

GROWTH STATE - FOOD, WINE AND AGRIBUSINESS ENGAGEMENT SUMMARY

Engagement Summary

Between August and October 2019 consultation was undertaken on a Food, Wine and Agribusiness Discussion Paper as a first step to developing a whole of sector plan for these industries.

This is a high level summary reflecting key themes and feedback raised during the engagement processes.

Industry Leaders Forum

50 attendees

Workshops

14 workshops across SA with 231 participants

Written Responses

17 written submissions received

YourSay

YourSAy discussion forum

One-on-one meetings

This feedback will inform development of the Food, Wine and Agribusiness Sector Plan – to be released mid-2020.

Workshop locations



Skills and Innovation

Workforce Growth & Development

- Availability of both skilled and unskilled workers ●

Regional businesses

- Improved social infrastructure (e.g. education facilities etc.) and quality accommodation options required to attract and retain skilled workers in regions ●
- Challenges with seasonal nature of work in some sectors ●
- Availability of affordable and quality housing ●
- Competition for staff in regional SA with mining industry ●●

Employing and managing staff

- Difficulties understanding changes to labor hire requirements ●

Careers

- Career pathways in food, wine and agribusiness sector are not well articulated or supported by schools, TAFE / VET or universities ●
- Practical clear career pathways and job opportunities need to be documented ●

Training

- Importance of training facilities and programs to be delivered in regions ●
- Opportunity for better utilization of industry internships to ensure graduates are job-ready ●
- Current agriculture degrees do not provide graduates with fit for purpose skills required on-farm ●
- Importance of mental health and resilience training ●●●

Business Capability

R&D and Technology Adoption

- Lag between finalization of research and adoption ●
- Importance of innovation and adoption of new technologies to industry growth ●
- Agtech, international best practice and research needs to be strengthened and fast-tracked ●
- Importance of access to impartial advice and latest research and technology ●

Financial and Business Management

- Importance of programs to improve financial literacy ●
- Succession planning not in place for many businesses ●
- Support required for small businesses to navigate and understand regulations, grant programs etc. ●
- Importance of market intelligence for informed decision-making ●

Small Business Support

- Education (Business planning / strategy, financial / succession) training, mentoring, succession planning – how do we educate? ●

Research & Development

- Many opportunities identified for further R&D – GM crops, virtual fencing, optimization of wine grapes, automation technology, protected cropping, waste utilization, soil carbon storage, small seed harvesting ●●
- Limited R&D for small businesses and new and emerging industries ●
- Decentralisation of R&D would be beneficial for regional businesses ●
- Investment in oat breeding should stay in South Australia ●



Infrastructure

Infrastructure Strategy

- Coordinated approach needed to infrastructure planning and development that takes into account roads, rail, bridges and marine infrastructure ●

Digital Connectivity

- Importance of high speed internet and reliable telecommunications. Currently a significant barrier to growth. ●
- Focus on direct to consumer sales – e-commerce requires good connectivity ●

Ports

- Strategic and coordinated investment in ports required – particularly in relation to new developments proposed for Eyre Peninsula ●

Road Transport

- Importance of efficient road transport infrastructure – improvements suggested include sealing Strzelecki Track and Yorkey's Crossing, upgrade of Highway One from Port Wakefield to Port Augusta and Horrocks Highway ●
- Inefficiencies in logistics due to road transport constraints in Adelaide Hills for larger trucks and container weight limits for bridges in Eyre Peninsula and Barossa ●
- Key transport routes also important to other regional industries – particularly tourism ●
- Further access needed for higher productivity vehicles on State and Local Government roads ●

Utilities

- Alternative energy sources e.g. biomass should be looked into to reduce reliance on gas and electricity ●
- Gas supply not available in all regional areas and alternatives are costly ●

Water Infrastructure

- Proactive planning and collaboration involving both industry and government is required to resolve issues including infrastructure, price of water, source and quality ●
- Potential for additional water supply and availability ●
 - o Increased water recycling/re-use
 - o Increased desalination plants across the State (potential large and small scale)
 - o Expansion of Northern Adelaide Irrigation Scheme to Barossa

Regional signage

- Ensure wine region signage is fit for purpose, regularly reviewed, updated and changes made ●

LEGEND

Some issues raised were of particular concern to the following sectors:

- Statewide / sector-wide
- Region-specific
- Food manufacturing
- Wine
- Agribusiness

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Trade and Investment



Land, Water and Environment



Enablers

Export Development

- Access to international markets is critical to expansion. Assistance is required to make it easier for businesses to export ●
- Importance of maintaining our biosecurity credentials for export markets ●
- Export readiness programs need to be easily accessible ●
- Export development programs are fragmented and can be difficult to navigate ●
- Qualified and coordinated trade missions – inbound and outbound ●
- Collaboration, cooperatives and consolidating effort across industries targeting specific countries and associated markets could allow for economies of scale and greater efficiencies ●
- Importance of integrity and traceability systems to ensure market confidence in products ●
- Local irradiation facility could facilitate direct access into new markets ●●
- Concerns about the cost and number of audits for export ●
- Export opportunities / market intelligence / market education / trade missions for wine / inbound / outbound – more support for small business ●

Access to Capital & Finance

- Difficulties securing capital post Banking Royal Commission – access to funding is critical to growth ●
- Understanding needs of lenders ●
- Challenges in managing and assessing risk ●

Water Security and Availability

- Affordability, access and availability of water continue to affect most sectors ●
- Cost-effective irrigation schemes required to increase production and improve security ●
- Challenges with water management due to on-site water capture and storage restrictions ●
- Water allocations and water policy challenges for forestry (and challenges in competing with other States for investment) ●●
- Concerns about water price/markets ●●
 - Decoupling of property from water rights
 - Sale of agricultural properties without sufficient water licenses
 - Trading transparency

Resilience

- Further planning required for responding to extreme / adverse weather events ●●
- Opportunity for improved on-farm efficiencies for horticulture through protected cropping / netting ●●
- Improved emergency response / crisis management arrangements needed for primary producers ●●
- Importance of weather forecasting data – lacking in some regions e.g. Eyre Peninsula ●

Biosecurity

- Threats of new / existing pests and diseases from increased global trade, tourism, and climate change ●

Climate Change

- Agriculture is one of the most exposed sectors to physical climate risks ●●
- Need for investment and R&D into climate resistant varieties and for sustainable growth ●●
- Forestry industry has potential to contribute to climate change mitigation ●
- Variable climate, extreme weather events, impact on production, sustainable production – lack of water, water security ●

Environmental Sustainability

- Promotion of regenerative farming practices ●●
- Investment required in infrastructure for flood mitigation and salinity ●
- Improved arrangements needed for management of feral animals (e.g. goats) on pastoral lands and management of overabundant native species (e.g. kangaroos) ●
- Importance of bees/pollination ●
 - Access to pollination vital for many plant industries
 - Access to forage sites is important for year-round management of hives – understanding of restrictions / requirements in national parks
- Waste minimization – waste reuse ●

Cost of Doing Business

- Increasing costs of fuel, gas, electricity, water etc. impacting on competitiveness ●
- Energy efficiency training / energy audits / solar installations to assist in managing energy costs ●
- Costs and red tape associated with employing people is too cumbersome – workcover, superannuation, insurance, WHS ●
- Rising costs of doing business – EPA waste levy, land tax etc. ●
- Costs of compliance services and unnecessary duplication – e.g. quality assurance, HACCP etc. ●
- Lack of cost effective credit insurance products and conservative credit limits are a constraint to growth ●
- Reviews mean increases in costs / review and simplify compliance with laws / regulations ●

Regulatory burden

- Perception that regulation is 'one-size fits all' tailored to bigger businesses – with little compliance flexibility for smaller businesses ●
- Regulatory environment – uncertain and unpredictable – one size fits all approach does not work ●
- Businesses need assistance to understand requirements for future growth – e.g. EPA requirements as businesses grow ●
- Concerns with the cost of trade waste treatment ●
- New technologies – regulatory environment should accommodate innovation / uptake of new technologies ●

Government Policy Settings

- Importance of focusing on key factors for economic growth rather than just employment outcomes ●

Planning & Approvals

- Issues with consistency, cost and timeliness of planning approvals – including housing workers and netting ●
- Tension between various land uses ●
 - Mining and agriculture
 - Need to protect livestock farming and viticulture from urban development
 - Appropriateness of subdivisions
- Significant cost associated with fire suppression systems ●
- Reforms to facilitate expansion of high-tech horticulture ●

Collaboration

- The need for agriculture, food and wine to come together ●
 - Further collaboration with related sectors (tourism, education)
 - Learning and using technologies and expertise from other sectors e.g. high-tech, space and defence
- Sharing success and failure stories across sectors and regions for improved business decision-making ●
- Importance of collaboration and partnerships between universities, government, industry and the community for long-term productivity ●

Social License / Trust

- Concern around growing disconnect between farmers and the community ●
- Opportunity to sell the story of farming ●

- Range of topical issues with potential impacts on access and production ●:
 - Use of chemicals
 - Food waste
 - Live exports
 - Vegan movement
 - Farm trespass
 - Sustainable environmental management
 - Recreational vs commercial fishing

Productivity & Processing

- Increased value-adding required to realise growth ●●

Branding

- Raising awareness of South Australian brands to local consumers difficult with less funding to iChooseSA ●
- Branding - challenge to reconcile national / state / business / regional / industry / product branding ●
- Some regions are strong brands – where to focus – state/ region/ business / product / sector? ● – instead of above
- Clarity and support both for region and individual brands ●
- Some regions – poor cousins ●

Tourism

- Ability to attract tourists to wine regions that are further away from Adelaide ●
- More visitors – Napa Valley Tourism experiences / development of new experiences / tell our stories really well – engaging, interesting, luxury accommodation, iconic building attraction ●



14,500
primary producers



1,000
food and beverage
businesses



685
wineries



600
wood and paper
product manufacturers



South Australia's primary industries
and agribusiness sectors contributed

\$15.9 billion

to Gross State Product (GSP) in 2018-19.

In 2018-19, the State's primary industries
and agribusiness sectors supported

115,723 jobs