

Ladies and Gentlemen

The Food and Meat Taskforce in the Department of State Development is charged with further developing food processing in Qld. The attached Briefing summarises what we are doing and what we have achieved.

We are keen to assist if appropriate.

A key issue re further grains processing is single desk export selling. Single desk selling discourages value adding as it prevents a value adding company having influence over the supply chain. In particular, it inhibits significantly the ability of companies to manage risk and the ability to purchase forward for its raw material needs and then on-selling surplus raw material at an optimum price.

You may be interested in the database of Qld companies on our Website, www.food.qld.gov.au. Nearly 1000 food processing companies are listed here.

Some statistics on the Qld food industry are also attached.

We look forward to assisting you.

John Hine

John Hine
Food Taskforce
Department of State Development
PO Box 168
Brisbane Albert St 4002
Queensland Australia
Tel 61 7 3224 7793
Fax 61 7 3225 8410

BRIEFING

FOOD AND MEAT TASKFORCE

MAY 2000

Mission

To drive sustainable increases in investment, jobs, production capacity, exports and profitability in the Queensland food sector.

Why a Food Taskforce

A Food and Meat Taskforce was established because;

- Food processing is important to Queensland, especially regional Queensland.
- Food processing employs 34 000 Queenslanders and generates \$3.9B of exports annually. This does not include jobs in agriculture, transport etc.
- The meat processing sector in Qld, a key employer and exporter, and a key support sector to the grazing industry, was facing major structural adjustment
- Much of the rest of the food processing sector is domestically focussed with conventional products and there is the potential for job losses as productivity gains and changing market needs drives change.
- The Asian food market is growing and diversifying rapidly, while Australia's share of that market is falling.
- Exporting is now easier due to falling import barriers, improved access to information, improved food technology and packaging and improved transport.

There is therefore a range of change issues facing the industry and a range of opportunities for export led growth. The consequences of inaction could be substantial. Experience has shown that a positive partnership between government and industry can drive change and assist industry cope with that change. The Taskforce is working in partnership with industry to realise the above opportunities.

Key Areas of Activity

The Taskforce is active in:

- ❖ Working with abattoirs and other meat processors in Qld to assist them to improve competitiveness and develop new products for new markets
- ❖ Assisting the government exit from the meat processing industry, making the investment climate more open
- ❖ Assisting small to medium food processors to improve competitiveness and develop new products for new markets
- ❖ Providing a professional point of entry for inwards investors in food processing

- ❖ Liaising with other government agencies on regulatory reform in for example labelling of food containing GMOs and in improving food safety systems
- ❖ Working with DPI, TAFE, CSIRO and the University of Qld in developing a Centre of Excellence in Food Technology, Education and Training.

Staff

Staff include those with skills and experience in;

- operational management in the food industry
- project facilitation of major investment projects
- understanding how government processes work
- a range of contacts in other government departments.

Staff are seconded to the Taskforce for varying periods, depending on project needs, from State Development, DPI, DETIR, EPA etc.

Current Projects

These include financial assistance to:

- Darling Downs Bacon Co-operative Ltd for redevelopment of its pig processing plant in Toowoomba to export accreditation level;
- Southern Queensland Exporters Pty Ltd for establishment of Queensland's only sheep skin fellmongering plant at the Country Fresh Abattoir at Wallangarra;
- Western Exporters Pty Ltd for construction of a by-products rendering plant;
- DanPork Australia Pty Ltd for establishment of an integrated pig processing facility at Pratten (near Warwick); and
- Swickers Kingaroy Bacon Factory Pty Ltd for the upgrading to export standard, of the multi-species (mostly pig) processing plant at Kingaroy

Other projects include:

- A food park at Bundaberg
- Cannon Hill Abattoir Redevelopment
 - Nearly 700 jobs which would otherwise have been lost will be retained through the sale of the Queensland Abattoir Corporation (QAC) site at Cannon Hill to Australian Country Choice.

- ACC are major long-term suppliers of processed meat to Coles Supermarkets and having this facility in Queensland will consolidate Queensland as the leader in meat processing in Australia.
- ACC plan to spend in excess of \$24 million in capital expenditure over the next 4 years.
- In addition to ACC, the opportunity exists for investment in distribution facilities and the co-location of related meat and food processing on site.
- ACC will refurbish the facility to a state of the art processing operation over the next 12 months.
- Redevelopment of the Ipswich Abattoir. The QAC abattoir at Ipswich has been sold to Churchill Abattoir Pty Ltd (Halls of Millmerran) for \$2.1 million. The company will operate a meat processing plant on the site and provide meat to Woolworths for its retail outlets in Queensland and Northern New South Wales.
- Assistance to Australia Meat Holdings to redevelop its Dinmore abattoir, with phase one of its investment plan completed, costing more than \$100M and generating 1200 jobs. Phase two of their investment plan is now being implemented, to cost more than \$100M and also generate more than 1000 jobs. This will also involve regional abattoirs. Outcomes from this investment has been significantly improved international competitiveness, improved quality assurance and increased value adding and exports.
- Assistance to Small to Medium Enterprises

Taskforce staff are working with more than 30 small to medium food manufacturers and assisting with various aspects of business expansion. These companies' products range from antipasto, to Italian style gelato ice cream, to speciality cakes to fresh fruit salad.

If company expansions proceed as planned, then more than 230 jobs will have been created, investment of \$28M and exports of \$27M will have taken place during the financial year 1999/2000.

- A series of projects with the pork industry, including increased investment, improved supply chains and increased exports. The Taskforce coordinated a stand at Food and Hotel Asia in April 2000 to promote Qld chilled pork.
- Assistance to improve supply chains to beef abattoirs
- The Taskforce has assisted Banksia Pacific with its project to boost Qld food exports via securing the agreement of Raffles Hotel, Singapore, to use Qld food for one of its restaurants for 10 days in April 2000. This will boost both Banksia, a leading Qld food provider, in its drive to win new orders in Asia but also exports of Qld food to other hotels in Asia.

Website

A major promotional and business development tool of the Taskforce is the Government food Website, www.food.qld.gov.au.

This Website;

- promotes the Qld food industry worldwide
- enables Taskforce staff to easily identify Qld companies for inwards investment and trade missions
- provides a quick way to get information to Qld companies
- provides a way to link Qld companies to key international data sources.