



12 July 2013

Import of Processed Fruit Products  
Productivity Commission  
LB2 Collins Street East  
**MELBOURNE VIC 8003**

To whom it may concern,

### **PRODUCTIVITY COMMISSION INQUIRY - SUBMISSION**

Greater Shepparton City Council writes to you regarding the Productivity Commission's inquiry into whether safeguard action is warranted against import of processed fruit and tomato products of the Australian Customs Tariff.

SPC Ardmona (SPCA) plays a significant role within the Greater Shepparton region and is one of the most established and pertinent food manufacturers in Shepparton and the Goulburn Valley. SPCA contributes to the region's local economy by employing 360 full time equivalent (FTE) staff in the GV Region, while additionally hiring approximately 1,050 seasonal workers who are employed on a temporary basis during peak processing.

Council's submission highlights that if SPCA were forced to withdraw from Greater Shepparton, the region would experience significant job losses including over 640 FTE positions lost in supporting sectors (agriculture, transport and logistics, retail etc). The overall impact of an SPCA withdrawal would result in Greater Shepparton's unemployment rate increasing from 8.6% to 11.0%.

SPCA has suffered considerable financial losses for consecutive years placing the company's operations in great jeopardy, resulting in a reduction in fruit intake impacting the regions local growers and employment. It is Council's view that safeguard protection (along with antidumping measures) are crucial to the viability of Shepparton's well known and respected icon, SPCA.

At this present time, local fruit growers are left with no option but to destroy their once useful fruit trees due to the significant reductions, which have placed their livelihoods in jeopardy.

The cause of this reduction in intake is mainly due to a high Australian dollar which has impacted SPCA's export market and enhanced opportunity for cheap imports, which replace an Australian product which has met stern Australian food manufacturing and quality standards.

Department of Foreign Affairs and Trade data identifies that over the period of 2006-2012, the value of imported processed fruit and vegetables in Australia has increased by approximately \$402 million per annum, while exports have declined by approximately \$37 million per annum over this same period.

The higher costs of manufacturing processed fruit products within Australia compared to its competing countries, positions Australia on an uneven playing field placing the future of the nation's food processing industry in serious danger.



The application of safeguard protection in the form of temporary tariffs will provide SPCA with breathing space and a fair and even market, allowing the company to compete with overseas processed fruit and tomato product manufacturers.

Please accept this letter from Council and the enclosed report, as a submission to the Productivity Commission's inquiry into whether safeguard action is warranted. This report relates to 'question seven' of the issues paper outlining the public's interest in imposing safeguards and highlights the economic impacts that would be felt by the Goulburn Valley region if SPCA were forced to withdraw from Greater Shepparton.

Council kindly requests that the enclosed economic report remain confidential out of respect for SPCA, who have provided sensitive information to allow for the report to be developed.

Please do not hesitate to contact me should you require additional information. I would like to take this opportunity to wish the Productivity Commission all the very best with its endeavours in regard to this very important issue.

Yours sincerely

**Gavin Cator**  
**CHIEF EXECUTIVE OFFICER**

Trim Ref: M13/38240

