

AGRICULTURAL COMPETITIVE TASKFORCE

Albury NSW Thursday 10 April 2014

This submission is from Simon A. de Garis

I raise three areas of concern in relation to our rural industries:
Research/Education/Future of small towns/ and Foreign Investment in Rural Land.

On a recent ABC Landline program a foreign executive of a chemical company, predicted that the population of Asia will double by 2050. Australian farmers have good soils, climate, and technical skills to produce food for this growing Asian market, he reported. However if rural industries can boost their production then that takes applied research to provide further innovative production techniques.

In 1982 as a qualified valuer of 2 years, I was asked by Professor James Baxter (Property RMIT University) to organise a week long tour to the Western, Wimmera and Mallee districts of Victoria for students undertaking rural property studies. I accepted this invitation and my involvement continued until 1998. We stayed at Glenormiston and Longernong agricultural colleges. In the eighties they were thriving with many courses and students. Sadly, since Melbourne University took them over they have withered and died. This has led to a rapid decline in agricultural graduates with high demand from industry. Melbourne University claims that the courses are not popular. They had a clear duty to make them popular, and in my opinion did not take up that challenge.

A similar story exists at Dookie College where on my last tour of duty in 2010, there were only 34 full time students. This once great agricultural college has been left to wither and die by Melbourne University. As a consequence research is largely not funded because of the severe lack of income. In my opinion, Melbourne University was not a competent body to run these facilities.

Our rural research effort has failed at these facilities. Both State and Federal Governments have no long term commitment to rural research and it appears to be not a high priority, however vital to increasing rural yields and net income in rural areas. This matter requires the urgent attention of governments both from a long term policy area and funding for projects.

In Victoria for example we had a body known as the Soil Conservation Authority. Many eminent rural scientists worked for this body. *GIBBONS AND DOWNES, in the nineteen 60s, both soil scientists, produced Land Studies of various districts.* Their work was fantastic and a great knowledge base, covering such aspects as soils, climate, native vegetation, land units and land systems. See this map for the south western area of Victoria..

We do not have the present or future capability to undertake further research in this area, which is vital to our future rural sustainability. In fact all governments fail to fund adequate rural research.

Many rural research bodies suffer from the interference of agro politics. That matter needs rectification. The cotton industry funds many research projects from an industry levy of \$2.25 per bale. (227 kg or 500 lb US) In 2011/2012 the crop produced 5 million bales or \$11.25million dollars Aus for research. That is impressive. Perhaps some of our other rural industries should take note. Not all the work needs to be done by governments.

I am very concerned about the future of small rural towns in Australia, that is defined subjectively as having a population of under 3,000 people. In a majority of these towns there is scant industry to employ school leavers. More research needs to be done so areas can be identified for future government assistance.

There is also little support from governments generally, in this vital area and a general lack of direction and forward planning, for the affected communities. I am planning a research paper about this but I have received a reply from the Victorian Government that there is no funding available. In fact no funding from any source. Therefore, I have to fund it privately.

Since 2009 I have produced three rural research papers and presented them at International conferences. I have received the total sum of \$000 for all three papers. The papers are :

The Valuation of Rural Leasehold and Licensed Land in Victoria.

Presented at ERES STOCKHOLM SWEDEN

Paper won prize for the best paper on Valuations from the Appraisal Institute USA.

Published in the Appraisal Journal and the Australian Property Journal.

Rural Managed Investment Schemes in Victoria/ The demise of Timbercorp.

The Cotton Industry in Australia

Current Project: Wind farms and Land Values

I have produced these papers as I feel passionately about rural communities and industries.

I welcome foreign investment in rural land in Australia. Perhaps the cotton industry is a good example where American investment kick started the whole industry in northern NSW. Today that industry is generally very profitable and in the medium and long term is very sustainable.

I do not subscribe to the view that sales to foreign owned entities should be controlled or restricted but should come under closer scrutiny by the Federal Government. As I understand the current position only sales over \$248million attract the scrutiny of the FIRB.

In my opinion, any sales exceeding \$10m Aus should be monitored and scrutinised on the following basis:

The experience of the operator and the aims and objectives of the new owner.

The bona fides of the owner.

The issue of food security.. Aus v Exports

An audit of activity, every 5 years.

There needs to be therefore a new body composed of tertiary qualified agricultural, agribusiness or economic personnel plus a minority of rural industry stakeholders to sit on the Rural Overseas Investment Review Board. From my analysis there is no real rural expertise on the membership of the FIRB.

Finally I am greatly concerned about the specific industry knowledge of current university graduates. Any advertisement will show that a Lecturer or Senior lecturer now has a mandatory PHD requirement. Industry knowledge and experience is not rated in the selection process. That is not good.

Finally, I wish to say something positive about three Institutions who are heavily involved in great rural studies.

Charles Sturt University

University of New England

Marcus Oldham Agricultural College (Geelong)

This is the end of my submission. Thank you for the opportunity to present it to you.

Simon A. De Garis

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