



**Australian Pork  
Limited**

PO Box 4746 Kingston ACT  
2604 Australia

T: 02 6270 8814  
F: 02 6285 288

ABN 83 092 783 278

[www.australianpork.com.au](http://www.australianpork.com.au)

22 January 2024

Dr Wendy Craik, Reviewer  
Regional Investment Corporation Act Review  
Department of Agriculture, Fisheries and Forestry  
Via: <https://haveyoursay.agriculture.gov.au/ric-review>

**Re: Review of the Operation of the *Regional Investment Corporation Act 2018***

Dear Dr Craik,

On behalf of the Australian pork industry, we thank you for the opportunity to provide comment to inform the review of the Operation of the *Regional Investment Corporation Act 2018*.

The Regional Investment Corporation (RIC) provides concessional loans on behalf of the Australian Government to farmers, drought-affected small businesses and other eligible businesses. APL understands this review is required under Section 53 of the Act and must consider the scope of activities and governance arrangements for the RIC after 30 June 2026. Loan funding is currently profiled to conclude on that date.

Australian Pork Ltd (APL) would like to use this opportunity to provide general comments and explain the unique characteristics of the Australian pork industry and opportunities for alignment, to ensure future design of the RIC can be accessed by pork producers, supporting their long-term resilience and profitability.

We note the RIC's broad objectives are to deliver farm business loans that will:

- (a) support the long-term strength, resilience and profitability of Australian farm businesses by helping them to build and maintain diversity in the markets they supply, and take advantage of new and emerging opportunities across Australia and overseas; or
- (b) assist farm businesses to prepare for, manage through and recover from periods of drought.

## About Australian Pork Limited (APL) and the Australian pork industry

APL is the peak national representative body for Australian pork producers. It is a producer-owned company combining marketing, export development, research and innovation and strategic policy development to assist in securing a profitable and sustainable future for the Australian pork industry.

The Australian pork industry contributes around \$6 billion in gross domestic product to the economy and supports approximately 34,600 full time equivalent jobs, predominantly in regional Australia. The industry is domestically focused with around 90% of our production providing high quality protein for Australians. The value of the 10% exported in 2022-23 was \$182 million. In 2022-23, the industry produced 453,426 metric tonnes of pork.

Our industry is national, with producers raising pigs at 6,314 sites across Australia (at 1 July 2023). The commercial sow herd is predominantly located in regional areas of Qld, Vic, SA, WA and NSW.

APL holds a number of roles on behalf of the industry:

- The pork Research, Development and Extension organisation leading research in partnership with the Australian governments and research community,
- The marketing arm of the pork industry, managing national campaigns to raise demand and increase awareness of high-quality Australian pork and smallgoods,
- The peak body for the Australian pork industry, representing pork within the National Farmers' Federation (NFF) and other representative frameworks,
- Leading the pork industry's Sustainability Framework and part of the sector-wide collaborative effort to develop an Australian Agricultural Sustainability Framework, coordinated by the NFF on behalf of the Federal Department of Agriculture, Forestry and Fisheries (DAFF), and
- The industry signatory to the Emergency Animal Disease Response Agreement (EADRA).

### The APL Sustainability Framework

In 2021 APL launched its first-ever pork industry Sustainability Framework<sup>1</sup>. The Sustainability Framework set goals, targets, and measures to demonstrate the industry's commitment, built around four priority pillars: Pigs, People, Planet, Prosperity.

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<sup>1</sup> [https://australianpork.com.au/sites/default/files/2022-03/APL%20Sustainability%20Framework\\_Web.pdf](https://australianpork.com.au/sites/default/files/2022-03/APL%20Sustainability%20Framework_Web.pdf)

The Framework is further underpinned by APL's ambitious 2020-2025 Strategic Plan<sup>2</sup>. Our industry is proud of our achievements to date, particularly our leadership across sustainable agriculture, biosecurity, welfare, and innovation. Our Strategic Plan and Sustainability Framework set ambitious goals to deliver benefits for our producers and regional economies and communities.

Our framework is aligned to the UN Sustainable Development Goals (SDGs) and we see a strong opportunity for pork to assist in meeting these. Particularly Goal 12 (responsible consumption and production) given the Australian pork industry's potential as a domestic provider of safe, affordable, sustainable low emissions protein.

The APL Sustainability Framework was established to support the pork industry to adapt and mitigate the impacts of climate change, support activities being undertaken to mitigate current labour shortages, reinforce the importance of animal welfare and biosecurity and support the pork industry's ability to thrive.

### **The pork industry is an important contributor to the economic, environmental and social prosperity of Australia**

The domestic pork industry is a vital part of Australia's food supply chain. Pork is the second most consumed meat in Australia and all fresh pork consumed within the country is domestically sourced.

We encourage the review to understand four key fundamental areas of focus for Australia's pork industry, framed around our four Sustainability Pillars:

**Pigs** - A world leader in animal welfare and health. We are an industry that:

- Continually prioritises animal welfare through significant investment in research, development of training resources and adoption of science based best practice.
- Has invested more than \$23 million in levies into animal welfare research over the last ten years adding to the tens of millions invested by organisations such as the Pork CRC and Australasian Pork Research Institute Ltd (APRIL) and the significant investments by producers on farms.
- Has embraced formal quality assurance with independent annual audits accrediting 91% of commercial pork production.

**People** – Ethically produces high welfare pork in ways that supports both our industry's people and our local communities. Our industry:

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<sup>2</sup> <https://australianpork.com.au/sites/default/files/2021-06/APL-Strategic-Plan-2020-2025.pdf>

- Supports Australia's food security with 90% of the 453,426 metric tonnes of pork produced annually staying in Australia to feed Australian families and all fresh pork being domestically sourced, and
- Is an important contributor towards Australian food security through provision of locally sourced, nutritious, versatile and affordable lean protein.
- Maintains a workforce that is skilled, specialised and generally engaged on a permanent basis. The industry can and is able to support more than 36,000 jobs nationwide and has the opportunity for growth up to 38,000, as Australian pork replaces imported pork in the domestic production of smallgoods.

**Planet** - A world leader in environmental best practice. Our industry has:

- A low environmental footprint with only 2% of total Australian agricultural emissions attributable to the pork industry, making it a low emissions protein,
- Continued to demonstrate its environmental credentials through a 73% reduction in emissions during the past 40 years and achieved an 80% reduction in water use,
- Over the last four decades the industry has reduced fossil fuel use by 58%, and
- An ongoing commitment towards a circular economy and having 60% of producers using waste recycling and renewable energy by 2030.

A recent industry-first study<sup>3</sup> discovered that the Net Protein Contribution (NPC) of Australian pork is 3.26, demonstrating that the quality and efficiency of Australia's pork supply chains can generate three times the human-edible protein it consumes.

**Prosperity** - A revolutionary contributor to Australia's economy and those who work within the sector. Our industry contributes:

- \$6 billion to the Australian economy annually,
- Farmgate value of \$2.245 billion nationally,
- Approximately \$5,400 to the local economy per sow and up to \$7,700 if it includes a local processing facility, and
- For every 1000 sows there are 36 jobs created.

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<sup>3</sup>van Barneveld R. J., Hewitt R. J. E., D'Souza D. N. (2023) Net protein contribution from an intensive Australian pork supply chain. Animal Production Science 63, 1837-1850. <https://www.publish.csiro.au/AN/pdf/AN23057>

## **RIC operations and scope of activities**

Concessional lending is a fundamental and effective part of Australia's drought policy approach, and the RIC is an appropriate vehicle to deliver farm business concessional loans. The RIC's objectives remain relevant to the agriculture sector's needs now and into the future. It is therefore important the RIC continues beyond June 30 2026, to also continue building on work done to achieve national consistency in the availability of loans and treatment of applicant farm businesses.

The review of the RIC is an important opportunity to ensure future design recognises and supports pork and other intensive animal industries in Australia. The intensive animal industries have a critical role to play in the current and future food security for Australia, however, the full potential of these industries is yet to be realised. There are opportunities to share knowledge regarding design features and mechanisms which would help ensure the funding within the RIC can be accessed by these industries and their producers. Ultimately ensuring the RIC can support the long-term resilience and profitability of pork producers, and their ability to successfully navigate times of drought.

Future threats for the Australian pork industry, resulting from drought and other climate change impacts, include:

- Increased biosecurity threats: increased temperatures due to climate change, combined with biodiversity and species migratory changes, will lead to an increased risk of zoonotic diseases. The pork industry has responded to a range of animal disease threats (Swine influenza 2009, Japanese encephalitis virus 2022) while keeping a watchful eye on the potential threats from key exotic diseases such as Foot and mouth disease and African swine fever.
- Impacts on availability of stock feed. The grains industry is particularly susceptible to the impacts of climate change such as drought, with quality and quantity of Australian grain produced and available as stock feed expected to be impacted by:
  - Changes to the length of growing seasons impacting the varieties able to be successfully grown,
  - Erratic weather impacting the sowing or harvest periods,
  - Weather damage reducing the quality of the grain,
  - Greater potential for flood or heavy rainfall events causing soil and crop damage, and
  - Increased frequency of droughts or below average rainfall.

## **Support for sustainability initiatives – an opportunity for RIC consideration**

Regarding the RIC's products and services, APL supports recommendations of the National Farmers' Federation (NFF, of which we are a member), to maintain and expand existing concessional loan products for farm businesses in relation to drought. In particular, APL

support that the RIC consider offering loan packages to support farmers to invest in the adoption of practices, infrastructure and technologies that improve environmental sustainability, without that funding being contingent on existing disaster, hardship or drought funding triggers.

Climate-related challenges will require farmers to significantly invest in infrastructure, technology and practice change. In particular, as NFF notes, it can be difficult for small to medium farm businesses to access the required capital through commercial lenders.

The pork industry is committed to creating a more sustainable industry for the future. Australian pork producers are employing innovative methods to reduce waste and minimise the industry's carbon footprint. Pork is already a low emissions protein, emitting 3.3kg of greenhouse gas emission per kilo of liveweight produced, second only behind chicken meat. The industry is making further gains through strong investment in decarbonisation such as through renewable energy technologies and better use of waste.

Over 20% of production is currently carried out using biodigesters that reduce methane emissions, with 16% of production completely powered off-grid using piggery by-products and renewable energy technologies. While our environmental story is strong, APL continues to work with industry to significantly increase uptake of emissions reduction technology and manure management opportunities.

Industry research is also investigating opportunities to reduce waste by maximising the value of non-edible food and agricultural waste as pig food or feedstock to optimise performance of digesters. Ongoing water reduction has also been prioritised, with industry achieving an 80% reduction in usage over the past three decades.

APL have been working with 50 of our member producers across Australia to investigate the feasibility of anaerobic digestion of piggery manure either through digestion in covered anaerobic lagoons or in manufactured digester tanks. This has now progressed to detailed feasibility studies being prepared for 11 producers.

APL is also collaborating with Dairy Australia to understand the potential for bio hubs in Victoria. The hubs would collect things like manure, effluent and spent bedding from farms in an area and use it to generate electricity. This is a potential solution for those where biogas feasibility is not strong for their specific site. This presents an opportunity for the RIC loan model to support collaborative investments between a collective of smaller producers.

We are aiming for an increased adoption of anaerobic digestion by industry which in turn will deliver significant emissions reductions for the pork industry.

In order to support long-term investment in on-farm innovations, farmers need confidence they are working within clear and consistent parameters. Investment in innovations such as

biogas are capital intensive and the cost benefit analysis could be positively skewed through support from RIC funding.

### **Support for activities to address invasive pest management, including feral pigs**

APL manages the National Feral Pig Management Coordinator Program which commenced in January 2020 and is funded by the Commonwealth Department of Agriculture, Fisheries and Forestry. Through this program, the National Feral Pig Action Plan (the Plan), endorsed by the National Biosecurity Committee in October 2021, is now being implemented. The Plan aims to suppress feral pig populations to reduce their impacts to Australia's environmental, agricultural, cultural and social assets through sustained, coordinated and collaborative management actions by land managers. Feral pig management is most effective when conducted on a landscape scale, nil tenure basis by groups of land managers using combinations of the most appropriate best practice management methods at the right time and at the right scale.

Regional coordination to bring communities together and ensure they are better supported and connected during drought periods to remove feral pig populations (with a view to achieve localised eradication) are needed.

The control of feral pig populations by agricultural land managers is most often reactive, *ad hoc*, fragmented and short term in nature. This means feral pig management actions by land managers, on the whole, are completely ineffective in achieving, and then maintaining, significant reductions in feral pig populations over time.

Affected land managers do come together to address feral pig impacts when they feel they are being supported, including through the provision of financial inputs, group facilitation and resourcing. However, there are currently no mechanisms in place to incentivise community-led on-ground management programs so that they can become self-sustained and self-driven. This is sorely needed so that land manager involvement and participation in local management programs can be attained and maintained, and furthermore motivate them to remain actively involved over the long term. Addressing this gap would go a very long way to shift feral pig management to being proactive, prioritised and strategically timed to optimise outcomes (i.e. achieve impact and/or population reduction targets).

Whilst it is complex, difficult and challenging, invasive pest management must be incorporated as part of agricultural production systems to deliver agricultural, environmental and community resilience objectives. In many instances, feral pig management is not prioritised by primary producers, and conducted when they have time or when impacts are being realised. There is a strong need for invasive pest management to be incorporated and integrated into on-farm management planning for drought resilience.

It is well documented that the optimum time to effectively, efficiently and strategically reduce feral animal populations is during periods of drought, when animals are drawn to

dwindling permanent water sources and are attracted to free-feed and bait. However, available time, money, resourcing and competing priorities of primary producers, coupled with heightened mental stress, are often in conflict with undertaking invasive pest management activities. There is an opportunity to look at the problem differently, including opportunities to set up a multi-jurisdictional managed fund, using the Australian Plague Locust Commission as an example, that land managers could access during times of drought to bolster on-ground management efforts and more effectively remove feral pig populations from the landscape.

**APL recommends that:**

- **The RIC's operations and objectives continue beyond 30 June 2026.**
- **The RIC review recommends future design of the RIC provides support for environmental sustainability initiatives being driven by the pork industry and farmers' investment in infrastructure and technologies.**
- **The RIC ensure it provides a mechanism through which funding for invasive species control can be considered, particularly as it relates to feral pig management.**

**RIC governance arrangements**

APL does not have concerns to raise regarding the current governance arrangements.

We consider it important that future governance arrangements maintain the Board eligibility requirements (Section 17) whereby the person holds appropriate skills or experience in one or more of the stated areas (including agribusiness, economics, drought resilience, issues concerning rural industries and communities).

**APL recommends that future governance maintains the requirement that Board members hold relevant skills and experience as per Section 17.**

**First Nations engagement and inclusion**

APL brings experience with First Nations engagement and inclusion in sustainable agriculture and land management, via our role managing the National Feral Pig Program. We would be interested in working with the review and Government to share this further.

There is potential for local Indigenous Ranger organisations across Australia, who hold local knowledge of managing Country, to be supported via contracting to deliver integrated best practice pest management services to support primary producers. Initiatives to implement funding mechanisms that incentivise all land managers to work in coordinated ways together at a regional scale to undertake control are needed across drought funding programs.



**APL recommendation: That the RIC review continue to consider how First Nations involvement in agriculture and integrated pest management can best be supported to deliver on shared objectives.**

The RIC will continue to hold an important role in Australia's drought policy response. This review provides an opportunity to ensure it is fit for purpose beyond June 2026 and supports the needs of the Australian pork industry and other intensive animal industries.

Thank you for the opportunity to provide a submission. Please contact the General Manager of Policy and Industry Relations, Tanya Pittard ([REDACTED]) for more information if required.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M. Andrae', with a stylized, cursive script.

Margo Andrae  
**Chief Executive Officer**