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“Greenlaw”,



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A submission to the AGRICULTURAL COMPETITIVENESS WHITE PAPER

This submission is on behalf of the Yaraka Sports&Progress Association Incorporated, a voluntary organization from Yaraka, a remote small town and community 160 km west of Blackall and 175 km east of Windorah, in Queensland.

The last decade has seen a drastic downturn in population and presently there appears to be a resurgence of young ones interested in returning to the rural areas. This comes at an opportune time as the average age of farmers/graziers is near that of retirement and they are ready to hand over the reins. The urgent need is for incentives and certainly to attract young people to the agriculture industry so as they can see a sustainable future and that the family farm, along with small rural communities, can survive.

For Agriculture to become a viable proposition, attention needs to be paid to the following issues:

Access to telecommunications: Young people need to be connected whether it's for business or social reasons and this is especially important in isolated areas. As many students in rural areas receive schooling via Distance Education, a suitable internet/phone service is instrumental for the conduct of this form of Education, a large component of which is virtual. On a social front, numerous governess positions fail due to lack of mobile/internet coverage, as do station hand/jackeroo positions. Technological projects in stock management also require the need for increased telecommunications access and the younger generation are most suited to take up these advancements. The Royal Flying Doctor is relied on for medical services in rural areas and dependable phone/mobile/internet coverage is imperative in a medical emergency and for general clinics. Virtual clinics are also a way of the present

and the future. Increasingly rural residents travel and work alone in risky occupations and without communication the safety of life issue is exacerbated.

The Yaraka Sports & Progress Association has recently made an application for funding under the Mobile Coverage Program to assist in accessing adequate telecommunications for this town and surrounding district.

Debt and Finances: Following the decade long drought of the early 2000's, rural operators suffered greatly, in all fields, (not only primary producers but, small town businesses, kangaroo harvesters, mustering and fencing contractors etc) however cattle prices were reasonable and this helped sustain the individual and rural communities. When the widespread 2013 drought hit, along with effects of the live export ban of 2011 and low cattle prices, the rural sector was already behind the eight ball. By the end of 2013 people were scraping the bottom of the barrel. A record number of producers, including long established farmers/graziers were refinancing or facing foreclosure by the end of 2013, beginning of 2014. Town businesses were reporting trading downturns and staff stand downs. Personally, our experience with one of the major 4 banks was demoralizing and frustrating despite 35 years of business with them, and having kept ahead of our payments all of those years.

Farm management deposits which have been successfully used as savings for the lean times had not been replenished as there was insufficient time from the 2009 drought and any spare cash had been used to catch up on improvements or herd replacement.

While the fodder freight rebate and water infrastructure were much appreciated during the drought, most refunds took 8-10 weeks to process and during the course of the drought cash flow became critical. In times such as these, a moratorium on land rent payment would help and could be justified by the reasoning that the land in question is not producing. Government cost (rates, rent) reductions in time of severe cash flow would be a huge relief.

Low interest loans have been made available in drought times which are also of great assistance however, young rural workers, potentially the future of agriculture, need extended and dependable low interest rates as do those producers already established in the industry. These loans were strictly categorized and were not readily available.

Incentives and assistance for rural enterprise establishment could be as follows:

- Incentive for more investment in FMDS could be in the form of an added percentage point of interest for those investors.
- **Low interest, long term loans.**
- Increased tax deductions for stock water improvements and feed storage infrastructure
- Increase zone allowance – it costs more to live out in regional areas with less access to education, health and cultural pursuits (include all rural residents – not only those in Agriculture)
- Cap land rent at current level
- Reduced fees at Universities for Agricultural courses and continuation of vocational training in agricultural disciplines.
- Reduction in Heavy vehicle, trailer registrations, fuel taxes and excises as these are all major costs to the transport industry which affect not only the truck operator, but greatly affect profitability in primary production.

Predators, Pests, and weeds: Dingo's have decimated the sheep population in many production areas and this has flowed on to associated rural contractors and communities. The gross margin for sheep production can be increased by 36% (\$12/hd) through wild dog control alone (Perkins, 2013).

The survival of rural communities is at a critical stage and the influx of predators and macropods directly and indirectly affecting sustainability. The Macropod industry needs scrutinizing as there are variances in regulations which are a drawback to harvesters and the property's feeding these animals. Increased regional carrying capacity which would come from sustainable management of macropod stands at 25 less roos = 20 more sheep.

Weed and declared pest plant control also needs attention in the form of assistance from government departments in detection and spraying.

Suggestions below touch on wild dog and macropod control issues:

- Control/eradicate predators (wild dogs, feral pigs and foxes) by erecting a wild dog check fence. Continue with present wild dog assistance programs.
- Increase stock carrying capacity and land degradation prevention by erection of a barrier fence
- Lobby Government to revitalize macropod harvesting industry.

Understandably, people ask: “Why should the rural industry be propped up when small business in other sectors are not?” or “Why don’t Graziers /farmers factor drought and commodity downturn into their business costs”. In reply to these questions: Agricultural products are the basics of the food /fibre chain and if long term expertise and Australian ownership is lost from the industry then the welfare of all Australians is jeopardized. Vagrancies in the weather cause issues beyond the control of primary producers.

The 2013 drought, for reasons such as its widespread nature, and it’s coupling with low cattle prices, plus plague proportion of kangaroos and dingos, has been likened to a Natural Disaster. Suffering in a primary production industry to the extent that crops and livestock cannot be kept alive is a humanitarian crisis and deserves Government assistance.

The points raised in this submission are all first hand to the average family farm producer, as they are to the large company to a certain extent. Other issues that affect profitability exist in the area of farm gate return, regulation, competitiveness and marketing, which are areas outside the expertise of the average farmer/grazier. Manually and financially running the business, is a full time occupation for most farmers/graziers however their collaboration with farm lobby groups, rural organizations and the relative Government departments should mean an overall improvement in profitability.

While the above points focus on the problems associated with rural enterprise in the present day, young ones need to be reminded that commodity boom and bust, predators, pests, drought, floods and fires are all factors that have been around since the the rural industry began . Ups and downs exist in all industries and walks of life. The rural way of life can still be a most rewarding

and viable living. Compassion shown by city folk, and those in the South East, in the form of Aussie helpers, Buyabale, Baked Relief, QCWA and various church associated groups not only lifts the moral of rural residents but indicates the importance placed on their rural cousins.

Recognition by the Federal Government of the urgent need for attention to the revitalization of the Agricultural sector is encouraging at a time when despondency and debt appear to be at a record height. On behalf of the Yaraka Sports&Progress Association, I look forward to positive outcomes from the Agricultural White Paper.

Yours Faithfully,

Susan Glasson, President of the Yaraka Sports&Progress Association Inc.