



11 October 2019

Committee Secretariat
Parliament House
CANBERRA ACT 2600

By email: agriculture.reps@aph.gov.au

Dear Committee Secretariat

GROWING AUSTRALIAN AGRICULTURE

Thank you for the opportunity to participate in the Agriculture and Water Resources Committee inquiry into growing Australian agriculture to \$100bn by 2030.

As a research and development corporation, Australian Eggs and its members are key stakeholders in this process and are actively looking for opportunities to contribute productively. As a starting point, Australian Eggs supports the National Farmers Federation 2030 Roadmap to grow Australian Agriculture to revenues of \$100billion (**Roadmap**). The Roadmap sets out an aspirational target as well as identifying an initial structure and process for successful strategies to achieve this target.

In doing so, the Roadmap provides a useful starting point for conversations across the sector as to how these strategies could be brought to life. Australian Eggs will not repeat the various aspects of the Roadmap and the comments below are limited to key areas in which Australian Eggs has direct involvement and experience that may assist the Committee.

Community trust

The Roadmap points to the importance of community trust in building sustainable farming businesses, industries and the sector as a whole. Australian Eggs shares this perspective, which is becoming increasingly accepted across the sector. What is less well understood is the nature of productive initiatives to progress issues of importance to the community and build trust.

Australian Eggs has some experience in this regard, having researched and developed its own community trust focused sustainability framework and worked to create a cross-sector community trust project. The learnings from this process provide a clear distinction between approaches which have been commonly applied by the sector in the past, including the egg industry, and those that are most productive. These traditional approaches were generally responsive, dealing with

issues of interest or concern to the community as they arose and relied upon providing information and credible science intended to address the concern.

In contrast, the most productive approaches to building community trust are proactive and provide for direct engagement with the community through robust social science research. This research takes large representative samples to determine the drivers of community trust in sectors, industries or organisations and is capable of delivering a recipe for success in community engagement. Importantly, this process requires a level of vulnerability by industry in being prepared to engage on issues that are contentious for which immediate solutions may not be available.

Australian Eggs would encourage sector participants and policy makers to engage on these processes and resource them appropriately as a key input to ensuring that the agriculture sector is able to reach its potential. Like the 2030 goal itself, genuine community trust processes are long term in nature and will be critical in ensuring the sustainability and growth of farming businesses.

Animal welfare

Animal welfare is becoming an increasingly contentious issue and unfortunately, the quality of public debate has been impacted by focused campaign activity by welfare organisation at the expense of a balanced view of available science. This has impacted the volatility of welfare regulation and introduced uncertainty in animal industries that has the potential to have a long term impact on investment and the 2030 goal of reaching \$100 billion.

Australian Eggs has recognised welfare as a key sustainability issue for the egg industry and is seeking to progress it productively. Like community trust, this can only be achieved where a proactive approach is taken which in a welfare context involves embracing the need for ongoing improvement and leading the thinking on welfare assessment and practice change.

The key learning from this process is that welfare is clearly a values issue for the community. Science plays a critical role in framing public consideration of welfare issues but it cannot determine the appropriate outcome. Once this is recognised, the need to re-examine regulatory processes emerges as the traditional approach to public consultation is unlikely to generate outcomes that reflect mainstream community views. This continues to transpire in circumstances where effective community engagement mechanisms underpinned by social science are available.

Australian Eggs encourages all parties with an interest in welfare to engage on this dynamic and contribute to evolving welfare policy to drive better outcomes for animals and industry. By supporting ongoing improvement and delivering greater industry certainty, improved welfare policy and regulation has the capacity to contribute substantially to the 2030 goal of sector growth.

Collaboration

As a relatively small RDC, Australian Eggs has a strong incentive to collaborate and seeks to do so wherever possible. Collaboration is almost exclusively advantageous. It lets us pursue projects we would otherwise not be able to accommodate within budgets or management resources and deliver greater value to our stakeholders. Australian Eggs focus in pursuing opportunities for collaboration generally relates to engagement with other RDCs as they operate under a defined and common mandate.

Our experience of collaboration within the agriculture sector is that it is more prevalent than is recognised. However, the level of efficiency in pursuing collaborative projects at scale can be highly varied, ranging from seamless to wasteful. This can be frustrating where issues arise that have cross sector application, such as animal welfare, environmental management and health and safety, but there are delays in productive collaboration.

It can be readily observed as to why RDCs were created on a separate basis and the advantage of doing so. The very different operating contexts of RDCs arise from clear differences between agriculture industries and the direct influence each industry has had over its RDC. Australian Eggs considers suggestions to merge RDCs to drive collaboration can only be pursued by overlooking this context and are unlikely to result in improved service delivery to levy payers. Importantly, the commingling of stakeholders places at risk the key benefit of the current model in terms of connectivity between service providers and levy payers.

There would appear to be opportunities to improve the level of collaboration at scale from a structural perspective that could form part of the process for modernising the RDC system. This would involve the identification of sector-wide issues for which there is a strong case for collaboration and the creation of separate vehicles (e.g. a fund, new entity, CRC or other body) to address those issues. An example of how this could be achieved would be the creation of a vehicle focused on climate change in agriculture. This could provide a point of focus on a critical issue through a clear sector-wide strategy and dedicated resources to implement.

Australian Eggs encourages the Committee to consider the benefits of such an approach as an enhancement to the innovation system that could more effectively drive sector growth in the medium to long term.

Please feel free to contact me on [REDACTED] if you would like to discuss the issues raised above further.

Yours sincerely,

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