

Submission to Agricultural Competitiveness Issues Paper

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1. Ensuring food security in Australia and globally

- What opportunities exist to expand agricultural production in Australia and how can we take advantage of them?

Within Kyogle Council LGA diversification of our primary industries is a real opportunity. Toonumbar Dam is an 11,000 megalitre water reservoir constructed in 1972 for the Dairy Industry. Unfortunately England our largest market joined the European Economic Market in 1974 and stopped buying our butter. Farmers moved to Beef without much consideration of other opportunities. Investigations are underway to explore opportunities in cropping, niche` market food production and diversifying into agritourism.

- How can farm businesses, food manufacturers and the retail sector be more responsive to domestic and global food demand and better integrate into domestic and global supply chains? Develop local and regional collectives and regional food brands. Be more proactive with seeking future markets.

- Do farmers have access to timely, relevant and accurate information to fully inform production decisions to meet domestic and global food demands?

The roll out of wireless broadband will certainly assist our primary industry sector to gain access to information on a global scale. Opportunities for training programs are needed now and share farming to allow younger farmers IT skills entry into the industry.

- What opportunities exist for exporting Australian agricultural technology, marketing skills and expertise to improve global food security outcomes?

Australia should openly share skills and knowledge with Countries who do not compete with our exports. Helping a 3rd world country is never a bad thing but remember to equally assist Australian farmers as well.

2. Farmer decisions for improving farm gate returns

- What are the drivers and constraints to farmers adopting alternative business structures, innovations or practices that will assist them in improving farm-gate returns?

Complicated legislation structures and a very real need for the three levels of government integrate their legislation and work together through the different departments. It requires three different applications to gain a water access licence in NSW. Feeding stock on the roadside during drought conditions requires a lengthy and complicated application process, as two examples.

- What tools, skills and advice do farmers need to effectively adapt and respond to the risks they face?

Professional on farm assistance, workshops and seminars to share information, skills and knowledge this is affordable. Provide incentives to be involved.

Kyogle Council is conducting a 'Fresh Ideas for Farming Productivity Seminar - Tuesday 9th September 2014, Kyogle Cinema 26 Bloore Street Kyogle'.

- What alternative actions or measures by governments, farmers or others would result in improved financial performance at the farm gate?

Once again complicated and often competing Federal and State Legislation and poorly constructed Local Council Local Environmental Plans are extremely inhibitive to pursue diversification on the farm to allow improved performance at the farm gate. Many farmers are willing to explore opportunities but the process is far too complicated and expensive – there is no clear return on investment.

- What approaches could be used to encourage improved drought preparedness?

Education?

- During drought, what measures are most effective in supporting long term resilience?

Develop incentives for the nation to work together on such projects as the successful 'Hay Muster'. There is plenty of river flat country in high rainfall areas that could produce ample fodder if the incentives were there to produce it for drought affected areas.

- How can new farmers be attracted to agriculture and how can they succeed?

Take a fresh look at share farming, this will allow affordable access to young farmers into the industry and allow aged farmers to develop industry exit plans. Knowledge and skills shared between traditional farming practices and new initiatives can only result in a healthy industry. Remove restrictive legislation and Council planning policy to allow exploration into diversifying farm practices including agritourism.

3. Enhancing access to finance

- How do we better attract private capital into farm investment?

Local Dollars Local Cents campaign to encourage investment into farm productivity with a guaranteed return. Collectives are becoming popular but only useful for the local market at present they do not produce export quality product. Raise the profile of rural property investment as land prices in rural areas increase but recognised as highly as urban growth areas. With the focus returning to primary industry and a renewed vigour to increase profitability rural land prices will undoubtedly raise as a result.

- What examples are there of innovative financing models that could be used across the industry?

Property Investment as per urban growth areas;

Share farming;

Leasing;

Provide incentives for families to retain the family farm as a property investment and lease the farm to people wishing to enter the industry.

- What would encourage uptake of new financing models?

The Pensioner Assets Test needs to include a section for aged farming pensioners who lease or share farm their properties. This income should have tax concessions that will enable pensioner farmers use this income and reduce their reliance on welfare. They should be given Pension Cards with Health Care and travel benefits as per normal. Farms are superannuation.

Leasing and share farming income will reduce/replace pension income welfare requirements.

Income protection for pensioners must be ensured and health, travel and other pension benefits must remain. Local prosperity, local returns, local sustainability.

- What alternative business structures could be developed for farming that also retain ownership with farm families?

There is a big push to increase wealth towards retirement through investment properties in high growth urban areas. Encourage families to look at the family farm as an investment property with incentives to continue profitable farming practices for the long term. Setting up agreements to share farm or lease properties that family members have little or no interest in.

Farm practice and product diversification could be encouraged with Government assistance in training and education programs to assist farmers develop skills in market identification and diversify farming practices to take advantage of opportunities identified.

Identifying market opportunities: how this is done, looking at the demand side of the process.

Looking at attracting external investment and provide incentives for families to keep the farm in the family name. and establishing Kyogle as a regional digital hub. Promote incentives to keeping the kids on the farm.

- How can foreign investment best contribute to the financing and productivity growth of Australian agriculture?

Introduction of new industry China very interested. Look outside the box and traditional farming practices.

4. Increasing the competitiveness of the agricultural sector and its value chains

- How might existing laws and regulations be changed to address any market power imbalances in the agricultural supply chain, without limiting prospects for global-scale firms developing in Australia?

Far too complex a subject to address through this process, 3 TIRE Government Integration would be a great start. Relax Asset Assessment for aged farmers so they can offer share farming opportunities to young farmers and others. The Asset Test for aged farmers causes them to decrease productivity to stay under the threshold, this will result in a significant downturn in economic sustainability for smaller rural communities with an aging farming population.

- How can the agriculture sector improve its competitiveness relative to other sectors in the economy?

By diversifying produce for example beef farmers could explore opportunities in niche market cropping. All farms could explore opportunities in Agritourism operations. Lease portions of farms to allow interested people to produce product outside the farmer's skill and knowledge areas.

- Which examples of overseas approaches to improving agricultural competitiveness have relevance for Australia?

Improved transport networks need to be included in this discussion, this section may be an appropriate area as other countries farm to market transport networks would appear to be superior to Australia's. Improved rail infrastructure to provide better more accessible distribution points, also Air services could be explored. The land within airport and rail real estate could be encouraging development of collection and distribution points for rural and remote areas. This would reduce pressure on rural local road networks.

5. Enhancing agriculture's contribution to regional communities

- What impact does the growth of populations in regional centres and the decline in more rural or remote townships have on farming businesses and the agriculture sector?

The loss of productive farm land to lifestyle seekers and housing subdivision developments will see a continued decline in productivity. Outward migration of young people from rural areas decreases opportunities to employ farm labour and share knowledge and skills through generational learning.

- How can the agriculture sector best contribute to growth in jobs and boost investment in regional communities, including indigenous communities?

One of the greatest opportunities for regional growth is to return to the days of leasing or share farming to provide opportunities for small investors who cannot afford to buy the farm. This would allow affordable entry into the industry for young farmers and provide an avenue for aged farmers to develop industry exit plans.

Explore opportunities to develop alternate production ideas. For example Indigenous people in Kyogle wanted to develop a fresh water fish farm but there is no funding available to purchase suitable land.

- What community and policy responses are needed in rural and regional communities to adapt and change to new pressures and opportunities in the agriculture sector?

Assist communities to form alliances or collectives to work together and develop regional partnerships to identify value adding opportunities from neighbouring areas product. For example within a 200km radius of Kyogle Northern NSW all food groups are produced. From grain production in the Western Downs area of South East Queensland to grape and wine from Stanthorpe and Tenterfield, sea food from coastal areas compliment locally produced beef, dairy and various cottage industry and niche market products. There is a need and opportunity for Government departments to assist in

education programs designed to empower and capacity build smaller regional communities to become self-sufficient through working together in alliance and collective partnerships. Kyogle Council will present ideas and example of success stories in a 'Fresh look at farming productivity' seminar to held I Kyogle on the 9th of September 2014.

- **How do we attract the next generation of farmers?**

Affordable industry entry points for young farmers. Generation Ag in Kyogle is a passionate group of young people looking at new ways to increase opportunities, productivity and opportunities for young farmers.

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6. Improving the competitiveness of inputs to the supply chain

- **How can land, water and other farm inputs be more effectively deployed to better drive agriculture sector productivity, while maintaining or enhancing the natural resource base?**

An uncomplicated access to water supplies such as Toonumbar Dam would encourage more farmers to consider diversifying into crop and niche` market crop production. The licencing system for water in NSW is handled by at least two different departments. Access to plentiful eater supply would encourage investment in processing facilities. For the Northern Rivers the Steggles Chicken Byron Bay processing facility would move west to use the water resource of Toonumbar Dam rather than relocate operations to Brisbane and high water costs with government incentives.

Make sure Local Environmental Plans are flexible in areas of land use where appropriate to encourage diversification into areas of on farm production, farm gate selling and opportunities in agritourism product development that will improve on farm incomes and cash flow.

- **What skills including specialised skills and training, will be required in the future and how can these be delivered and uptake encouraged?**

Developing business plans for farms would help to capacity build farmers skill and knowledge in areas of strategic planning, more effective production methods, exploring value adding opportunities, marketing, distribution, encourage off farm investment and assist in developing industry entry and exit plans. This would see a far more entrepreneurial and professionally run farming sector with the ability to carry on after the loss of the farm manager (usually the father). Strategic planning would also lead to farms preparedness in natural disasters and shorter recovery times with minimal reliance on government funding.

- **How can we attract workers to agriculture – particularly in remote areas?**

Tax incentives similar to those remote workers receive; doctors and teachers are encouraged to move to remote areas through incentives.

- **How can we promote career pathways for the agriculture sector, including models to enable younger farm workers to gain broader industry experience?**

Share Farming is an area that solves a number of issues firstly allowing affordable industry access for young farmers, blending traditional farming practices with new initiatives and technology and greater access to high speed broadband will encourage young farmers to study on the farm without having to leave for university.

- **How can rural industries and governments better identify, prioritise and fund research, development and extension?**

Work with Universities.

- What irrigation, transport, storage and distribution infrastructure are required to support the food and fibre production systems of the future and how should this be funded?

Better road and bridge infrastructure as many have reached their post war construction lifespan. Better roads will lead to more accessible transport networks and the development of distribution points. Irrigation licencing in NSW could be simplified and pricing structure examined. There is an identified need to improve incomes of State Water dams in NSW to cover the increasing costs of maintenance and monitoring. The automatic response to increase pricing does not encourage farmers to seek access to water to diversify farming practices increasing productivity and profitability and provide the ability to pay a little more for water.

7. Reducing ineffective regulations

- How well do regulations affecting the industry meet their policy objectives?

Government regulations and policy is far too complex, confusing and extremely inhibitive to exploring any value adding opportunity. The three tiers of government need to integrate their departments, their goals and their responsibilities to work more closely together so regulations and policy is not duplicated or in many cases cause delay in the development process as they are in conflict with others.

- What opportunities are there to reduce ineffective or inefficient regulation?

Government Department Integration, work together understand what each other's responsibilities are and explore opportunities to work together, compare similarities and correct dysfunctional regulatory and policy conflict which stops farmers exploring value adding opportunities.

- Which regulations are disproportionate to the risks they are supposed to address?

Far too complex to examine all issues within this process.

- How do we coordinate across governments to reduce regulations whose costs exceed their benefits?

The Government departments across the three tiers of government need to communicate and work together when preparing policies and regulations so all issues and areas of concern can be explored.

8. Enhancing agricultural exports

- How can industries and government respond to the key challenges and opportunities to increase or enhance exports?

Constantly explore new markets. With the downturn of the resource sector there is far more opportunity to increase the export profitability of primary industries. Seven billion people in the world require food in constant supply. Federal Government Trade talks possibly should have taken place after this Agricultural Competitiveness process had been completed.

- How can the government take best advantage of multilateral and bilateral trade negotiations (including through the World Trade Organization and through free trade agreements (FTAs)) to advance the interests of the sector?

- How can engagement between industry and government on market access priorities for Australian agricultural products be improved, including to inform negotiations on FTAs?

- What changes could be made to biosecurity arrangements, both in Australia and in other countries that would enhance global trade in agricultural products?

- How do we provide the appropriate biosecurity controls at minimum cost?

9. Assessing the effectiveness of incentives for investment and job creation

- How well is the current set of government programmes and incentives directed at the agriculture sector meeting their objectives, in terms of both effectiveness and efficiency?
- Are government visa arrangements and programmes like relocation assistance, the Seasonal Worker Programme and Harvest Labour Services effective at channelling workers into the agriculture sector and what other approaches should be considered?
- What have other countries done to inspire agricultural investment?
- What has Australia done in the past that has had best effect?