



Agricultural Competitiveness White Paper – Submission IP166
Australian Livestock & Property Agents Association Ltd
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ALPA Submission

Agricultural Competitiveness White Paper.

To:

Agricultural Competitiveness Taskforce.

Department of the Prime Minister and Cabinet:

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ALPA membership is a signature of professionalism in the industry

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ALPA is a proud member of



1. ALPA GENERAL INTRODUCTION

On 6 February 2014, The Hon Barnaby Joyce MP, in a media release invited people interested in agriculture to have their say on how Australia can build a sector that grows and delivers a greater return to our nation and the farm gate.

This ALPA submission is in response to that Media Release from Hon Barnaby Joyce MP.



Australian Livestock & Property Agents Association (ALPA)

ALPA is the national peak industry body for livestock and property agents.

ALPA represents more than 1,200 agency businesses across Australia.

Collectively this group plays an important role in livestock, wool, merchandise and rural property sales and marketing.

ALPA members handle in excess of 97% of rural agency business Australia wide.

ALPA is one of the largest national organisations of small rural business men and women, relied on to protect the interests of agents and producers nationally.

ALPA membership includes Elders, Landmark, Ruralco and private livestock agencies across Australia.

ALPA is a proud member of the National Farmers Federation.

ALPA appreciates the opportunity to provide this submission and would be available to discuss this submission further with the Agricultural Competitiveness Taskforce.

2. ALPA COMMENTS ON THE WHITE PAPER

ALPA fully endorses and is a strong supporter of the National Farmers Federation “*Blueprint for Australian Agriculture 2012-2020*”.

The Blueprint for Australian Agriculture has brought together all with an interest in, or involvement with, agriculture to help shape its future direction. The Blueprint maps out where we as an industry want to go and how we are going to get there.

Almost 4,000 farmers, transporters, retailers, consultants, rural businesses, agribusinesses, educators, governments, rural communities, community groups and consumers had taken part in the development of the Blueprint.

The Blueprint for Australian Agriculture sets out a vision for the longer-term future, and some of the steps required to get there. As a sector-led initiative, the Blueprint's main value lies in bringing the players in agriculture together and on to the 'same page' in terms of a desired future for the sector, and coordinating their actions to bring this about.

One of the challenges in creating a big-picture plan that looks decades into the future is getting the scale of effort right. The Blueprint is broad in its scope to encompass uncertainty and to incorporate the views of its many stakeholders. But going too broad risks trying to 'become everything to everyone' and diffusing the effort. The Blueprint stakeholders selected seven themes to guide future action.

They are:

1. Innovation and research, development and extension (RD&E)
2. Competitiveness
3. Trade and market access
4. People
5. Agriculture within society
6. Natural resources
7. Transformational issues.

ALPA is of the very firm view that any results from the White Paper must address these very important themes identified by industry first.

The consultation from the White Paper could add to the problem solving and solutions of these seven themes, but in our opinion the White Paper should not distract or cloud the industry agreed outcomes from the Blueprint.

These themes have already gone through the rigor and the process involving Australia's farmers, agriculture specialists, the agricultural supply chain, and government entities and representatives in several stages, including extensive consultations and surveys, roundtable discussions and workshops.

The purpose was to identify the issues and challenges the industry believes are the highest priorities for agriculture, and to work out ways to address them now and in the future.

3. ALPA SOLUTIONS FOR CONSIDERATION FROM THE WHITE PAPER

ALPA offer the following solutions to what problems our members see every day in rural Australia and their clients have to endure. We will not go into great detail in this submission, however the summary and solutions we offer, we are sure will surface from other submissions and the taskforce will find a common thread across the agricultural industry. These problems are identified under the themes in the *"Blueprint for Australian Agriculture 2012-2020"*.

Loss of competitiveness and inefficient regulation in agriculture are our biggest issue.

ALPA would like to see harmonisation across jurisdictions to laws relating to agricultural products, including livestock and rural land. Transport is one example of where useful national standard laws relating to safety, weight and load limits that currently vary across jurisdictions, would deliver far greater freight efficiency. This solution will deliver far more farm gate returns.

ALPA would like to see a planned and national road and rail network that will benefit all of Australia's hard and soft commodity production, including mining and agricultural produce now and into the future. One national rail gauge for example would be a good start.

ALPA is of the very strong view that as a matter of urgency, the federal government should review and amend the tax laws relating to high income investors and negative gearing of rural investments. These investors should receive the same tax benefits of negative gearing for investing in rural Australia as they receive now on commercial and residential real estate.

There is a complete absence of interest from city based Australian investors who have walked away from rural investment and have turned to investments which are capable of delivering the tax benefits of negative gearing. These investors are the people who have the capacity to develop rural properties and improve land productivity, injecting capital and creating employment across rural Australia. These investors prior to the current laws being enacted, were major contributors to the local rural economies and communities.

To our knowledge, no other form of property investment is treated and discriminated against the same as agriculture is currently.

This solution will bring investment back to the bush. These investors will simply be shifting their tax deductions from passive commercial and residential real estate to active agricultural investment, creating flow-on benefits for not only rural Australia, but all Australians.

ALPA believes adding to the above, it should also be investigated and relayed to producers on the possible tax relief and other benefits for current farmers and those wanting to invest in Rural Australia by separating their land assets from their operating farming business. The benefits of separating the real estate component (the property) from the operating business relate to alternative options for farm scale expansion, succession and retirement.

This would also increase productivity by investors buying the land (eg Superannuation funds), receiving rent for the land and farmers farming the land without the outlay for the land.

The Grains Research & Development Corporation have done work on this concept and it encourages next generation farmers to operate a business without the cost of owning the land, whilst giving retiring farmers a reliable and secure income from the rent of the land.

www.grdc.com.au

ALPA firmly believes that a National school curriculum subject be introduced immediately and made mandatory for all young pupils on "where does my food comes from". The division and discord between city and country is growing further and further apart. Young Australians are the future, if we want a prosperous society, we must educate early on where food and fibre comes from and that Australian farmers help feed and clothe them and the world.



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