

9 December 2022

Committee Secretary
House of Representatives Standing Committee on Agriculture
PO Box 6021
Parliament House Canberra ACT 2600

Dear Committee Secretary,

The Committee for Greater Shepparton welcomes the opportunity to provide a submission to the Parliamentary Inquiry into Food Security in Australia.

Background

Greater Shepparton is arguably eastern Australia's largest and most dynamic agricultural production, manufacturing and logistics centre, with a diverse mix of local food and fibre production and a significant manufacturing and processing sector, serviced by regional Victoria's largest concentration of warehouse and freight providers.

Greater Shepparton is located at a critical intersection on the national freight network that runs like a spine through Australia's primary production heartland – from the Darling Downs and Brisbane through NSW and Victoria to the Port of Melbourne - Australia's busiest container port. Shepparton also provides direct access to Adelaide and linkages across the Riverina and northern Victoria. These freight routes are vital to the movement of production out of, as well as the safe and efficient movement of inputs into Australia's primary production regions.

The Greater Shepparton region produces more than 40 agricultural commodities including highly perishable products. Greater Shepparton is Australia's second largest dairy production region accounting for 20% of Victoria's milk production worth more than \$2 billion with more than 40% of exported and a further 25% supplied into the NSW and Queensland markets where local supply is insufficient.

The region grows more than 80% of Australia's pome and stone fruit servicing markets across Australia and premium export markets across Asia, Americas and Europe. The region continues to attract significant investment into traditional livestock, dairy and horticulture sectors as well as emerging sectors such as medicinal cannabis and glass house hydroponics. The region's fertiliser, seed, genetics and plant variety industries are estimated to exceed \$2 billion in value.

The Greater Shepparton region is home to almost 20% of regional Victoria's manufacturing capacity with annual production valued at more than \$4.6 billion. The region is home to more than 40 food and fibre manufacturing and processing sites that range from niche operators to iconic Australian brands and world leading companies such as Noumi, SPC, Unilever, Bega, Saputo, and Campbells.

More than a quarter of Victoria's heavy vehicles are registered in Shepparton and the region has seen more than \$100 million of investment in warehousing and storage. From highly sophisticated climate-controlled facilities with autonomous stock placement and retrieval, to bulk storage of commodities from across the primary production corridor, the region plays a key role in enabling the efficient and rapid release of product to domestic and export markets and into value-adding processes.

Greater Shepparton is also home to one of Australia's most culturally and linguistically diverse communities with our First Nations community many times larger than the Victorian and Australian average, and a migrant community that reflects many waves of migration with significantly higher proportion of residents born overseas and fluent in languages other than English. Through these communities our region has access to an incredible array of perspectives and ideas that shape our understanding of the landscape, climate and the opportunities for new and alternative foods and markets. The diversity also creates additional demands for training and development of our local workforce.

The impact of supply chain distribution on the cost and availability of food

The Greater Shepparton region produces, processes, warehouses, and transports more than 40 agricultural commodities including highly perishable products. These supply chains depend on affordable secure energy supplies, reliable road, rail and digital connectivity, secure long-term access to irrigation and potable water, farm inputs including fertilisers and technology, and a workforce with the mix of skills that range from highly specialised technical expertise to low and semi-skilled labour.

Disruptions to any of these key drivers will impact on the costs of production for farmers, manufacturers and/or transport and warehouse providers.

At the time of preparing this submission, local industry, community, and government are calculating the costs and disruption caused by the October 2022 floods. This process is highlighting the significant impact and opportunity costs associated with supply chain interruptions and further data will be confirmed over weeks and months.

The potential opportunities and threats of climate change on food production in Australia.

Water Water is the fundamental limiting factor in Australian agricultural production systems. Northern Victoria's natural water resources, and the governance and regulatory frameworks that control access, use and ownership underpin the concentration, productivity and success of intensive irrigated agriculture and food manufacturing in the region.

Climate change and especially the policies and plans that seek to avoid or redress its impact, will impact on farm and manufacturing investment in the region including any potential expansion or upgrade of existing operations. This in turn will greatly influence the productivity and resilience of Australia's primary production sector.

Of particular concern is the Murray Darling Basin Plan's overreliance on water recovery as a measure of success. There is considerable opportunity to achieve genuine sustained environmental outcomes through

measures that target identified sites with much greater precision. These outcome-focused options avoid damaging rivers and waterways and minimise the impact on farm productivity that underpins Australia's food security.

With climate change expected to increase the frequency and severity of droughts, floods, and fires, there is a clear need to prioritise climate-resilient solutions that deliver the desired environmental outcomes exactly when and where they are needed within the Basin.

Energy. Reliable, affordable, and secure energy supply is critical to the operations of contemporary agriculture and the downstream transport, warehousing, processing and manufacturing sectors. Greater Shepparton has historically relied on electricity and gas generated outside the region, with rapid growth in small and large scale solar in recent years. Over recent years, floods, fires and market disruption have highlighted the region's energy vulnerability and the flow on consequences for Australia's food security.

With Greater Shepparton's manufacturing industry concentrated within a small geographic footprint, generating large volumes of waste and wastewater year-round, and key stages of food manufacturing not suited to electrification, Greater Shepparton is ideally placed to progress bio-energy options that include biogas for manufacturing, biofuels for transport with the added opportunity to produce green fertilisers for use on local farms and orchards.

For example, Greater Shepparton has a current population of approximately 70,000 but its wastewater treatment plant is scaled to service the equivalent of more than 1 million residents. The balance of the plant's capacity is required to service the city's industrial users which is dominated by food processing and manufacturing.

Bioenergy combined with local solar and wind generation could allow Greater Shepparton to become a more resilient food production, manufacturing, and processing powerhouse – securing the future for existing producers, manufacturers and freight providers and food security for all Australians.

Freight networks The national freight network is and will continue to be critical to Australia's food security. It ensures the timely movement of often perishable product from farm to port, processors, and consumers, and the timely delivery of farm inputs including fertilisers, equipment, and packaging to farms, processors, and manufacturers.

As outlined above, Greater Shepparton is one of Victoria's and Australia's largest freight hubs and plays a key role in servicing local, regional and national food and fibre warehousing and transport. The October 2022 floods have highlighted key network vulnerabilities, most notably the lack of climate-proof alternate freight routes and river crossings in and around Greater Shepparton.

With climate change expected to increase the frequency and severity of such events, there is a clear need to prioritise ongoing investment into building a climate resilient national freight network. The scale and design of the network needs to match the regions – especially in regions like Greater Shepparton that represent a significant portion of Australia's perishable food and fibre production, manufacturing, and processing activity with a large volume of daily, local food transport activity.

Workforce The October 2022 floods in Greater Shepparton have further highlighted the impact climate change

will have on the supply and mobility of workers in regional areas. Food production, transport and manufacturing are industries that require the workforce to be onsite.

Mooroopna and Shepparton sit either side of the Goulburn River, but function as one city and rely on entirely road based (93% of residents travel by car to work) transport networks. As a result, any events that disrupt road access have an immediate impact on the workforce mobility. This impact is extreme when critical national road infrastructure such as Greater Shepparton's Goulburn River crossing (Causeway) is closed due to fire or flooding.

The October 2022 floods have also highlighted the role housing can play in maximising workforce availability. Supporting regional centres to prioritise climate resilient housing (design, location, and connectivity) is a key step in supporting business continuity and food security during and following natural disasters.

Climate change presents a significant threat to Australia's food security, and our role in supporting food security through exports to international markets. However, the global challenge is driving rapid progress in technology and innovation. With the right mix of Federal, State, and local government policy settings, support and investment incentives, and collaboration within and between supply chains and sectors, regions like Greater Shepparton have the potential to address critical threats to food security, and to emerge stronger and more secure thanks to locally generated energy, improved workforce mobility, digital connectivity, and freight infrastructure.

Yours sincerely,

Linda Nieuwenhuizen
CEO
Committee for Greater Shepparton

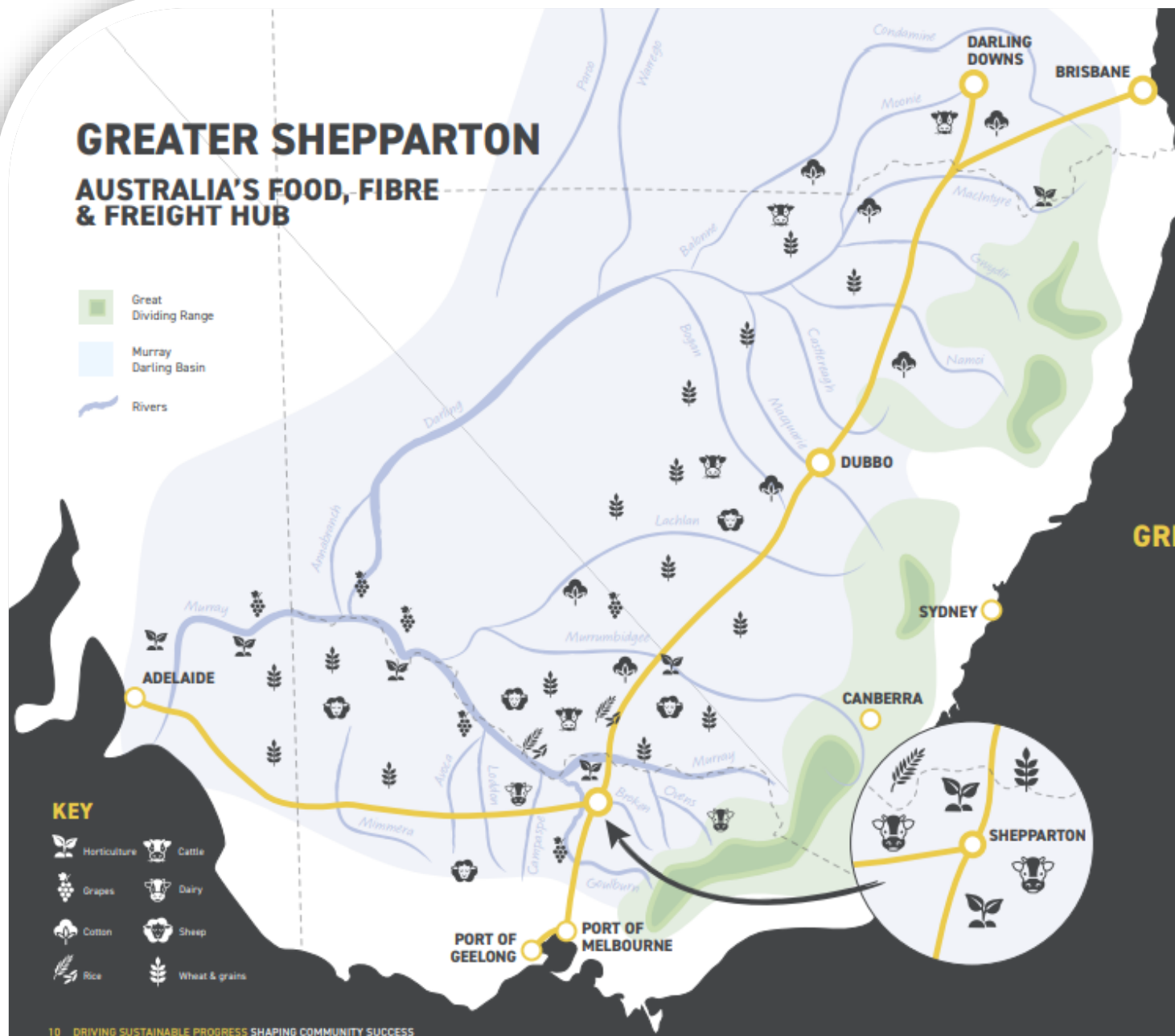
GREATER SHEPPARTON

AUSTRALIA'S FOOD, FIBRE & FREIGHT HUB

-  Great Dividing Range
-  Murray Darling Basin
-  Rivers

KEY

-  Horticulture
-  Cattle
-  Grapes
-  Dairy
-  Cotton
-  Sheep
-  Rice
-  Wheat & grains



MURRAY DARLING BASIN PRODUCTION

% OF AUSTRALIAN PRODUCTION

- 90%** Almonds, Oranges, Peaches, Nectarines
- 80%** Pears, Chickpeas, Olives
- 70%** Grapes, Tomatoes
- 60%** Pigs
- 50%** Apples, Lentils, Cherries, Canola, Pulses & Legumes
- 40%** Eggs, Chicken, Sheep & Lamb
- 20%** Dairy, Beef
- \$30B** Total value

GREATER SHEPPARTON

- \$3.5B** GRP
- \$2.97B** value added
- 31,000** jobs
- 6,500+** businesses

AGRICULTURE

- 80%+** pears
- 60%+** stone fruit, apples
- 2nd** largest dairy production region

MANUFACTURING

- \$1.4B** output of which
- 65%** food manufacturing
- 16%** fabricated metal
- 18%** of regional Victoria's
- 22%** of Australia's dairy

TRANSPORT & WAREHOUSING

- 25%** of Victoria's heavy vehicles

