

Department of Agriculture and Food Western Australia's submission to the Inquiry into a New Regional Development Funding Program

The Department of Agriculture and Food (DAFWA) strongly supports the need for Australian Government assistance programs to be available in regional areas, especially in Western Australia. This is because the State small and medium sized enterprises (SMEs) face issues of isolation, which increases costs, over and above those faced elsewhere in Australia.

The winding up of the former Small Business Field Officer Program is especially concerning and DAFWA would advocate for a replacement program to be initiated with the same aim of providing small businesses with assistance. These kinds of programs can be critical to overcoming the range of challenges facing regional small businesses.

For example, those regional SMEs who choose to expand beyond the local Perth market often face being up to 3,000 km from prospective buyers in the Eastern States, which are often the same distance as prospective markets in South East Asia. This level of isolation means that these businesses require a range of support including:

- Advice on paths to market: Western Australia has a small population widely dispersed outside of the capital city of Perth. This increases costs of production due to higher transport costs for regional processors and producers, and identifying potential sales channels and how to access them etc is beyond the scope of most small businesses within their own resources;
- Support and assistance in dealing with the lack of skilled and unskilled labour is becoming an increasing issue in many regions, and the flow on effect it has on the operations of SMEs;
- The potential for applying innovation to assist with overcoming issues of labour shortages, whilst aiming to attract increased profits from products that better meet the needs of consumer. This will be critical to Australian businesses as they are usually never the cheapest producers of any product, and so need to aim for higher value markets;
- Provision of relevant industry information/data on which to make sound planning and investment decisions;
- Teaching SMEs how to future proof themselves and become sustainable in the long term, including addressing issues of succession planning; and
- Helping SMEs to confront the challenge of climate change, which will often be more pronounced in regional areas.

Government initiatives such as the Regional Partnerships Program can play a vital role in maintaining or growing these regional SMEs which are often the life blood of their local communities in terms of employment opportunities, and once closed or moved to the metropolitan area are extremely difficult to replace.

It also assists in supporting a diversification of industry in regional areas where in Western Australia especially, these can be dominated by large resource projects with fly

in/fly out arrangements which don't always contribute towards building or maintaining local communities.

For these reasons, DAFWA supports the establishment of the Australian Government's new Regional Development Australia initiative and the implementation of new regional funding programs. However, it will be important that the new initiative takes into account the individual needs of businesses and organisations, and is also aware of the differing circumstances and challenges that arise in diverse regional and rural locations around Australia.

Having the flexibility to manage these regional differences and to meet the needs of potential recipients by having processes in place to understand their issues are principles upon which the new program should be based.

DAFWA looks forward to interacting with public forums that have been scheduled, and to working with and contributing to the new initiative as it is rolled out.

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