



Cotton Australia – Growing beyond the next election

Australia's cotton industry works closely with other agricultural bodies including the National Farmers Federation (NFF) in advocating for its grower members.

The NFF has released its 'Renewing Our Regions' document which highlights the body's 2022 Federal Election Priorities on behalf of its members.

As a member of the NFF, the cotton industry endorses the five pillars to renew our regions, as articulated in the document, however on behalf of our cotton growers we have policy issues and requests of our own.

Some of our election requests match exactly those outlined in the NFF document while others may not be a focus. We also have cotton specific policy positions that we will detail to political stakeholders for a response.

The following seeks to provide a summary of the commitments we seek in support of the NFF and as the peak body for the Australian cotton industry.



While Cotton Australia (CA) supports the 5 pillars to renew our regions, we retain strong and enduring links to the following:

PARTNER FOR A HEALTHIER ENVIRONMENT

1. Create a \$2 billion fund to reward land managers who improve the health of their landscape.

CONNECT EVERY AUSTRALIAN

2. Establish a \$1 billion Rural Telecommunications Fund to improve connectivity for remote Australians. We note and support the \$800m commitment by the current government in its recent budget.

SECURE AUSTRALIA'S FARM WORKFORCE

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3. Commit to fast-tracking Ag Visa discussions with 10 partner nations. In addition, Cotton Australia is seeking a commitment that the government will investigate bilateral arrangements with additional countries outside of Asia to increase the number of overseas workers with the necessary skills. We welcome the recent announcement of the first country Vietnam.



Ideas for an agriculture-led recovery

CA supports, in general terms, the push for a substantial fund to establish regional development precincts in 20 locations and the linked \$1.1 billion fund for precinct projects, particularly in areas where cotton is grown. Cotton farmers need appropriate infrastructure in transport and logistics but also in potential value-adding and manufacturing initiatives, to build our capacity to gin cotton and potentially to produce end-user goods through the cotton supply chain.

As an initiative within strengthening supply chains CA supports the:

-) Establishment of an industry-government-civil society advisory council on supply chain/trade challenges to plan for future disruptions.
-) Cotton locations benefitting from the funding for regional development precincts in 20 locations, particularly as they relate to cotton growing, industry servicing and processing hubs connected to transport nodes.
-) An enquiry into the Efficiency of Australian Maritime Logistics Industry and reform to the waterfront in Australia. To address inefficiencies highlighted in the World Bank index ranking global container ports.
-) Government policies that help the cotton industry continue its uptake of affordable, renewable energy and storage solutions as well as transition to green hydrogen and ammonium production locally.
-) Cotton Australia also supports a government funding commitment to address issues with our international freight supply chains, given the challenge of exporting cotton fibre to many ports where there is limited capacity and increased competition for both containers and shipping availability.

In relation to boosting our global reputation CA believes that the ATMAC program has been of great value in assisting the Cotton industry to expose its high-quality product and introduce our cotton to new markets after the decision by China to reduce Australian imports including cotton. Therefore, we fully support:

-) An additional \$30 million over four years allocated to the ATMAC program. We thank the government for its contribution of \$1.5m recently for Phase 2, building on the Export Market Diversification Strategy.

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Biosecurity

CA welcomes the biosecurity measures announced in the 2022-23 budget including \$61 million to enhance biosecurity across our northern borders and \$20 million to strengthen livestock traceability and support relevant grant recipients. However, the funding falls short for the long-term modernisation and expansion of Australia's biosecurity system. Measures announced, while welcome, lack long term vision and are insufficient to address imminent threats.

CA is committed to all efforts in biosecurity to protect the integrity of our crops. In particular we ask that:

) The Federal Government commit to perpetually funding the biosecurity system through a long-term sustainable funding arrangement.

With a key Cotton focus being sustainability and biosecurity issues relevant to the industry, CA also supports NFF's call for:

) \$10 million to complete the market testing, verification, piloting and resolution of data requirements to accelerate the profile of the Australian Agricultural Sustainability Framework as the pre-eminent source of information when communicating Australian agricultural sustainability in trade and market access negotiations, company reporting and engagement with community and governments.

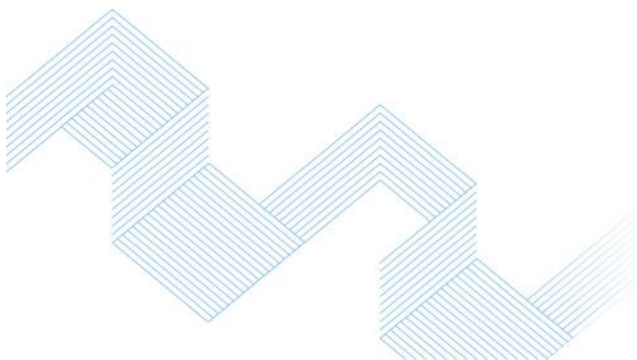
Water

CA agrees with the NFF position that governments should all work together to provide farmers with certainty and confidence in sustainable water management and in particular the Murray-Darling Basin Plan. The solution for Murray Darling Basin communities is not more water buybacks - alternative pathways must be negotiated.

As a principle, outcomes should always be reflective of collaboration informed by evidence, respecting the rights of farmers in a process that achieves consensus on water and land access issues.

Paramount to any water related decision is a full commitment to the principle of the water property rights.

To optimise the environmental outcomes from the water acquired under the Basin Plan, Cotton Australia fully endorses the **NFF's call for a further \$2 billion investment in complementary measures**, with the aim of





improving riparian zones, enhancing fish passage, reducing thermal pollution and removing invasive species such as European Carp.

Cotton Commitments sought:

) Maintain support for ongoing amendments and improvements that allow implementation of the MDB plan in a sensible manner including pathways beyond 2024.

) \$2 billion over four years to support complementary measures in the Murray-Darling Basin.

) Continue to implement the MDB Plan, taking into account the recommendations of the Productivity Commission.

) Improved measuring and monitoring of environmental water.

Cotton Australia is supporting efforts by farmers in North Queensland and the Northern Territory to investigate cotton growing as a farming option. CA recognises environmental sustainability is integral to the establishment of a viable, valued and advanced industry in areas where natural conditions are suitable. Therefore, we support the following:

) An additional \$50 million over four years to support further research into effective water planning and management in northern Australia

Telecommunications and Energy

Cotton Australia recognises that most farming communities are in rural and regional Australia however that shouldn't equate to lesser standards in telecommunications or a non-competitive and unreliable energy sector.

Reliable mobile phone and internet connectivity with adequate speeds and data allowances must be available to every Australian farm at a reasonable price. We are seeking an ongoing commitment to the Mobile Blackspot Program to eliminate disruption.

Another important way governments can facilitate productivity and profitability is through support for access to reliable and affordable electricity for the grower, the cotton shipper and also for the processor.

Agriculture is on the cusp of generating \$100 billion annually for the Australian economy. Cotton alone is tipped to contribute \$4 billion plus this season. We cannot remain competitive without an effective telecommunications and energy services in regional, rural and remote Australia.

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We support the NFF call for:

- J \$1 billion to establish a Regional, Rural and Remote Telecommunications Fund to resource ongoing mobile network expansion, a request supported by the Rural, Regional and Remote Communications Coalition. The overarching need is to ensure each and every Australian has access to reliable mobile telecommunications no matter where they are. We support the commitment by the current government of \$800m to improve services.
- J \$6 million over four years to continue funding the Regional Tech Hub beyond the current one-year funding period.
- J \$250 million over four years to establish the proposed Australia Local Power Agency and the associated Local Power Fund.
- J Developing new models that share the economic benefits of large-scale renewable projects with individuals living in impacted communities as proposed by the associated Local Power Fund.



Research and Development

Australian cotton is widely regarded as being among the best quality, sustainable cotton produced anywhere in the world. In part, the success of our cotton is attributable to ongoing research and development, funded partly by the industry through levies per bale of cotton and matched by the federal government.

In a globally competitive market, Australian cotton producers must maintain and enhance the quality of their cotton and ensure world class fibre strength and environmental qualities suitable to manufacturers and end-users.

To that end, CA seeks a commitment from the federal government to:

- J Maintain its commitment to fund, dollar for dollar, the contribution per bale by the industry for vital research and development activities for Australian cotton.
- J Unlock innovation through a commitment to upholding the rural R&D model – where growers provide input on R&D priorities, facilitated via their representative organisations.
- J Ensuring access to existing and new technologies (crop protection products, biotechnology traits) which are independently proven safe for use by a robust, science-based regulatory system.
- J Maintain funding to ensure the strength and confidence in Australia's independent, science-based regulation and reviewing system of products.

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Workforce

Australia's cotton industry is facing a once in a generation workforce challenge. Like all Agricultural industries, geography often provides additional challenges attracting young and not so young skilled and unskilled workers.

Add to that the COVID restrictions on global and domestic travel and the reality becomes clearer. The inability of international travellers (backpackers) to enter Australia has caused significant duress for many farmers unable to attract the labourers necessary to pick their crops and tend to their land.

We join other farmers in urging the next Australian Government to act urgently to attract domestic and overseas workers to end this crisis.



Existing initiatives deserve additional financial support, and we seek the following commitments:

- J \$20 million to continue to support the strategic programs (such as AgUP, AgCAREERSTART, AgATTRACT, AgFAIR) intended to attract more Australians to a career in farming and agribusiness.
- J Develop a nationally recognised 'Agri-skills passport' to record details such as successful completion of farm work inductions (incl health and safety) accredited and unaccredited training undertaken, employment history, skills and experiences acquired.
- J Additional funding and support for the National Farm Safety Education Fund and Farmsafe Australia of \$3.5m over three years.
- J Continue the development and roll-out of the Australian Agriculture Visa, including expediting talks with 10 partner nations and included other countries where no bilateral arrangements exist. We welcome the recent announcement of the first country Vietnam and encourage the government to continue to explore bilateral agreements with other countries.

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Education and Training

Cotton Australia supports the provision of \$30 million over four years to provide a holistic Vocational Educational and Training (VET) package of programs and incentives to attract students into agricultural vocations and develop an integrated curriculum for agriculture as a career choice.

We also recommend a Federally Funded AgSkilled as referenced by the National Agricultural Workforce Committee to ensure the best outcomes for current, emerging and transitioning agricultural workers. We support the current government budget commitment of 120% tax deduction for training investment.

Agriculture in Australia is best served by capable people supported by a skilled, cohesive and diverse workforce, therefore we also seek the following:

-) A commitment to ensure agriculture is strongly positioned in the education system with strategic programs established to attract more Australians into a career in agriculture to complement and enhance programs like AgUp and Ag Career Start.
-) The establishment of an effective visa incentives program that encourages regional settlement and is supportive of expansion to include larger cohorts including full-time university students.



Tax and Investment Incentives

-) Commitment to fund and expand the resourcing of the ACCC Agriculture Unit indefinitely.
-) Holistic review and reform of taxation as it applies to the primary producer and in incentivising good risk management practices, including the further utilisation of the Farm Management Deposit Scheme as a risk management tool.
-) Maintain the diesel fuel excise rebate for off-road use, including expansion to aviation use for pastoral purposes.
-) Maintenance and expansion beyond 2023 of the accelerated depreciation provisions that has allowed farmers to invest in robust viable farm businesses.

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Conclusion

Cotton Australia is the peak body representing cotton growers in Australia. We have been representing the interests of growers, mostly farming families, for 50 years. As an agricultural sector, we generate billions of dollars in income for the Australian economy and much of that fiscal stimulus is returned to the local communities they are part of.

Cotton is an entirely natural fibre that clothes millions of people in Australia and overseas each year while generating thousands of jobs and flow-on benefits around the country. The quality of our cotton is globally recognised and buyers pay a premium based

on the strength, colour and useability, while it is highly regarded for being contaminant free, ensuring a smoother ginning and manufacturing process.

More and more growers are wanting to grow cotton where natural conditions are suitable and crop outcomes are viable. This means the footprint for viable growing regions will expand and additional export and value-adding opportunities will emerge. For our growers, and our economy to benefit from that we need government assistance and this document outlines how that can be delivered.

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