

Agricultural Competitiveness White Paper – Submission IP77

Phil Laird

Submitted 19 February 2014 via website's contact form

Drought Policy ideas – User Pays for food security

Problem:

1. People are usually happy to support "struggling" farmers in drought etc but won't pay higher prices to allow them to prepare for drought.
2. Farmers aren't "paid" for environmental outcomes.

Solution:

Build a "user pays" drought preparation fund from food sales at the checkout via Woolies & Coles with small regular payments.

Funding at Checkout

1. Add 50 Cents drought prep levy for every food bill over \$100
2. Only target Woolies & Coles because of privileged position in Australia.
3. Pay levy all year around
4. Consumers can opt in to increase levy via loyalty card or co-contrib with retailer
5. Ask other business (IGA, MacDonalds etc) to voluntarily join.

Est 7 million households x 50 cents per week = \$175 mil per year

Fund to enable;

Outside drought - Dollar for Dollar

1. Fodder conservation
2. Groundwater infrastructure
3. More efficient irrigation
4. Conservation Tillage

During Drought

1. Income support
2. Capped Business Support or Interest subsidy.

Fund would also encourage environmental outcomes via one off grants.

1. 70% ground cover,
2. Maint or replant paddock trees,
3. Soil carbon sequestration,
4. Fence riparian zones/wetlands.
5. Flora & Fauna surveys

Farmer Compliance

Annual

Minimal. Primarily statistical for monitoring.

5 Year

Project plan with metrics on ground over etc