume and detail that

this work entails to our membership. Continuing to publish our Policy positions, conducting member forums, sending out our newsletters and occasional updates appears to be the best that we can manage with current resources but we are always willing to listen to ideas from members.

Comments and Recommendations

- My overall comment on the state of Tasmanian Agriculture would be to warn against promoting any kind of negative perception about the viability of our future. When you look at even a brief snapshot of the good news stories you can't help but be impressed. Only last year at this very meeting we hosted Tim Reid from Reid Fruits and Frances Bender from Huon Aquaculture and listened with delight as they shared their company's journey. I note that both of these businesses have continued to thrive over the past twelve months. I met recently with new TAPG member, David Skipper, from TAP Agrico and listened to the story of his development of a niche market with Malt Barley. We are all very aware of the successful expansion into Tasmania by Berry Companies. The Federal and State Government funded developments in providing irrigation to large areas of Tasmania are world class and, as we speak, it seems increasingly likely that Tranche 2 proposals will also be funded.
- If I can borrow a much used phrase and apply it to the mindset of our Agriculture Industry it would be that: "We are not looking for a hand out but rather a hand up!" There is evidence everywhere that industry is adopting this mindset. Two of our own companies, Simplot and Serve-Ag are currently collaborating to support growers in finding their way through the potentially expensive minefield of Precision Agriculture. Our own project has strong linkages here as well. An Industry initiated forum met just last week and the title given to the day says it all: "More Action, Less Talk!" There is a deep understanding emerging everywhere that "just adding water" is not the final solution to our productivity

challenges. Looking after our soils by utilising both the latest technology and our greatly improved understanding of soil science will allow the maximum utilisation of the newly available water resource. The role for government in this process is to recognise the value of the many initiatives I have already mentioned along with others and provide that “timely” assistance to allow the full potential of the agricultural landscape to be realised. This assistance may come in the form of regulatory review, establishment of innovative partnerships with TIA and, in some instances, provision of seed money to help a project get moving.

- I would suggest that underpinning all of our planning should be recognition of a factor that is often overlooked when long term viability of proposals is considered. Based on the best scientific predictions available to us now it is reasonable to say that “climate change” will be better for Tasmania than elsewhere in mainland Australia. As an example, our capacity to capture a larger share of the quality seed market will be enhanced when more traditional growing regions become too hot and those growers won’t have the luxury of irrigation schemes with 95 % reliability. If we are to make the most of these emerging advantages there will still be a need for proactive planning. Managing summer rain storms on the East coast of Tasmania will be one such challenge. Maintaining storage levels on the central plateau with a slightly dryer weather pattern will be another.
- There is an often repeated adage that states: “Your greatest strength is also your greatest weakness”. Earlier in my presentation I spoke of TAPG’s work to alleviate the freight situation to boost productivity. A weakness in our supply chain we all agree on! However, when we start thinking in terms of bio-security this weakness suddenly transforms itself into a great strength. Fundamental to the success of all our businesses in Tasmania and indeed one of the basic planks of all our marketing, even in Tourism, is our environmental credentials. Accordingly,

TAPG will always support a government that puts this issue of preserving our unique bio-security status before short term commercialism. This week's announcement from TPI was naturally a disappointing development for Tasmanian agriculture, but, if we dig deeper, there are some positive messages that we can find. The Tasmanian Government has resisted the pressure to import raw material from less well controlled growing regions in recognition of brand and bio-security protection for Tasmania. This strong position may offer some short term pain, but ultimately builds a stronger investment environment for Tasmanian Agriculture moving forward. I'm sure our members will continue to support the two main poppy processors whose current investment and strategic direction show them as committed to Tasmania.

To conclude, the Prime Minister has recently been using the term: "Team Australia" in the media. Although in a very different context could we not commit the agricultural industry in support of "Team Tasmania" where the support actions would be?

Continue to support stable government with a consistent approach to primary industry policy?

Continue support for irrigation development and the technology that maximises its potential usage?

Continue to position Tasmania as a niche provider of high end produce?

Continue to support our established processing facilities through difficult industrial relations exercises?

When you think about it, we already have our shoulders to these wheels?

Let's all push harder and really show the world how good Tasmania can be!

Thank you for your attention. That concludes my 2014 Chairperson's Report and I have pleasure in moving its acceptance.

Jim Wilson

Chairperson

Tasmanian Agricultural Productivity Group