

# FOOD AND FIBRE

Sector Strategy



Victoria's  
Future  
Industries.

**VICTORIA**  
State  
Government

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**Definitions:** For the purpose of this strategy, 'food and fibre' includes farming, fishing, forestry, food and beverage and textile, clothing and footwear manufacturing.

Figures are sourced from the most recent ABS data.

Extensive consultation has underpinned development of this sector strategy. Almost 250 businesses, industry, union and research organisations contributed their views and ideas.

- 175 people participated in 14 stakeholder forums, 11 of which were held in regional and rural areas
- 15 organisations participated in direct discussions with the Department
- 56 written submissions were received from a variety of businesses and organisations.

This sector strategy responds to the major themes arising from consultation with these organisations, together with feedback from an expert advisory group composed of representatives drawn from industry, research, peak bodies and unions.

In addition, we would like to acknowledge the contribution of members of the Future Industries Ministerial Advisory Council, who provided valuable advice and generously shared their knowledge and experience.

- Mr David Bartlett, Chair, former Premier of Tasmania
- Mr Nixon Apple, Alternate Director, Australian Super
- Mr Jeff Connolly, Chairman and Chief Executive Officer of Siemens Group, Australia-Pacific Region
- Ms Gabrielle Coyne, former Chief Executive Officer, Penguin Random House Australia
- Professor Linda Kristjanson, Vice-Chancellor, Swinburne University of Technology
- Dr Leonie Walsh, Victorian Government Lead Scientist.

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# PREMIER'S FOREWORD

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We talk so much about our economic 'transition', but this transition won't occur on its own. We have to take action ourselves. We need a real plan. And we need to invest.

That's what our \$200 million Future Industries Fund is all about.

The priorities of today will define our economic future, and we believe the Victorian Government needs to set those priorities.

With those priorities in mind, we can work with businesses to grow our traditional industries and invest in the sectors that will shape the next century.

Our Government has identified the priority sectors with potential for remarkable growth – the sectors in which Victoria is uniquely poised to lead the world:

- Medical technology and pharmaceuticals
- New energy technologies
- Transport, defence and construction technologies
- Food and fibre
- International education
- Professional services.

Collectively, these sectors have the potential to drive up to \$70 billion in additional economic output by the year 2025, and create over 400,000 new jobs for Victorians.

The \$200 million Future Industries Fund is turbocharging these priority sectors through job-creating grants to specialist firms and companies.

The \$500 million Regional Jobs and Infrastructure Fund and the \$508 million Premier's Jobs and Investment Fund also lay the foundation for growth across our entire economy.

We have a few advantages under our belt: high-quality infrastructure, skilled workers, world-class liveability, well-connected cities, productive land and resources, all in close proximity to Asia.

And when it comes to food and fibre, we are certainly punching well above our weight. Victoria is Australia's biggest food and fibre exporter, with exports reaching an all-time high of \$12 billion in 2014-15. It's a sector that relies on hard work, resilience and enterprise – and Victoria has it in spades. But we cannot afford to sit on our hands.

Our priorities for assisting this sector, outlined in this strategy, are the next step. It's all about securing the high-growth industries of the future, and the jobs that come with them.

A handwritten signature in black ink, appearing to read 'Daniel Andrews'. The signature is fluid and cursive, with a large initial 'D' and 'A'.

**The Hon. Daniel Andrews MP**  
Premier of Victoria

# MINISTERS' FOREWORD

Victoria is Australia's largest producer and exporter of food and fibre products, and we enjoy a good reputation for quality, safety and reliability. The sector accounts for 4.9 per cent of Gross State Product and in 2014-15 accounted for around half of the state's total goods exports.

Our domestic market is growing and together with increasing global demand from a fast growing middle class population in Asia, the future for the sector is bright.

However, we can't be complacent, and we need a long term plan. This strategy will help capture future opportunities, and address the challenges faced by our primary producers and food and fibre manufacturers.

The sector employs over 190,000 people across our state. The skill needs of the sector continue to evolve with the adoption of more technology and automation, and one of our key objectives is to help businesses to remain competitive and support growth – to create more jobs for Victorians.

We want to help businesses build skills, engineer new processes, adopt technologies and design products that meet the needs of today's and tomorrow's consumers. We should aspire to grow production and add more value here in Victoria.

We will support the establishment of an Innovation Network, better linking and facilitating higher levels of business engagement with the key innovation capabilities in our state.

We will support businesses to identify and capture more market opportunities, and continue to work with industry and the Commonwealth Government to address barriers to trade. More investment in our sector is also required to support business growth and job creation.

Victoria is already Australia's food and fibre capital and the major gateway to international markets. We account for a quarter of national primary production, 30 per cent of processed food output, 27 per cent of sector exports, and around one third of the freight task. We can aspire now to be the Asia-Pacific's food and fibre capital – drawing more ideas, people and capital to our state to support growth.

We must continue to address critical infrastructure needs, including improving the high productivity freight vehicle network and access to our ports, supporting better access to digital services in regional areas, and continuing to modernise our water supply and irrigation infrastructure.

We have established the \$200 million Future Industries Fund and released our Regional Statement, and already have key initiatives underway, including the \$20 million Food Source Victoria program. We have commenced the new Murray Basin Rail project, announced the \$60 million LaunchVic initiative, and we will soon finalise and implement our reforms to the Victorian Industry Participation Policy. But we know more needs to be done.

Based on the input of almost 250 businesses and organisations around the state, this document sets out our strategic priorities, designed to help position the food and fibre sector for continued prosperity and jobs growth. We look forward to working with stakeholders to implement this strategy.



**The Hon. Lily D'Ambrosio MP**  
Minister for Industry



**The Hon. Jaala Pulford MP**  
Minister for Agriculture  
Minister for Regional Development



# POSITIONING FOR GROWTH AND JOBS

It is our vision that in 2025 Victoria's food and fibre sector:

- Is creating new jobs, attracting talent and providing rewarding careers
- Has seen remarkable growth, with more value adding and product differentiation
- Is a recognised leader in the Asia-Pacific region and is a destination of choice for investors
- Is demand-driven, achieving strong and sustained export growth
- Exceeds customer expectations for safety and quality

- Has welcomed a diversity of business models, technologies and production systems
- Sees more small and medium enterprises (SMEs) on strong growth trajectories.

This strategy will help deliver on this long term vision. It supports an integrated approach, focusing in key areas along the food and fibre value chain. This approach is consistent with the recommendation of a 2015 Business Council of Australia report – Building Australia's Competitiveness: A 21st Century Agrifood Sector – that a more integrated approach to food and fibre sector development is required.

Our focus	Our goals
<b>Attract more ideas and investment</b>	<ol style="list-style-type: none"> <li>1. Attract and support key industry events in Victoria</li> <li>2. Build investment readiness and attract investment to the sector</li> </ol>
<b>Help business innovate and grow</b>	<ol style="list-style-type: none"> <li>3. Establish an Innovation Network linking key capabilities</li> <li>4. Equip businesses with the skills to innovate and grow</li> <li>5. Support business to adopt technology, add value and create jobs</li> <li>6. Support local approaches to strengthen food and beverage manufacturing</li> <li>7. Identify and respond to fibre manufacturing growth opportunities</li> </ol>
<b>Capture market opportunities</b>	<ol style="list-style-type: none"> <li>8. Support SMEs to build export capability, including capturing e-commerce opportunities</li> <li>9. Host inbound missions and support targeted outbound missions and market development</li> <li>10. Maintain existing and facilitate new access to export markets</li> <li>11. Support growth in food and wine tourism, and collective marketing</li> </ol>
<b>Develop our infrastructure</b>	<ol style="list-style-type: none"> <li>12. Improve freight infrastructure, including expansion of the High Productivity Freight Vehicle network</li> <li>13. Improve access to our ports to reduce delays and costs for exporters</li> <li>14. Improve water security and realise the benefits of irrigation modernisation</li> <li>15. Improve access to ICT infrastructure and services in regional Victoria</li> </ol>
<b>Improve the business environment</b>	<ol style="list-style-type: none"> <li>16. Support the implementation of Regional Partnerships</li> <li>17. Tailor facilitation services to support sector growth</li> <li>18. Reduce regulatory and compliance burden</li> <li>19. Work towards providing greater resource access certainty for foresters and fishers</li> </ol>



# THE SECTOR IS CHANGING FAST

Global population growth is driving increased demand for food and fibre products. The middle class population in Asia is predicted to grow to over 3 billion people by 2030, with more discretionary income available to spend on premium products.

More consumers are expressing preferences for halal, kosher and organic products and foods that meet specific dietary requirements. They also expect food to be safe, nutritious and tasty. Maintaining high safety and quality standards underpins the ability of the sector to maintain access to markets here and abroad.

Many developed nations have ageing populations, and the impacts of diet-related, preventable conditions like obesity and heart disease are projected to increase.

As income levels rise, the demand for convenient, premium and ethically produced products also increases along with higher expectations for the welfare of workers and animals.

## New technologies

Technological advances including robotics, new packaging materials, digital and wireless technologies, and biotechnology will continue to spur changes along the food and fibre value chain. The production of new bio-products from plant and animal origins, such as new fibres and materials, will continue to emerge.

Increasing automation in primary production and manufacturing means the sector's skills needs will continue to evolve. While fewer traditional labouring skills may be required, more highly skilled technical, data analysis and managerial capabilities will be in high demand.

## Keeping pace with change

Victorian businesses will continue to face fierce competition, both domestically and internationally, including barriers to entry in some key markets. Persistence and creativity will be essential.

Climate change will continue to present challenges for the sector and businesses must remain adept in managing the risks associated with significant seasonal, cost and market volatility, and the threat of biosecurity incursions and natural disasters. The Victorian Government is committed to maximising opportunities from being adaptive and resilient to climate change, and transitioning to a low carbon economy.

## Meeting the production challenge

To fully capitalise on the strong market demand, some parts of the sector will need to continue to increase production and add more value.

Productivity improvements will continue to be fundamental to meeting this challenge. We will also need to develop new business models and production systems, including innovative ways of sustainably generating more output and value from our land and water resources. New models and systems could also assist businesses to manage seasonal risks.

Balancing production growth with the needs of communities and the environment will continue to be important.





# ACHIEVEMENTS TO DATE

The Andrews Labor Government is delivering on its election commitments with a clear focus on growing jobs and sharing opportunities across our society.

We have established three new Funds totalling over \$1.2 billion to support job creation and economic development, with a particular focus on our priority sectors including food and fibre:

- \$200 million Future Industries Fund
- \$508 million Premier's Jobs and Investment Fund
- \$500 million Regional Jobs and Infrastructure Fund.

We opened the \$5 million Future Industries Manufacturing Program in 2015 and the \$20 million Future Industries Sector Growth Program has just opened. The \$20 million Food Source Victoria Program, funded from the Regional Jobs and Infrastructure Fund, also opened in 2015. These programs are focused on helping businesses to partner with each other, and with educational institutions and the community, to invest in job-creating projects. We have also established LaunchVic, a \$60 million initiative to foster the creation of start-up enterprises.

To support our economy as it continues to transition, we recently released Towards Future Industries: Victoria's Automotive Transition Plan. This \$46.5 million plan will help businesses, workers and communities affected by the closure of automotive manufacturing operations to meet the challenges ahead and capture emerging opportunities. This includes \$33 million for the Local Industry Fund for Transition (LIFT), and a further \$5 million to establish the Automotive Supply Chain Transition Program.

We have also put in place changes to help local businesses get their fair share of work from government projects. For government procurement projects with a total value of \$50 million or more, we now set local content level targets that must be met – meaning more work for local businesses and more local jobs.

The Major Project Skills Guarantee, which commenced on 1 January 2016, requires that apprentices make up 10 per cent of the workforce on major state projects. We are continuing to look for other opportunities to strengthen our local content policies and using government procurement to support the local economy.

Our Regional Statement released in 2015, amongst other things, committed to the establishment of new Regional Partnerships to give greater voice to local priorities in government decision making. We have also committed to standardising and upgrading the entire Murray Basin rail network, which is crucial to the future competitiveness of the food and fibre sector in the northern and western regions of Victoria in particular.

The Victorian Invitation Program is the most expansive inbound trade mission program in the state's history. More than 590 qualified international buyers from 27 countries visited Victoria in 2015 as part of the program. We have also supported over 420 businesses, across a number of sectors, to visit 35 cities in 19 countries as part of our outbound trade mission program. The Victorian Government has also contributed to facilitating over \$325 million of investment in the food and fibre sector.

We are proud of these achievements but know there is much more to do, working in partnership with industry, educational institutions, unions, and the broader community.



**FOOD AND FIBRE**

# Sector Strategy

# Attract more ideas and investment

Victoria is a national leader in food and fibre. However, we operate in a globalised world and to remain competitive we must strengthen our international reputation. Greater global recognition will attract more visitors, entrepreneurs and investors to Victoria.

We can build on our reputation as Australia's largest food and fibre producer and exporter, and be more prominent on the world stage. There are opportunities to leverage our quality, safety and ethical production systems and there is scope to significantly expand production.

Increased investment will underpin growth and job creation. There is significant global interest in our food and fibre sector, but more can be done to convert this interest into outcomes. Investors are seeking projects with well-defined propositions and business cases, and active promotion of 'investment-ready' projects, will play an important part in securing more investment.

By attracting more ideas, expertise and capital in partnership with industry we aim to:

- Strengthen our international reputation
- Help build sector 'investment readiness' and a strong pipeline of investment-ready projects
- Attract more investment to support sector, business and jobs growth.

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"We need to support more businesses to become investment-ready to capture more value from the global interest in our sector."

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Ian Halliday, Managing Director, Dairy Australia

## What we plan to do

### 1. Attract and support key industry events in Victoria

We will work with stakeholders to attract key international industry events to Victoria, bringing more global thought leaders to the state. Such events will provide an opportunity to showcase our capabilities, and attract ideas and investment.

We will also work with partners to explore options to establish new or amplify existing events to attract key decision makers to our state.

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### 2. Build investment readiness and attract investment to the sector

We will work with industry and the private advisory sector to encourage and support metropolitan and regional businesses to develop investment projects and help connect them with investors. Proponents will benefit from an enhanced ability to engage with banking institutions and potential investors.

We will help develop and communicate a series of case studies demonstrating the range of business models being utilised across the sector.

We will also increase promotion of the sector to the international investment community, through collaboration with Austrade and our network of 18 international Victorian Government Business Offices, and to recipients of Significant Investor visas.

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# Help business innovate and grow

Innovation is key to capturing new opportunities, adding value to and differentiating products, and maintaining Victoria's competitive edge.

Yet many firms still face challenges to innovate. Businesses want easier access to innovation capabilities and services, to access market insights, and to integrate new technologies and commercialise new products.

Product customisation, design and automation are strategies that many manufacturers are pursuing to add value and/or reduce costs. In metropolitan Melbourne and in regional areas, manufacturing growth opportunities continue to emerge from improved transport infrastructure, freight and logistics services, and proximity to markets.

For example, Omniblend, a metropolitan-based manufacturer, produces a range of high value products including lifetime nutritional formulas, from infant to aged care, nutraceutical and veterinary products, and ready to drink nutritional beverages. These are produced in a variety of packaging – from sachets to tubs and buckets, and are accredited for export.

The skill needs of the sector are also changing, and training and workforce development should be tailored to meet these needs. Many businesses have identified business management, leadership and technical capabilities as key skill sets they require in the future.

By helping business innovate and grow, in partnership with industry we aim to:

- Link our innovation capabilities in an accessible, high-performing network
- Connect more businesses with innovation capabilities to drive results
- Support relevant skills initiatives that deliver real benefits for businesses
- Support businesses to integrate technology to improve competitiveness
- Support local approaches to strengthen manufacturing.

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"Businesses need quick and easy access to practical knowledge and technologies in order to solve real world problems."

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Angeline Achariya, General Manager,  
Mondelez Australia

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"We're putting on and training more staff to boost our local manufacturing. Made in Melbourne is a competitive advantage."

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John Condilis, Managing Director,  
Nobody Denim

## What we plan to do

### 3. Establish an Innovation Network linking key capabilities

We will establish an Innovation Network so industry experts can more easily connect businesses with the innovation services and capabilities they need. The network will focus on linking innovation services and capabilities in regional and metropolitan areas. These include the Government's key food and fibre research centres and relevant CSIRO, university and industry facilities.

We will work with partners and industry to ensure the network is established in a way that delivers real benefits, and help develop specific innovation capabilities where there is a clear need.

We will maintain our significant investment in agriculture research and development, and support of the Victorian Platform Technologies Network and key research centres like Carbon Nexus in Geelong.

The Victorian Government's new \$60 million LaunchVic initiative will also provide support and assistance to foster the creation of start-up enterprises, and enhance Victoria's entrepreneurial culture.

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### 4. Equip businesses with the skills needed to innovate and grow

We will work with the Vocational Education and Training (VET) system to align training with industry needs through the Victorian Skills Commissioner and a new industry engagement framework.

We will develop a \$34 million regional skills and training package. The program will be led by regional businesses and industry in partnership with local training providers including TAFEs. It will include innovative local training to areas not currently being serviced.

We will also bolster existing training programs tailored to local and sector needs, including investing in sector-specific training capability.

Key decisions on access, course design and funding support mechanisms will be made as part of our response to the VET Funding Review. We will also improve transparency and increase the level of publicly available information on the performance outcomes of VET providers.

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### 5. Support businesses to integrate technology, add value and create jobs

We will support eligible businesses wanting to adopt new technologies and implement best practice, based on market insights. For example, we released the \$5 million Future Industries Manufacturing Program and the \$20 million New Energy Jobs Fund in 2015.

We will also help develop and communicate a series of case studies to illustrate how businesses are integrating technology, establishing supply chain partnerships, implementing differentiated branding initiatives, and adding value to food and fibre production here in Victoria.

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### 6. Support local approaches to strengthen food and beverage manufacturing

Local collaborative approaches continue to support existing manufacturers and foster the emergence of new ones. For example, following the development and release of the Food and Beverage Growth Plan – Melbourne's North in 2015, an alliance of locally-based businesses and organisations in Melbourne's North are collaborating to implement the plan. The plan recommends growing industry connections and capability, driving innovation and product differentiation, addressing skills development and labour availability, and positioning as a food and beverage hub. There are similar local plans in some other parts of metropolitan and regional Victoria.

We will support the implementation of local collaborative approaches that will contribute to the growth of existing and new food and beverage manufacturing businesses and create jobs.

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### 7. Identify and respond to fibre manufacturing growth opportunities

The fibre manufacturing sector, largely characterised by textile, clothing and footwear, furniture, and timber and wood products processing, has faced a number of challenges over the past 20 years, including from cheap imported products. Yet the market demand, here and abroad, for quality, differentiated, premium fibre products remains strong. Innovative businesses in these industries, particularly those embracing design, technology and integration into global supply chains are doing well.

In this context, and building on previous work, we will partner with industry, union, and research and education representatives to identify and help respond to growth opportunities in the textile, clothing and footwear, and furniture manufacturing industries in particular.

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# Capture market opportunities

Our domestic market and key export markets are growing, but competition is fierce.

Victoria's food and fibre exports reached a record \$12 billion in 2014-15, but we can collectively do more to grow exports through deeper market insights, enhancing capabilities, strengthening supply chain and trade relationships, and having a focused plan.

To this end, we will develop and release a Food Export Plan in 2016, aligned with this Food and Fibre sector strategy. Better understanding the current and future tastes and preferences of global markets will be essential.

The food and fibre sector in particular is affected by technical barriers to trade, the resolution of which could be worth billions of dollars to Victoria over the next decade.

There is also an opportunity to create jobs through supporting development of the food and wine tourism sector. Victoria is already home to many agri-food tourism businesses, but more can be done to leverage regional competitive advantages and promote our offering.

By capturing market opportunities, in partnership with industry we aim to:

- Help business identify and take advantage of more market opportunities, here and abroad
- Address barriers to trade and see the value of exports increasing, including a growing proportion of value-added exports
- Enhance Victoria's status as Australia's major food and fibre exporting state
- Support food and wine tourism to boost sales and create jobs.

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"The possibilities of direct selling both food and fibre through the web into Asia are limitless."

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Phillip Butler, Director, Textor Technologies

## What we plan to do

### 8. We will support SMEs to build export capability, including capturing e-commerce opportunities

We will work with industry partners to implement tailored training for SMEs who want to build their export readiness through an Export Skills and Training Program. A focus will be export readiness and doing business in Asia, including capturing opportunities from emerging market channels like e-commerce.

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### 9. Host inbound missions and support targeted outbound missions and market development

We will continue to host inbound trade missions, bringing key importers and customers from across Asia to Victoria.

We will also support industry representation at select trade events in the growing markets of China, North Asia, South East Asia and the Middle East. We will work with the Commonwealth Government and other jurisdictions to support effective 'Brand Australia' representation, under which we can leverage 'Brand Victoria' and 'Brand Melbourne'. We will put a particular focus on supporting businesses to take advantage of new free trade agreements.

Victoria will also partner with industry and Austrade on targeted market development activities, such as industry-specific promotional initiatives in key target markets.

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### 10. Maintain existing and facilitate new access to export markets

We will bolster the state's biosecurity capabilities to maintain existing market access knowing that a major biosecurity incursion could cost our state billions of dollars. We will strengthen our traceability and food safety systems, and continue to actively work with the Commonwealth Government and industry to address trade barriers.

We will also provide tailored assistance to established exporters in collaboration with partners, including Austrade, to reduce market entry barriers and help capture first-mover advantages in key emerging markets, such as frontier markets in Asia and the Middle East.

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### 11. Support growth in food and wine tourism, and collaborative marketing

We will support targeted food and wine tourism initiatives as part of a greater focus on increasing tourist visitation to regional Victoria. We have established a Wine Industry Ministerial Advisory Council, and committed \$1 million to fund the development of a Victorian Wine Strategy and a wine growth fund.

We will also support businesses, for example, through our new \$20 million Food Source Victoria program, to explore new ways of collaborating to help capture the advantages of scale, for example in product development, value-adding, supply chain management and logistics.

We will also work with industry partners to identify ways to better promote Victorian food and fibre products here in the domestic market.

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# Develop our infrastructure

Transport, water and information communication technology (ICT) infrastructure is the backbone of the food and fibre sector. While Victoria's infrastructure is of a high standard, more can be done to improve our infrastructure to reduce costs and increase productivity.

Food and fibre exports account for a significant proportion of outbound trade from the Port of Melbourne. However, as Australia's largest container sea port, congestion can sometimes result in higher costs for exporters.

The Government is already acting, committing in 2015 to the full Murray Basin Rail Project that will standardise and upgrade the entire Murray Basin rail network.

Water is also a fundamental input for the production and processing of food and fibre products, yet reliable access to water remains a challenge for some businesses.

Access to contemporary ICT services is a prerequisite for modern, globally connected businesses and regional businesses in particular need better access to ICT services to remain competitive.

By enhancing our infrastructure, in partnership with industry we aim to:

- Provide better freight transport and ICT infrastructure, at a cost of access that helps businesses stay internationally competitive
- Improve urban and rural water security, and optimise the benefits of irrigation modernisation.

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"Improving our transport and water infrastructure and ICT services are fundamental to the continued success of the food and fibre sector."

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Peter Tuohey, President, Victorian Farmers Federation

## What we plan to do

### 12. **Improve freight infrastructure, including expansion of the High Productivity Freight Vehicle network**

The Victorian Government will continue to work in partnership with industry and the community to identify and improve freight efficiencies on key transport routes, such as we have done with the Murray Basin Rail Project.

We will continue to strengthen bridges on key arterial road freight corridors to support expansion of the High Productivity Freight Vehicle network, improving road freight efficiencies for businesses.

In conjunction with industry and local councils we will identify, prioritise and develop 'first and last' kilometre routes with a \$25 million investment from the Agriculture Infrastructure and Jobs Fund\*. We will also focus regional road maintenance on the roads most critical to economic growth.

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### 13. **Improve access to our ports to reduce delays and costs for exporters**

We will work with the operators of Victoria's commercial ports, including the Port of Melbourne Corporation, and industry to improve access and scheduling efficiency to our ports to reduce delays and costs for exporters.

We will also improve the efficiency of loading and unloading at key freight hubs and terminals, including those adjacent to the Port of Melbourne.

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### 14. **Improve water security and realise the benefits of irrigation modernisation**

In developing our Water Plan in 2016, we will assess options to improve urban and rural water security, by identifying key gaps in our water grid, better utilise existing infrastructure, and improve the water market in southern Victoria to optimise use of our precious water resources.

We will continue to identify ways to improve water and irrigation infrastructure in key regions. For example, \$20 million from the Agriculture Infrastructure and Jobs Fund\* will be invested into the next stage of the Macalister Irrigation District project as a co-investment with the Commonwealth Government and industry.

We will continue to support industry to realise the full efficiency benefits of irrigation modernisation projects, and we will proactively help potential investors explore projects that take advantage of improved irrigation infrastructure and urban and rural water security.

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### 15. **Improve access to ICT infrastructure and services in regional Victoria**

We are investing in a Regional Connectivity Program to improve mobile and internet connectivity across the state, including on key regional passenger transport routes.

We will consider further expanding the Regional Connectivity Program to provide more mobile and Wi-Fi access in key production areas, and assess new technology options that could provide more extensive and efficient connectivity in rural areas.

The Government has co-invested \$21 million with Telstra to the Commonwealth Government's Mobile Black Spot Program, securing funding for 110 new mobile towers to be built in regional Victoria over the next three years.

We will also consider options to provide regional businesses with the opportunity to upgrade infrastructure offered in their area by the National Broadband Network.

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\* The Agriculture Infrastructure and Jobs Fund is subject to the successful passage of the Delivering Victorian Infrastructure (Port of Melbourne Lease Transaction) Bill 2015.

# Improve the business environment

The Victorian Government is committed to working with stakeholders to identify long term priorities and better align investment and effort to support growth.

We also understand that parts of Victoria's planning system can be improved. To this end, the Victorian Government recently appointed an Animal Industries Advisory Committee to examine how the planning system could deliver clearer rules and greater confidence for farmers regarding animal husbandry, while balancing environmental outcomes and community expectations.

We must strike the right balance between maintaining our reputation as a producer of safe, environmentally and ethically responsible products while reducing the regulatory burden facing businesses.

By improving the business environment, in partnership with industry, we aim to:

- Enhance the focus on regional strategic planning to support growth and align effort with the priorities of regional communities
- Reduce the most burdensome regulations faced by businesses, including the audit burden faced by many SMEs
- Give foresters and fishers more confidence to invest.

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“Improved coordination and land-use planning could be one of the biggest contributors to future investment and growth of the food and fibre sector.”

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David McKinna, Principal, McKinna et al



## What we plan to do

### 16. Support the implementation of Regional Partnerships

Through nine new Regional Partnerships, we will connect the investment, infrastructure, workforce needs, and other priorities identified by regional communities into the heart of government. Regional Partnerships will be operational by 1 July 2016 and include representatives from business – including food and fibre – community, and all levels of government.

Regional Partnerships will recognise that every region is different – from dry landscapes to irrigated pastures.

Key land use plans and frameworks such as regional strategic plans and Plan Melbourne will provide a reference point for strategic planning.

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### 17. Tailor facilitation services to support sector growth

The Victorian Government will support a facilitation service, to assist businesses and investors considering new agribusiness developments and more intensive forms of production.

We will work particularly closely with local councils interested in attracting more food and fibre production and manufacturing businesses.

We will also work with local councils to identify ways to help accelerate planning approval processes, careful of the need to balance the needs of businesses, community and the environment.

We will integrate and streamline government service delivery with dedicated food and fibre sector specialists located in the Victorian Government's regional and metropolitan business centres to help achieve better outcomes for food and fibre businesses.

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### 18. Reduce regulatory and compliance burden

We will examine key industry supply chains to identify the most significant costs to business with a view to reducing the regulatory burden. This process has commenced with a review of the red meat supply chain.

We will continue to work with industry partners, the private sector and regulators to identify new co-regulatory approaches to reduce the compliance burden that many businesses face, including assessing international approaches in this area. For example, examining approaches to support manufacturing businesses faced with a multitude of quality audits and labelling requirements.

We will also review existing food safety regulatory frameworks in the meat, seafood and dairy industries, to consider stakeholder needs and provide a sustainable model for regulators.

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### 19. Work towards providing greater resource access certainty for foresters and fishers

We are committed to securing sustainable access to fisheries and forestry resources. We will work towards providing greater resource access certainty to help underpin new markets, support high value manufacturing, and encourage investment. The recently established Industry Taskforce, for example, will contribute to providing greater certainty regarding access to forest resources.

Underpinning this is a commitment to maintaining world-class forest and fisheries management frameworks, taking into account conservation, economic and social values.

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A close-up photograph of a cow's face, showing its eye, ear, and nose. The cow is dark brown with some white markings. The image is partially obscured by a large, stylized 'V' shape composed of overlapping yellow and green geometric shapes.

# Securing the sector into the future

The Victorian Government will deliver this strategy in partnership with industry and other key stakeholders. In delivering this strategy we aim to achieve lasting positive change, for our food and fibre sector and for the broader Victorian community.

Successful implementation of this strategy will see measurable progress in the following areas:

- The creation of more jobs in the sector
- An increased number of international participants at key industry events
- Greater capital investment in the sector
- Substantial growth in sector Gross Value of Production
- An increase in exports, including a higher proportion of value-added exports
- More businesses with an annual turnover of over \$25 million.

# Victorian Government Programs

There are a range of programs which will support and complement delivery of the Food and Fibre sector strategy.

<b>Future Industries Fund</b>	<p>The \$200 million Future Industries Fund will support implementation of the Government's high-growth sector strategies, including support for businesses and industry.</p> <p><a href="http://www.business.vic.gov.au/support-for-your-business/future-industries">http://www.business.vic.gov.au/support-for-your-business/future-industries</a></p>
<b>Regional Jobs and Infrastructure Fund</b>	<p>The \$500 million Regional Jobs and Infrastructure Fund is providing funding for targeted regional infrastructure, jobs and community projects. \$20 million of this Fund is allocated to the Food Source Victoria program which is open for applications.</p> <p><a href="http://www.rdv.vic.gov.au/regional-jobs-and-infrastructure-fund">http://www.rdv.vic.gov.au/regional-jobs-and-infrastructure-fund</a> <a href="http://www.vic.gov.au/foodsource">http://www.vic.gov.au/foodsource</a></p>
<b>Premier's Jobs and Investment Fund</b>	<p>The \$508 million Premier's Jobs and Investment Fund will support strategic investments that underpin high-quality, sustainable jobs throughout Victoria. This also includes \$60 million for LaunchVic to encourage the formation and success of innovative new businesses.</p>
<b>Agriculture Infrastructure and Jobs Fund</b>	<p>The \$200 million Agriculture Infrastructure and Jobs Fund will drive growth, create jobs and boost exports from paddock to port. The Agriculture Infrastructure and Jobs Fund is subject to the successful passage of the Delivering Victorian Infrastructure (Port of Melbourne Lease Transaction) Bill 2015.</p>
<b>Victorian Industry Participation Policy</b>	<p>Each year, the Victorian public sector spends more than \$10 billion on procurement activities from goods and services to construction. The Victorian Industry Participation Policy requires Government agencies to consider competitive local suppliers when awarding government contracts. For government procurement projects valued at \$50 million or more, minimum local content requirements are set that must be satisfied.</p>
<b>Local Industry Fund for Transition</b>	<p>The new \$33 million Local Industry Fund for Transition will support communities in Melbourne's North, South-East and West, and the Geelong Region hit hardest by departing automotive companies, to attract investment and create new jobs for local workers.</p> <p><a href="http://www.business.vic.gov.au/lift">http://www.business.vic.gov.au/lift</a></p>

## Contacts

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