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House of Representatives Select Committee on Regional
Development and Decentralisation Secretariat
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Submission to the House of Representatives Select Committee on Regional Development and Decentralisation

GrainGrowers welcomes the opportunity to provide a submission to the inquiry on regional development and decentralisation. GrainGrowers supports the growth of regional and rural communities and recognises the important role of Government in developing policy, providing infrastructure and supporting investment to achieve this objective.

By way of background, Grain Growers Limited (GrainGrowers) is an independent and technically resourced, grain farmer representative organisation with 17,500 members across Australia. GrainGrowers' goal is a more efficient, sustainable and profitable grain production sector that benefits all Australia grain farmers and the wider grains industry.

Best practice approaches to regional development

As a general principle, GrainGrowers supports decentralisation and the total or partial relocation of government and corporate entities to regional and rural Australia where it can be proved that the relocation would lead to better outcomes for regional and rural Australia. This is particularly for those agencies/entities which have agricultural policy and regulatory functions, however GrainGrowers considers these same principles can and should be applied across all Commonwealth agencies. A closer alignment of agencies with regional Australia is likely to lead to better regulatory outcomes (in the case of environment, transport and workplace relations) and improved service delivery (in the case of telecommunications, health and education).

Support for decentralisation does come with the clear proviso that an entity's performance, post relocation, is maintained and preferably enhanced, and to do this requires strong consultation, comprehensive planning and a clear transition plan. It also requires all necessary infrastructure, including telecommunications, transport, social services and office accommodation, are in place and fully functional at the time of relocation.

GrainGrowers expects all relocations to be assessed on an individual basis, supported by a robust business case and underpinned by a clear, and fully costed, relocation strategy. GrainGrowers does not support decentralisation of agencies where an adequate case for change cannot be articulated

or where inadequate planning and/or appropriate infrastructure is available to ensure the business activities can be managed through transition and improve in the new location.

In many instances, GrainGrowers would expect the activities and efficiency of an organisation to be improved in regional centres because of:

- closer proximity to key stakeholders which facilitates a better understanding of the issues and needs of agricultural industries, and allows more direct interaction between agency and clients, and
- synergies created with other related businesses in the regional centre, with the ability to build critical mass, expertise, capacity and/or infrastructure.

Such relocations also provide strong employment and professional opportunities in regional areas and underpin the viability and sustainability of regional communities.

While it is not for GrainGrowers to identify specific Commonwealth entities that could be affected, any relocation should:

- i. be done in consultation with industry, the regional community and stakeholders
- ii. ensure the continuity of service delivery in the short term and be designed to deliver longer term enhanced service capabilities
- iii. clearly identify strategic and operational risks and ensure these are addressed through a comprehensive mitigation strategy , and
- iv. positively contribute to existing regional hubs which service the agricultural sector.

Decentralisation of entities or functions as a mechanism to increase growth and prosperity in regional areas

GrainGrowers cites the partial relocation of some of the Grains Research and Development Corporation (GRDC) activities and the creation of a hub and spoke model as a recent example of effective decentralisation which was well managed and communicated, and achieved benefits for the organisation and the industry stakeholders.

GRDC has transitioned from a single Canberra office, to additional offices across the regions and now has a staffing presence in Toowoomba, Dubbo, Adelaide, and Perth. Under this model, the regional offices allow GRDC to better engage with stakeholders including both farmers and the research community. This fosters enhanced collaboration and relationships with grain researchers based across Australia and also provides direct access for levy payers with GRDC to better understand the research, development and extension work under way.

In contrast, GrainGrowers is concerned about the decision to relocate the APVMA to Armidale and its direct impact on the authority's ability to perform its key functions, particularly in the short term.

It is essential that grain farmers have timely access to a range of approved chemicals throughout the production cycle so as to manage agronomic, pest, disease and/or environmental issues as they arise. Any delay in processing applications will have major operational and financial consequences for farmers and the broader agricultural sector, and can impair a farmer's, and an industry's, ability to respond appropriately to biosecurity risks. GrainGrowers expressed this view during the



consultation phase of the 'Cost benefit and risk analysis report' prepared by Ernst & Young in 2016 and repeats it here.

Farmers as end users ultimately fund the APVMA's operations and it is important to consider the impact of change to the organization on their farm businesses. However, it is also important to consider that the regular interaction of the APVMA is generally with the product registrants, rather than farmers.

A key premise for the relocation was the establishment of a Centre of Excellence. While such a concept has merit, there are few details as to how this would be achieved nor the specific contribution the APVMA would make to it. There is nothing, for example, in the APVMA's relocation strategy to ensure the APVMA's actions and investments would underpin this development. It is therefore difficult to assess any likely industry benefits. More information on the nature and activities of the Centre of Excellence should be provided.

The relocation also raises significant questions about retaining and/or attracting skilled staff. This issue affects the capabilities of the current APVMA assessment processes to manage agricultural and veterinary product applications efficiently and to meet the demands of a workforce located both in Armidale and remotely (from home offices). All of these issues have the potential for a direct negative impact on the efficiency of processing applications, which are in fact reflected in the APVMA's own performance data. This current performance level seem suboptimal for such an important regulatory function and it will no doubt decline further as key staff leave the organisation, with an immediate loss of in-house capability and difficulties in attracting quality replacements. The APVMA's own relocation strategy clearly identifies the loss of skilled staff, and regulatory scientists in particular, as a major risk that will directly affect its operations.

Actions of the Commonwealth that would encourage greater corporate decentralisation

A key success factor in decentralisation is the availability of quality infrastructure to support the needs of both the business itself and the quality of life for its employees. There are major infrastructure considerations in terms of transport, accommodation, schools and health services to name but a few. However most critical is robust mobile and internet telecommunication infrastructure which provides a reliable service which allows efficient business operations and adequately supports households.

GrainGrowers believes that Government must ensure all Australians have access to quality and affordable telecommunications, especially those in regional, rural and remote Australia. This is not the case currently and will severely impair a business's ability to successfully relocate to many parts of regional Australia.

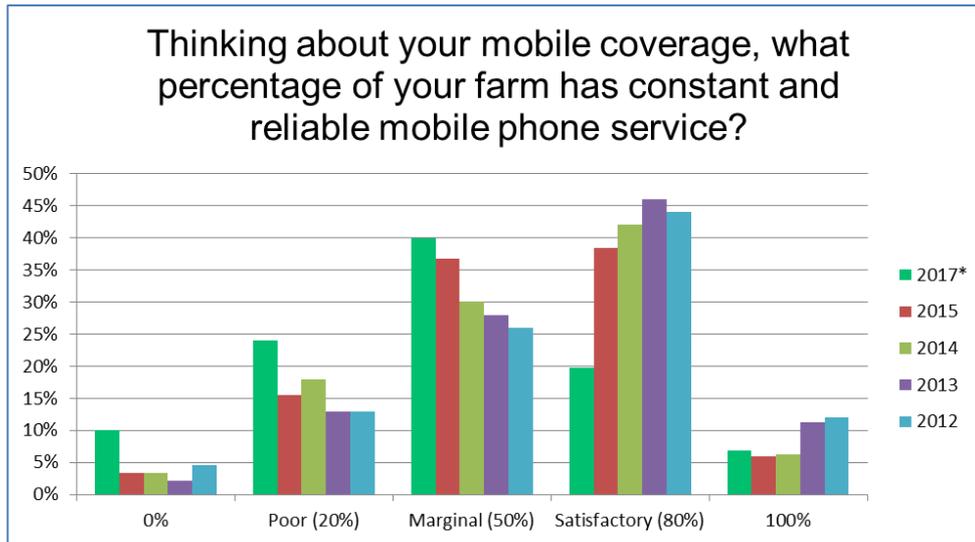
Grain farmers know only too well about poor telecommunications services and infrastructure.

GrainGrowers recently conducted a survey (with 624 respondents from across Australia) on telecommunications and the results show that:

- ***Mobile service remains extremely poor in rural Australia with 71% not satisfied with the service.***



- In Western Australia only 17% rated the mobile service as satisfactory, compared to 43% in Victoria/Tasmania.
- Lack of coverage was the biggest concern in each state.
- Nearly 10% of respondents (and 17% in Queensland) reported none of their farm had constant and reliable mobile phone service, while only 7% (and only 1.8% in WA) said 100% of the farm had mobile service.
- Nearly a quarter (24%) of respondents said a quarter or less of their farm had reliable mobile coverage.



- **46% of respondents were connected to the nbn (50% in NSW and 40% in SA).**
 - 70% used Skymuster satellite and 28% used a fixed wireless connection.
 - 44% rated their satisfaction with nbn as good (36%) or excellent (8%), nearly a third (31%) rated it as average, and 25% were dissatisfied (20%)/totally dissatisfied (5%).
 - Quality of connection and then speed were the two largest areas of concern.
 - Of those not connected, 74% stated the reason was because nbn is not available in their area.

Are you connected to the nbn?



Level of satisfaction with your nbn service



- **Main limitations for adopting new technology were**
 - cost (55%)
 - internet connectivity (52%) and
 - accessibility (36%).

The implications of poor connectivity and mobile service are significant and directly impact on business productivity and performance as well as the safety of individuals.

The way forward

GrainGrowers strongly believes that decentralisation and the relocation of agencies can provide benefits to agricultural industries and regional Australia. Successful decentralisation can only be achieved if all appropriate infrastructure is in place. To this end, Government must invest strongly in infrastructure, particularly for mobile and internet telecommunications, to ensure businesses can operate efficiently and contribute to the growth and sustainability of regional Australia.

GrainGrowers appreciates the opportunity to contribute to this review. Further information on specific matters canvassed in this submission can be provided on request and all enquiries in the first instance should be directed to Fiona McCredie, National Policy Manager, on 02 9286 2000 or by email (Fiona.mccredie@graingrowers.com.au).

Yours sincerely



David McKeon
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