

# **Agricultural Competitiveness Green Paper Submission**

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## **Name of Organisation/Individual**

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## **What are the top policies from the Green Paper that the Government should focus on in the White Paper and why?**

- Improving and developing Australia's capacity to export agricultural produce and access international markets is a critical policy – particularly directly from rural areas.
- Feral animal, wild dog and kangaroo population control.
- Supporting farmers to develop their farms and drought proof them i.e. co-funding for land development and water infrastructure. But this should be during non-drought periods (see my general comments below).
- Improving water infrastructure and markets as well as developing policies to protect water aquifers from the impacts of mining. Agriculture and communities in rural areas are completely dependent on these aquifers and the impact of LNG projects on these aquifers is completely unknown (see research by McLennan, Moyle & Bec, 2014).
- Increasing drought preparedness (particularly in non-drought periods) – this would reduce the need for the in-drought support. This needs to be through R&D as well as individual business and government investment.
- Strengthening farm businesses in terms of viability – providing free planning for drought proofing land; strengthening laws to stop trespassing; improving satellite monitoring of stock; developing broad as well as individual strategies for getting farmers out of debt.
- Regulation of the agricultural markets, particularly given that the buyers of agricultural products are big businesses with a monopoly on the market, while sellers are typically small businesses with no market power.
- There needs to be a policy surrounding foreign investment in agriculture – currently this is weak. It should include a strategy for co-investment with Australian farmers.
- Strengthening the RD& E system and improving the rural RDCs – research should be focused on how to make agricultural businesses more sustainable (security of stock and drought proofing). It needs to be recognised that climate change is a significant issue and that agricultural businesses need to be prepared for it.

## **What policies from the Green Paper don't you support and why?**

- Current major road infrastructure development does not benefit rural areas or agriculture i.e. the Pacific Highway, the East-West Link in Melbourne, the Western Sydney Infrastructure plan.
- The NBN has little benefit to rural areas as it will never be rolled out to these areas. Instead, the government should focus on improving Next Generation Wireless across Australia – why are we even investing in outdated cabling???
- Strengthening agricultural education: The real need just to get children of the land back out into rural areas. I did my schooling at Charleville State High and now have a PhD but it's not viable for me to live out in rural areas as I can't earn enough out there. Same again for strengthening labour availability – just provide incentives for people to live in rural areas and to get appropriate jobs out there (i.e. have more government departments based in rural areas etc.). Believe me, I would rather live in Charleville than Brisbane, but I have no choice if I want to earn decent money that I have studied hard for.
- Drought Concessional Loans – they aren't being given out to any farmers that need them (see my general comments). These need a complete overhaul.

### **General Comment**

I am a Research Fellow with the Griffith Institute for Tourism - my PhD research focused on the transformation of regional economies from agriculture to tourism in Australia and my subsequent research has focused on regional economic development and transformation, particularly focused on the three pillars of Australia's regional economies - tourism, agriculture and mining. In my capacity as a tourism researcher for a number of different government agencies and as a consultant for the Sustainable Tourism Cooperative Research Centre, my research has directly underpinned Australian tourism policy and planning.

In addition to my research career, I was raised on a 50,000 acre family farm in Charleville in Southwest Queensland which our family have owned since 1993 and I am a Director of Moyle and McLennan Consulting and Agribusiness - we run approximately 200 head of cattle on the family farm. I have held baby calves in my arms as they died from dehydration from the scorching summer heat - simply because we did not find them in time. How depressed would that make you feel as a farmer? No wonder people are suiciding in regional areas.

I know that people in the City's do NOT understand the hardships that farmers face. There is a CRITICAL need for education in this regard. It should also be recognised that farmers don't wish to destroy their land – they wish to improve it. They love their land and have a deep attachment to it. How can City based decision makers develop appropriate policies when there is such a disconnect?

I also know that many farmers have tried to diversify into "tourism" when they have absolutely no idea how to run a tourism operation and ensure that it is viable. I have seen these mickey mouse businesses fail time and time again and it is terribly obvious to me what they are doing wrong. They think - we will just start doing tours on the farm and the tourists will come and we'll charge them \$50 each to have a look around and morning tea. Well for one, they obviously do not research their markets as the "grey nomads" who head out into regional areas have no interest in spending \$50 to look around a farm. There is a need for farmers seeking to go into tourism to have specific tourism training and ensure that they have both a business and a marketing plan.

I have been absolutely disgusted in QRAA. Earlier this year I helped my parents prepare a submission to QRAA for a concessional loan. They were declined because they have an “additional source of income” yet the “agricultural business is not viable” and the bank “won’t release security”. I am aware that very few of these “concessional” loans have been approved. There is obviously a problem here – if these concessional loans are not to help struggling agricultural businesses during drought, what are they for? QRAA is a government run organisation and therefore they should be there to help farmers in times of need. They should not be trying to make a profit from this scheme and the scheme should be aimed at helping those that really need it – such as those on suicide watch. Even if this means the farmer is then obliged to undergo financial training and have their budget set and monitored for them. There is an urgency to re-structure QRAA – I propose that the government re-establishes a “people’s bank” that is solely for the agricultural industry that provides 30 year loans to assist with the purchase and development of expensive agricultural land. When you purchase land in the City, or anywhere really, you purchase it on 30 year loans with lower interest rates. This drives up prices of land – even the agricultural farms. If agricultural businesses aren’t viable it is simply because the interest rates they are charged is too high and the time frames they have to pay the loans back in is too short. They should be financed as a home loan as that is essentially what they are for many farmers in rural areas – a big back yard that really doesn’t make very much money.

My parents have a very viable panel beating business in Charleville. They also have their 50,000 acre farm. I have seen them invest millions in the farm to bring it up to a point where it is drought proof. Many of the farms in rural areas are so run down that they need an absolute fortune to bring them up to viability. My parents have found extra funds in drought time in order to capitalise on funding from DAFF which has a 75:25 contribution. This is a ridiculous policy – co-funding in drought time only helps businesses that aren’t struggling and drives those that are struggling further into debt and it’s completely not accessible for those who are really struggling as they can’t raise the initial funds. There is very few agricultural businesses who can afford to outlay the money to take advantage of these funds and the wait for the refund is far too long. I propose that these co-funding schemes are available during non-drought periods and then during drought periods farmers who are really struggling are given access to cheap fodder and lick. In addition, the co-funding should be given at the time of quotation rather than after the money has been spent to avoid the delay for farmers (i.e. the scheme is working with farmers rather than driving them into further financial stress).

The biggest problem my parents have had is that they have struggled to get agistment. I propose that a “market-place” website should be set up for farmers who have or need agistment to be brought together. There is a very valuable resource in areas like Charleville, which is the Mulga that rapidly regenerates and can feed cattle during drought even when there is absolutely nothing left. This needs to be marketed to attract agistment to help struggling farmers in the area.

But the biggest problem is cattle prices are so low. You sell a beast for around \$400 and after paying commission and freight you are left with \$350. Yet, in the supermarket you pay \$10 for a piece of steak. Someone is marketing a lot of money and I have a very good idea who as they post billions of dollars of profits. This has to be regulated – particularly in drought times. Farmers can’t set their prices, yet their costs – such as fuel, lick and interest rates – are set for them. Why is there a double standard here? Why are these big businesses being favoured? There is a critical need for this to be addressed. There is a need for a floor price to be set on the sale of livestock to market (as is done in America). In this way, farmers will know what prices they will get and they can better budget for the

long-term. In addition, farmers won't be hit so hard in times of drought, which would provide an incentive for farmers to destock during drought times rather than hanging on waiting for prices to increase.