

Replacement
TT March 2004
Submission No: 10

BY: -----

# AUSTARM MACHINERY Pty Ltd PO Box 1 URALLA, NSW. AUSTRALIA 2358

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8th, March. 2004

The Secretary, Joint Standing Committee on Treaties, Parliament House, Canberra.

Attention: Gillian Gould

Dear Ms. Gould,

## Submission to Joint Standing Committee on Treaties Prepared on behalf of Australian Machinery Exporters

Austarm Machinery Pty Ltd is an Australian company specialising in the export of Australian manufactured farm machinery. Annual turnover averages around Aud\$2 million per annum. The principal destination for exports is African countries. We are currently doing business in Israel, Sudan, Kenya, Mozambique, Botswana and South Africa. Our biggest markets are in Sudan and Botswana.

In 1996, Austarm Machinery won a tender to supply \$2 million worth of equipment to the SRADP, an IFAD project in Sudan. This contract resulted in contacts, which have provided ongoing business, in the near area, worth over \$1 million to date. The business opportunity created by the initial IFAD contract secured the financial success of the company.

In 1997 Austarm Machinery, in cooperation with a supplier, supplied a free multipurpose toolbar to the WNASP, another IFAD project in Sudan. The exposure this machine received has resulted in ongoing business worth approx. \$1.2 million to date.

In 1998, Austarm Machinery was able to enter the commercial farmers market in Botswana due to contacts made through earlier business with IFAD in Botswana. This market has resulted in business in the area of approx.\$2 million to date.

We are currently making an effort to penetrate the Agricultural market in Zambia and broaden our exposure in Mozambique.

Undoubtedly, the best exposure and most successful market development we have had has been in the countries where we have supplied to IFAD projects and we are attempting to do this again. Our ongoing business tends to be with commercial interests in the immediate area of exposure. I wish to add that the commercial farmers that we supply are all successful and viable after adopting practises initially introduced by IFAD projects.

My observation, on the ground, is that IFAD is a very successful and effective provider of technology to people trapped in rural poverty, and the provision of this technology is done in an effective manner, which allows the recipients to break the cycle and become effective, viable farmers.

The export business that Austarm Machinery Pty Ltd gives to local manufacturers has been a very substantial benefit to them. At least one manufacturer would have gone bankrupt during the recent severe drought, when there were no local orders available, if it were not for the export orders placed by Austarm Machinery.

I have letters from three of our suppliers, expressing extreme regret at the decision for Australia to withdraw from IFAD, and concern for the effect this may have on their business. These manufacturers are in rural Australia and the importance of viable manufacturers for employment in these regions is paramount. Any threat to their continued viability is a crisis for these rural communities. I feel that the ability of our company to expand export business will be curtailed if Australia in no longer a member if IFAD.

Last week in Sudan, I spoke with Omer El Haj, the local IFAD supervisor and we discussed a large tender that is soon to be called. Regretfully Austarm Machinery will not be able to participate in this tender if Australia in no longer a member of IFAD.

It is idealistic for Ausaid to purport that commercial benefit to Australia is not a consideration for aid spending. Providing jobs in regional Australia during times of local seasonal difficulty at a rate of better than dollar for dollar spent in aid makes perfect economic and common sense.

Yours faithfully, Robert Ward

Director Austarm Machinery Pty Ltd.



#### SPRING RIDGE ENGINEERING PTY LTD

ABN: 69 053 268 974 ACN: 053 268 974

Darby Road, Spring Ridge, NSW 2343

Ph: (02) 6747 3846 Fax: (02) 6747 3900



13th October 2003

c/- Rob Ward Austarm Machinery PO Box 1 URALLA NSW

Dear Rob

We are an engineering company primarily manufacturing agricultural equipment. As such the recent drought and its continuing effects have had a profound effect on our business due to a lack of orders from Australian farmers. This had the unfortunate consequence of forcing us to stand down the majority of our employees.

It was only that orders were received from countries on the African continent that enabled us to re-instate our existing employees and also increase employment to fill these export orders. Without this business our company may not have remained operating throughout the drought. Our continued export market reduces our exposure to the seasonal and economic variations in the local market. Our business future relies heavily on this export market.

Regards

Chris Holland Owner/Director

C.A.Holland.

GROVEHILL PTY. LTD. trading as:

A.C.N. 010 117 610 A.B.N. 23 347 188 171

# GESSNER INDUSTRIES

Incorporated in Queensland

20 MOLLOY STREET, TOOWOOMBA 4350 QLD. – AUSTRALIA P.O. BOX 7422, TOOWOOMBA MAIL CENTRE 4352 QLD.

PHONE: (07) 4634 3477 FAX: (07) 4633 1973 manager@gessner.com.au

14<sup>th</sup> October 2003

Dear Sir

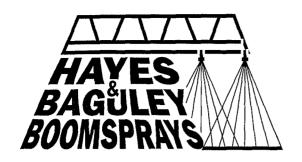
It has recently been bought to our attention that you are considering withdrawing funding aid to the International Fund for Agricultural Development.

As a farm machinery manufacturer I must stress to you that the export market we have built up over the years is very valuable to us. It creates employment in rural Australia thus helping us to maintain staff levels when economic and seasonal conditions over the last few years in Australia have been extremely poor.

I request that you seriously reconsider your intentions as this decision could have a major impact on rural manufacturing facilities in this country.

Yours sincerely

Lindsay Gessner General Manager



Hayes Spraying Pty Ltd T/A HAYES & BAGULEY

ABN 54 011061260

OFFICE: 1 TROY DRIVE POSTAL ADDRESS: PO Box 515

GOONDIWINDI QLD 4390 PHONE 07 46713092

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15 October 2003

# TO WHOM IT MAY CONCERN

We wish to express our concerns at the removal of Ausaid contributions to IFAD projects.

Hayes & Baguley is an agricultural machinery business, established in 1989, which specialises in custom built boomsprays and row crop shielded sprayers for both broadacre and cotton farming. We currently have a growing export trade with Botswana and Sudan. IFAD projects have greatly increased the acceptance of our products into their agricultural markets.

The export market has become a valuable part of our business. The sale of our products to both Botswana and Sudan is important to our business by reducing our exposure to seasonal and economical variations in our local market. This has in turn allowed us to employ more full-time staff in rural Australia.

We hope you will re-consider your position and continue to support IFAD.

Yours sincerely

David Wells Sales Manager Hayes & Baguley

# IFAD STAKEHOLDER WORKSHOP

(Seminar Room D, Coombs Building, Australian National University, Wednesday, October 22<sup>nd</sup>, 2003, 10am - 1pm)

#### LIST OF PARTICIPANTS

#### **AusAID**

Alan March, Assistant Director-General (Alan\_March@ausaid.gov.au)
Chris Tinning, Director, Multilateral Banks Section (Chris\_Tinning@ausaid.gov.au)
Carol Chan, Multilateral Banks Section (Carol\_Chan@ausaid.gov.au)
Jonathon Pickering, Multilateral Banks Section (Jonathon\_Pickering@ausaid.gov.au)

### **Australian National University**

Colin Barlow, Dept of Political and Social Change, Research School of Pacific and Asian Studies (<a href="mailto:cbarlow@austarmetro.com.au">cbarlow@austarmetro.com.au</a>) (also chairing workshop)

Crawford Fund	
Alan Brown, Canberra (alan.brown@csiro.au)	
Australian Centre for International Agricultural Research (ACIAR)	
Kim Taylor, Executive Officer, International Program (taylor@aciar.gov.au)	
Australian Council for Overseas Aid (ACFOA)	
Julie Smith, Canberra Office (jsmith@acfoa.asn.au)	
United Nations Association	
David Purnell, National Administrator, Canberra (larkspur@cyberone.com.au)	

Foundation for Development Co-operation, Brisbane

Beris Gwynne, CEO (berisgwynne@fdc.org.au)
John Wightman (intipm@ipmmaleny.com)

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#### NTA- East Indonesia Aid, Canberra

Ria Gondowarsito (<u>riabarlow@austarmetro.com.au</u>) Paul Hehir

# **Business People and Groups**

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D'Arcy Gibbs, Kiora Management Co., Pty. Ltd, Brisbane (<a href="mailto:kmcpl@bigpond.net.au">kmcpl@bigpond.net.au</a>)
Chris Hunt, GRM International, Canberra (<a href="mailto:Chrish@grm.com.au">Chrish@grm.com.au</a>)
Robert Ward, Austarm Machinery, Armidale, NSW (<a href="mailto:austarm@austarm.com.au">austarm@austarm.com.au</a>)

# Australian Institute of Agricultural Science and Technology

Mike Bourke, Canberra (mike.bourke@anu.edu.au)

Wednesday, October 22nd, 2003

(Colin Barlow)