

Agricultural White Paper Submission:

Comments -

Government has identified Agriculture's contribution to national prosperity and how growth across all agricultural sectors will continue to enhance the nation's economic growth.

Government has also recognized many of the challenges that face the industry.

I congratulate Minister Joyce and his department for addressing measures that may assist Australian agriculture to further grow and prosper, and trust that through this White Paper they will develop a practical action plan to boost productivity, reduce regulation, provide better financial security and assistance to farmers along with the promotion of the agricultural industry as a whole and encourage the development of northern Australia.

It is only a dream if government does not embrace the needs of the current key players being the farmers and their families, address farm financing opportunities for farm families to expand and grow (in line with other business) and encourage better farm profitability through more productive government policy.

As a farming family we want to take our business forward for the next generation; we recognise the need for growth and better management efficiencies to enable us to embrace the new opportunities being created through current government policy. We want to be a part of the exciting future that Agriculture offers.

White Paper Priority for farm producers

1). Overview

A better and separate finance system within the banking industry is necessary to better address farming family operations, but more particularly to encourage growth and development. Profitability for farmers is crucial for our farm families and the welfare of our inland social fabric.

Government needs to better understand the needs, develop suitable policy, contribute by fair means and invest in current and future farmers. To recognise farmers as being a valued resource to grow Agriculture and to continue enhancing the nation's economic prosperity. Farming needs to be worthy of being promoted as a good career choice.

Section 2) Infrastructure

Transport links of all kinds, terminals and handling facilities with better access and efficient handling and turn-around times for operators and producers are essential.

Farm Communication systems and provision of service is critical to farm business achieving growth and prosperity. The success of the NBN rollout is yet to be determined but better service is desperately required.

Section 3 - Working with States & Territories

Encourage the States to embrace necessary changes to their restrictive legislation and regulations that address the needs of agriculture in difference to urbanized areas, covering natural resources, environment, water, drought, flood, fire, OH&S compliance and application processes.

Compliance is threatening and does not achieve the best outcomes. There is a need for government to better address conflict with landholders through mediation and have the ability to accommodate a local area need.

Farmers need a one-stop shop that covers all of the above areas under the umbrella of the department of agriculture. Farmers need to have personal and local access to government advisory services.

Converting leasehold land into freehold title has become unaffordable. Farmers have paid lease fees for generations, managed the lands and improved the land value - they should be rewarded not disadvantaged.

A nationally consistent approach to debt mediation would be welcome.

A review with the aim to abolish state stamp duty burdens on farm property purchase for farming families should be pursued.

Farm Trespass and Land Rights - activists should not be allowed to disrupt business operations and industry processes.

All government and utility officers inspecting farm operations should be required to have written term contracts with landholders to enter their properties.

Mining - is not just an economic right. Landholders need fair consideration in all the processes. They need to be treated as an equal partner in negotiations with all levels of government and the mining companies so they are better informed. Landholders of the affected area and surrounds should also be adequately compensated and share in the wealth of mining.

Section 4) Competition & Regulation

Removal of regulations and prohibitive costs will assist farm profitability.

Unfortunately for our industry competition needs to be monitored but promoted, and regulated by government to prevent monopolisation past the farm gate.

Section 5) Finance, Business Structures & Taxation

Farm Agriculture needs its own finance sector. The current banking system does not accommodate or address the needs of farmers. Farmers need better access to funds for capital loans to develop, grow and achieve management efficiencies.

Long term, low interest rate loans for ten years and more would enable farmers to better accommodate the highs and lows of both seasonal and market conditions.

Capital loans for property purchase need to be quite separate from farm operational loans. Timing is everything with Family Farms and equity to debt ratios used by the current banking system to determine lending does not encourage family farm business growth even when there is a demonstrated ability of the farm to meet loan repayments.

Farm Concessional Loans are not adequate and do not go close to meeting needs.

Government funds and financial assistance for infrastructure, energy etc programmes would be better directed to farm capital loan finance open to all farm families.

Creating and maintaining profitable, productive farmers is an asset for Australia but government needs to make the investment and give farmers the incentives they need by way of progressive cuts in regulations and tax concessions.

We agree with the suggested tax concession adjustments:

- i) increasing FMD deposit limit thresholds and re-establishing early access availability without restrictions**
- ii) Increasing the off-farm income cap to \$100,000 is definitely an incentive for those that can avail themselves of off-farm income and should be encouraged to do so as being good risk management**
- iii) Current depreciation is out of date and reviews are necessary. One hundred percent write-off for water infrastructure and fodder storage and general natural resource management is a good infrastructure improvement incentive for farmers when times are good.**
- iv) Zone tax offsets should be available wherever there are gravel roads for any significant distance and where access and distance to government services in major regional centres is difficult.**
- v) Tax loss trading is innovative and exciting. No farmer wishes to make a tax loss and the purchasing of tax losses should not be restricted to banks. The administration of such a scheme could fall under the control of a new agricultural banking and finance sector!! This idea should be given serious consideration and could be of benefit to all the involved parties including government long term.**
- vi) Income tax averaging should be allowed to continue but without restrictions**

Rural Financial Counselling Service is required and most welcome but really it should not be and would not be necessary if farmers were more profitable and families not socially disadvantaged.

Farm Business Improvement - it is difficult knowing where to source the information one is seeking. It is important that farmers can have equal access to opportunities and advice to assist them with better management of their business.

6). Foreign Investment

We recognize the need for investment in agriculture but it must not be to the detriment of our family owned farms. We encourage government to entertain other ways of using foreign investment to assist farmers stay on their farms without the farmers losing ownership of their land.

Certainly an agricultural land register of all types of ownerships local and foreign should include water and agribusiness.

7). Education, skills and training, and labour

Education is costly for families when students need to live away from home - both for secondary and tertiary education.

The criteria to access the Isolated Children's Allowance and Living Away from Home Allowances for school students is too restrictive and real needs are not being met.

Like most government assistance programmes qualification depends on an asset test. ASSET TESTS for farm families should not be defining criteria as to whether a family qualifies for assistance. Assets do not define real need and should not be capped. Country kids are naturally disadvantaged past primary school education and quite often their parents are disadvantaged too because of bad seasonal conditions. This is a social issue that needs to be better addressed at all times across the board.

Work Visas have proven to be of assistance to farmers finding labour and are a great way of promoting immigration for the nation. They should be open to all age groups. There is a good case for residency application being streamlined after 12months work with a willing employer sponsor, who is also willing to continue employment for a further 1 to 2 years.

Vocational education and skills training should be reviewed to be more practical for students and employers. It needs to provide on-line learning and certification and work in conjunction with a suitable apprenticeship scheme for the industry.

The Fair Work Commission needs to update our industry Award to be more appropriate to industry needs.

8). Drought

DROUGHT IS NOT THE ONLY NATURAL DISASTER

It is of great concern at the prominence of which drought is addressed, and no other natural weather disasters are equally considered such as flood and fire.

There is a very unjust imbalance in ones thinking when drought is the only considered disaster. Flood and fire, while not as widespread can be equally as debilitating for a farm business because of the effects on both crop and infrastructure and long term viability.

It is also equally unjust that boundaries and restrictions of access to any assistance is placed on farmers applications when their future and livelihood is under threat. Size of business and amount of assets don't make survival easier and government does not recognize the hardship that is experienced by all farmers if found to be a victim of natural disasters and higher than normal debt levels due to property purchase, development or inter generational transfer etc.

"Farm Assistance" needs to change its focus from being thought of as helping out struggling farmers to being a national investment in future productivity and export income.

Our banking system and the banks themselves fail farmers miserably by charging clients more during financial stress times (so called high risk) instead of helping farmers find a better deal or finance strategy that is not detrimental to their long term viability and productivity. No wonder farm businesses find it difficult to grow and expand.

Support is required for the farmers that are taking the risk to grow their assets and their productivity and we should be nurturing them over the bumps.....government should consider interest rate grants in disaster times that keep the farm business moving forward. The nation needs to invest in current farmers for the benefit of future farming. It is in no-ones interest to have farms split up, sold off, and the experience of our existing farmers lost.

"Drought" should be managed much better than it is currently by both farmers and Government. We agree with the analogy that if farmers were more profitable then they would be better prepared to cope with the extreme seasonal fluctuations that naturally occur, like they once did many, many years ago.

Farmer's profitability is a priority issue that needs to be better understood and addressed. No farmer enjoys making a loss. We would encourage the government to look at family farms being able to trade tax losses but to be effective and have real purpose would need to be on a dollar for dollar value.

Farm Household Allowance is essential and should always be available when income and crop loss is due to extreme natural events whether they are from drought, flood or fire because they are equally debilitating to a farm family.

There is little recognition of the hardship suffered by rural women that have no other income stream other than the farm overdraft/bank loan and the social difficulties they face in looking after themselves and their families. FHA should not be asset tested nor have any asset cap restrictions and should be based on income.

The aim in providing assistance to family farms is to provide certainty to the farmer to financially survive the natural disaster and return to productivity when conditions allow. Thereby being able to stay on the farm, support their local community by paying bills, take care of the land environment, and know their household expenses can also be supported. An investment we have to find a way of financing.

Australia currently risks losing the farmers it currently has, particularly our young farmers under 40 years, and risks also being able to capitalise on the exciting prospects for Australian Agriculture and the economic benefits for all Australians. We don't want to have to rely only on foreign investment.

9). Water and Natural Resource Management

This needs to be governed by the department of Agriculture. If it affects Agricultural land then it should have its own policy to deal with and address those needs. Many of the current programmes are too urbanized and are feel good programmes that do not address real and vital issues. A lot of money is wasted and misdirected because the bigger picture is not being addressed.

Floodplain management needs better and more realistic classification. If you have farming land (farmed for the last 70 years) but is less than 2% slope then it is not a natural floodplain because of the continual activity. If a floodplain is in a natural state with natural vegetation and not farmed then it is a natural floodplain. Management of a farmed floodplain is very different to that of a natural vegetative floodplain and needs to be recognised as such and managed under different regulations.

Water infrastructure is something every Australian should be investing in and a plan should start at the top of every catchment and cover the total catchment area right to the end.

Water goes to waste in many country areas and combined with government we need to insure better collection and management.

Farmers need greater management control of weeds and pests and need to be able to sustain and protect their lands from erosion and soil degradation. We need to be able to protect our assets without being governed by urbanized "green" ideals.

Water trading should not be used for market speculators to profiteer but for landholders to better use and share their allocations wisely.

The principles for coal seam gas mining should be the same for all mining activities. Landholders need to have secure land rights over their land and be assisted by government representation if required to negotiate fair and adequate compensation of whatever means.

10). Research, Development and Extension

Agriculture needs to continue to invest in this area to remain competitive with other countries; to improve our varieties & yields, our technologies, our profitability and the way we manage the environment.

Producers as beneficiaries do need better direct communication with organizations and their development programmes. There is a need for an accurate data base to be established of all farmers identifying different geographical areas and different agricultural sectors.

11). Biosecurity

Is High Priority - and calls for excellence in monitoring. This is a national benefit and needs to be recognised as such by every Australian. This policy area must remain the domain for the Agricultural Minister.

12). Accessing International Markets

There is a need for a one stop shop advisory centre that can help farmers personally develop partnerships with various levels of the agricultural industry and be involved in both industry vertical integration and international markets as suppliers and investors. Farmers used to have involvement in various levels of the market chain but through privatisation, globalisation, lack of financial support, and regulatory schemes farmers have lost their clout!

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