

**Pastoralists and Graziers Association
National Agriculture and Related Industries Day (“AgDay”)**

**Address by the Honourable Kim Beazley AC
Governor of Western Australia**

21st November 2019

I would firstly like to acknowledge the traditional owners of the land on which we meet – the Whadjuk Noongar people – and pay my respects to their elders past and present.

National Agriculture and Related Industries Day marks the celebration of industries which are essential to our future. Industries built upon a foundation of hard working people who are truly the ‘salt of the earth’. A people who toil through drought, persevere in the face of great adversity, and more positively, demonstrate a certain, almost indefinable quality that is integral to our prosperity and the great Australian character.

The fact that we have 25 million mouths to feed in Australia, and produce enough food for 60 million people, shows the value of our agriculture and related industries to the wellbeing of those around the world too. In fact, as food scarcity threatens to increase in severity around the globe, you are all going to be integral to a prosperous future – whether you farm the fields, run cattle, fund our industry, develop new technology, devise policy, or reside anywhere in between. We are a team. We need to think and act accordingly.

In Western Australia we are committed to doubling the value of our agriculture and food sector within the coming years. This ambitious plan is underpinned by working with industry to attract investment. This plan should be applauded. It is realistic and we can achieve it through hard work. Despite our often unforgiving terrain, we in Western Australia have a few aces up our sleeve. Perhaps most notably our determined people, vast land, our artesian bores and ‘upside down’ rivers, our clean environment, and impetus to trace and confirm the source of our quality produce and livestock for foreign markets.

The tidal shift in the world economy also supports our global opportunities. The epicentre of the world economy once resided in Europe, shifted towards North America, and is now centring on Asia – right on our doorstep. Logistical advantages, shared time zones and local expertise offer great new international business prospects. When I started out in politics the Australian economy was about the size of ASEAN combined. Now, Indonesia has a booming middle class, and alone, is expected to pass Australia soon. Both our nations will find an increasingly close relationship mutually beneficial, and indeed, the wider region for that matter. But let us remain mindful that total foreign direct investment in Australia – integral to economic opportunities – is still primarily drawn from America and Europe. While other positive collaborative opportunities might reside further afield too – take Israel, who, like Australia, is innovative, has close proximity to the ocean and contends with growing crops in and around desert.

Let us also remain mindful that the Western Australian agrifood industry has an estimated \$60 billion in assets. However, most of that capital is tied up in farm land commonly owned by

Government. When compared to global leaders in value-added food processing, it would seem that Western Australia would benefit from further investment – including foreign investment given that 93 per cent of WA primary production is Australian owned. Closer international engagement more generally would also seem beneficial and is supported by efforts attached to the State's new Asian Engagement Strategy, and the creation of the new Invest and Trade WA team.

I would encourage those looking to export to, or expand within foreign markets, to put opportunities in perspective. Demand from overseas markets is obviously there. However, we cannot blindly base our business models around being able to charge more for what we perceive as premium products. We do indeed have premium products. In my view, some are the best in the world. Be mindful though, perceptions of the quality of our produce vary from market to market. Do not be put off by this. Get informed and embrace it.

The Government of Western Australia operates offices in the State's key trading regions around the world. A quick internet search will put you in contact with these experts who can assist you in exploring exporting opportunities. These offices are attuned to our State's agriculture and related industries' interests in overseas markets. Austrade also offers advice on this front, and has offices nationwide including in Perth, making them accessible. Seeking advice from both entities is ideal. This might include insight on emerging business and investment models, steps towards getting market access, or help with introductions and networks.

When exploring global opportunities consider key developments such as the drivers of consumerism. Consumer drivers were once simply: taste, price, quality and convenience. Consumer drivers are now shifting more towards social impact, health and wellness, food safety and traceability. In fact traceability combined with our clean and green environment seems to offer us a major advantage as we look to opportunities overseas, and despite our close proximity to new and emerging markets, we are perhaps in a 'sweet spot' as we are also relatively isolated from potential biosecurity hazards given our continent's air-sea gap, further supported by diligent quarantine efforts. These efforts are a curiosity for many travellers to Australia but essential to our agribusiness.

I was astonished to hear recently that there are about as many feral pigs in Australia as there are people, posing various problems including defending against swine fever. It is however reassuring to think that efforts to address this are indicative of a holistic approach to examine all biosecurity risks ranging from feral pigs and marine creatures to plant disease and weeds.

I have engaged in many useful discussions with leading scientists from CSIRO and elsewhere on issues ranging from dry land salinity to climate change, and a key message hits home to me – 'we need to be adaptable and innovative'. The impact of climate change is still being researched in all its implications and cannot be fully anticipated at this stage. I have heard assessments, for example, that rainfall in the far North of our State could double in the coming years, while some other areas of the State might see rains subside. Such unknowns should be resolved and we stay close to how we need to innovate to exploit outcomes that might be beneficial.

In Western Australia we are about ingenuity. We are a location of world leading scientists and institutions. Note particularly outstanding institutions based here like the Australian Export Grains Innovation Centre – or AEGIC – and the Australian National Phenome Centre. AEGIC do some outstanding work including for our wheat. I am informed that in the eyes of our Japanese friends,

Western Australian wheat is the best in the world for the 'bite and bounce' of udon noodles. In fact, wherever you are in the world, if you eat udon noodles, you are eating a product containing our wheat.

The recently opened Australian National Phenome Centre is another extraordinary institution based here which will prove to be a game changer. The only facility of its kind in the Southern Hemisphere, the Centre brings together all five Western Australian universities and leading health and medical research institutes. It is linked to the International Phenome Centre Network and has wide applications in agriculture and environmental science. By analysing samples from a large population of Western Australians we can reveal how human health is affected by the nutritional quality of food, and identify adjustments to the feed, fertilisers and pesticides used in agricultural crops and animals to improve human health. This science is cutting edge, and will be integral to advances in agriculture and related industries.

Along with phenomics, other game changers either currently or potentially important to our industries include:

- Alternative proteins;
- Indoor agriculture; and
- Drones, robotics and smart technology.

We are in the fourth industrial age. We are therefore in an age where those who seek to resist technology, will either be doing it tough relative to their colleagues, or simply be unviable in the future. Proceed in a diligent manner but do not resist technology. Concerns about automation are often inflated.

In terms of computer-based technology – the same technology underpinning the fourth industrial age – the impact on the proportion of people employed in the Australian labour market has been insignificant since at least 1976 when Fraser was Prime Minister of Australia. To those who say 'but technology is so much more advanced today'; relative to other eras and their own technological introductions, technological change is no more impactful today than it once was. We are experiencing an evolution. We are not experiencing a revolution.

The introduction of the personal computer has seen us spawn whole new industries despite the resulting redundancy of typing pools. Technologies like tractors and harvesters replaced millions of back breaking jobs in fields around the world. Generally speaking, technologies such as these have had a positive impact, and while replacing many physical jobs, have themselves created new ones.

In fact agritech offers many opportunities including to improve yield, efficiency, and profitability. For example, we are seeing drones analyse soil nutrient levels pinpointed across vast geographies, and even monitor and herd animals. We are now even seeing farmers who struggle to get workers in some rural locations, develop robots to carefully select and pick apples from trees. Farmers are realising opportunities by thinking outside the square in other ways too.

While not my preference personally, the fact that 80 per cent of the world consumes insects as a regular part of their diet speaks to opportunities for new farming. Further, cricket flour, of all things, contains 65 per cent protein potentially offering nutritious foods to overseas markets. This has seen businesses in Australia, including in the West, think boldly and have the courage to explore

alternative and often more sustainable farming. This farming is unlikely to replace our mainstay industries, but it might work where more traditional forms of farming will not, and could generate new lucrative industries. Cricket farming may not seem that far-fetched when considering a product like olive oil. I am informed of accounts from early Italian migrants that olive oil was essentially once viewed as poison by Australian consumers, and now it is omnipresent in our homes and restaurants.

I applaud other 'out of the square' initiatives too like national research being led here in Western Australia on the application of our native flies to the pollination of commercial crops. This thinking could easily be dismissed, but with bees under pressure worldwide, and potentially billions of dollars in enhanced yields at stake, this research certainly is exciting.

Yet we do not always have to think too far outside the square. The WA commercial fishing industry contributes an estimated \$400 million annually to the State's economy, supporting coastal communities from Wyndham to Esperance. The introduction of new aquaculture industries sees further opportunities abound. While new crop varieties and plants to manage the impact of dry land salinity continue to show great potential.

Effective marketing is also central to opportunity. On a recent trip to Carnarvon I was amazed by the tenacity of a collective of banana growers. This region is well known for its agriculture, but is not as accommodating for growing bananas as those in tropical Queensland, which affords much shorter growing times and larger fruit. However, through great initiative, the collective pulled together to secure a profitable industry by marketing their sweet and smaller fruit for lunch boxes. The challenges they faced would have seen some give up, but in hearing their story it was clear that they achieved through their determination and business smarts.

Notwithstanding the value of our domestic markets, greater investment and further expansion into overseas markets is central to our future. We should always act in an informed manner, work together as a team, and pursue our future with great energy and optimism.

Thank you.