

# Agricultural Competiveness Green Paper

Submission: from Diane Luhrs

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Dear Minister for Agriculture, The Hon. Barnaby Joyce,

I apologise for not meeting the due date for a submission on the Green Paper. As I have only just recently completed much of my own research into farming families and their processes of succession planning and the effects of their planning both within and without the family, and also just recently been made aware of how my research intersects with this Government's initiative, I feel that I have some very relevant points that should be included in the considerations in formulating policy with respect to

- Regulations relating to farm ownership (off-farm owners – Australian and international),
- Regulations relating to taxation and farm property ownership (tax concession and negative gearing),
- Assumptions made about the best custodians of farm properties as a natural resource for primary production, and
- Assumptions about farm ownership and sustainable local communities.

My research as a PhD candidate (ID 19031149) with Monash University (supervised by Dr Michelle Duffy) and entitled "Intergenerational family-farm transfer: Family members experiences and rural social issues" has brought to light many factors that I believe are important to any policies relating to farming families, farm properties and the underlying assumptions made by the government in formulating these policies.

My research, through interviewing residents and owners of family farms (cropping, grazing, dairy), has brought to light the following issues with respect to farmland ownership and operation in the Western Victoria:

- Diminishing farm community populations: Many farm children move off the family farms and take up careers in urban settings, hence they leave the farm communities. Twice as many girls leave as boys (Southern Grampians Shire data 2012), and this creates the local social problem for farm boys of not having the opportunities of "finding a wife" as depicted in the "Farmer wants a Wife" program. It is a real problem for the individuals and for the farming communities with some farms now occupied and operated by single men and who have no sense of future family-occupation of the farm.
- Diminishing farm communities: Once there may have been six family-farms, where there is currently one, with members of the families all involved in community organisations; for example CFA, Red Cross, local primary schools, sporting clubs,

religious congregations, social events. Now the schools, clubs and events have reduced numbers or have ceased altogether and communities struggle to manage fires and other natural disaster events. This has come about as family farms have been bought up by neighbours or out-of-region buyers, but with no replacement families moving into those farms

- Diminished sense of support: For example where there is now only one occupied farm house, where there were once six, and no close neighbours (increased internet and phone contact doesn't replace face-to-face social contact), this leads to a sense of isolation and prompts thoughts of selling up and also moving off-farm.
- Out-of-region ownership of farms. Many farms in Western Victoria are now owned by absentee owners who have employed farm managers to operate the farms (managers are paid a wage and appear not to have the same urgent sense to invest in the land for future generations, nor to undertake the works necessary for conservation and reparation of the natural resources on and nearby the farmland). Managers do run the farm enterprise but may commute to the farms from nearby towns and hence do not add to the community aspect of farming regions, and often the profits or tax-deductions are paid to the absentee owners whose discretionary spending is not within the local farming community or nearby town but in other, often metropolitan, regions of Australia or sent to off-shore owners (for example China and Qatar, in Western Victoria).

The implications of these findings indicate that farming communities are under stress, through loss of rural farming population, in terms of infrastructure and social responsibility to sustain farm community amenity and facilities. Part of the problem appears to have arisen through the off-farm investors who buy up land and then employ managers. Many of these buyers are, according to my sources, wealthy professionals in the large cities who purchase farmland as a tax off-set to their main income producing activity (law, medicine, dentistry, commerce), and hence farming is not the main productive activity for them. These professionals do not maintain the land 'in good heart' nor do they train up the next farming generation. Local farm family neighbours look on as their off-farm neighbours' lands deteriorate into thistles and other weeds, lose fertility, have failing infrastructure as fences and gates fall apart and their stock is not as well cared for as it could/should be. They see once fertile farm land deteriorating, and previous farmers' work is undone. **This I believe is something the Australian Government can address through revising the tax system and the concessions and negative gearing on farmland applied to farmland as a second-tier investment separate from those who work the land as a primary income source.** My sources feel that people living on and working farmland should not be "squeezed out" by those who have capital but who have no commitment to good husbandry or farm productivity or to local rural communities.

While foreign ownership has become an emotional issue and a resource ownership issue for many Australians, what is being forgotten in this debate is the ownership of family farms by off-farm professionals who do not contribute to rural farming communities. Family farming properties have become a tax deduction for professional Australian people.

On the issue of stewardship of natural resources and farm production, my own work as a field naturalist in the Shire of Southern Grampians has also exposed a number of conflicting interests with respect to conservation of natural resources. I fear that reducing the number of regulations (such as the p. 83: amending the EPBCA - 1999 and p. xvii "Policy idea 4: state government deregulation"; pp. 18-21: "Working with States and Territories") would not provide the protection needed for native vegetation and habitat that is also an income generator for the tourist industry in the region, most of which has been destroyed by agriculture in the last two centuries of occupation by non-Indigenous people. Hence, the need to ensure that what is left as remnant habitat and native species is not also lost as farmers demand more freedom and less regulation for their own demands on the natural resource.

Farmers are in direct competition with the retention of natural resources and native species when they wish to develop and clear more land for agriculture, especially as land use changes; for example, from grazing to cropping. This I contend needs to be very carefully tempered. Experience in the Shire of Southern Grampians and other shire nearby demonstrates that while farmers may indeed be good custodians of farm land they may own for farm production (as assumed on pp. ix, 72 "outstanding environmental stewardship") they do not necessarily understand the wider picture of the productive benefit of natural native habitats for social amenity and the tourist industry (e.g. the nearby Grampians and wetlands, riparian and coastal habitats), nor do they necessarily "pass on the land to their children in a better condition than that in which they received it" (p. 72).

On the reference to farming people "representing some of Australia's best examples of outstanding environmental stewardship" (p. 72), I will share some examples to show that this is not something that should be relied upon in determining best practice for conservation of native remnant habitats and species. I do agree that there are some exemplary farmers who do care for the environment and who are able to invest both in farming and environmental conservation, and who advocate for environmental conservation. However, they are often not able to exert much influence on other farmers who disagree with the notion of environmental conservation (and who often express contempt for others with a green agenda) when it appears to run counter their own aims for land use. Farmers who are struggling with managing their own finances are often the people who push the limits of a farm's sustainability and in doing so are the very people who run farms down both productively and in terms of conservation. For example, in the last five years, Western Victorian farmers have:


- Ploughed a paddock that was once host to a significant large expanse native orchids, Purple Diuris, as the paddock, which was once grazing property, was converted to cropping (Shire of Southern Grampians).
- Sprayed a large width (9 metres) of a public roadside site of significant native vegetation when the allowed width is 4 metres as a fire prevention activity (Shire of Southern Grampians).
- Ploughed roadside vegetation with a sign stating it was a site of significant native remnant vegetation and planted a crop of wheat to raise money for a local football club, without seeking permission from the Shire (Greater City of Ararat), and of course reduced the conservation significance of the site

- Removed habitat trees and native vegetation from paddocks in changing land practices from once-grazing properties to prepare for cropping (and earlier farm forestry); thereby interrupting the conservation of established nature corridors of native fauna (Shire of Southern Grampians, Glenelg Shire).
- Removed habitat on private and public property as fire prevention strategies when the fire risk, according to CFA members, is not apparent (Shire of Southern Grampians).
- Creating erosion and land-slippages through overgrazing (Shire of Glenelg).

These and many other examples of loss of native remnant habitat and local native flora and fauna indicate that a reduction in regulation would be counter to the long term amenity and conservation status of the remaining significant environments across our farming regions. The EPBC Act did have the power to inform and educate local people of the aesthetic, productive and moral value of conserving native flora and fauna and to protect these phenomena. Devolving the protection of native flora and fauna to State and local governments would undermine the ability to ensure the survival of native flora and fauna, when primary producers argue for permission to clear areas to increase their farm activity and farming is given primacy over conservation. This would also send a message of the reduced status/importance of native flora and fauna to the national Australian Government. This is not a balancing act, as the balance has been very much in farming's direction since farming first began in Australia, so that now very little native habit remains.

I do hope that these points and issues can be considered in the Government's formulation of policies relating to family farms and regulations involving them.

Yours faithfully,



Diane Luhrs