

John & Penny Taylor
"Accord"
Longreach Q 4730

11 April 2014

Agricultural Competitiveness Taskforce
Department of the Prime Minister and Cabinet
PO Box 6500
CANBERRA ACT 2600

Agricultural.Competitiveness@pmc.gov.au

Dear Sir/Madam,

Agricultural Competitiveness Submission

Thank you for the opportunity to make a submission. As a small (7874ha) profitable sheep and cattle grazing operation near Longreach in Queensland, we are acutely aware of the need to be efficient in an increasingly challenging and competitive industry. We purchased Accord in 1994, and have seen our share of droughts and good seasons over the last 20 years. We believe our genuine passion for the business and lifestyle we have at Accord has certainly helped us through the tough times, but we are concerned for the future of our children who are both keen to live and work in rural Australia.

In 1994, our 3 main threats to viability were:

- Droughts
- Interest rates
- Wool prices

20 years later, our 4 main threats to viability are:

- Lack of shearers and rural workers
- Dingoes (their numbers have exploded)
- Damage to the Great Artesian Basin by mining
- Increasing costs of living (electricity, fuel and education)

We had to work hard as employees (electrician, nurse and pastoral workers) for more than 10 years to save enough money to buy a property, so we believe we have a good understanding of both sides of business. We are also committed to remaining profitable and self-sufficient in an industry which is characterised by fluctuating commodity prices and seasonal conditions. With this in mind we believe the following government incentives would assist our family business to continue to be competitive and viable.

- **Increase Farm Management Deposits**

Farm Management Deposits are a wonderful concept because they encourage farmers and graziers to become self-sufficient, but the limit per person needs to be increased from \$400,000 to between \$500,000 and \$1,000,000 to keep pace with ever increasing costs. For small businesses such as ours \$500,000 is an acceptable amount of funds to have available in tough times, which often span several years. However, larger enterprises need much more than \$500,000 to survive a drought without government assistance.

- **Increase incentives for employees in rural industries**

Encourage more workers to enter and remain in rural industries by:

- Increasing Tax Rebates linked to employment in rural industries
- Increased Zone Allowances for rural and remote areas

- **Extend AIC allowance to include tertiary education**

Assistance for Isolated Children (AIC) was introduced in the 1970's when very few students attended university, and skills such as nursing could be acquired in rural areas. Now days most skills are linked to university based training, so most rural students have to move away from home to achieve the career of their choice.

Youth Allowance is a difficult and complex system that has not kept pace with an expensive rental market, and is only available to a small proportion of rural students. At a time when we are desperate to see more young people return to rural areas and rural families are stretched to the limit financially, it is heart breaking to see motivated rural students have to abandon their dreams of a tertiary education due to an inadequate government assistance scheme.

Increase incentives for rural apprentices

In an era where our future generation needs to be innovative and multi-skilled and our industry is desperate for skilled workers, we need to be giving greater assistance to rural apprentices. The issue of finding suitable and affordable accommodation in cities where they have no family or friends is a very real problem, and it is certainly one of the factors which has led to low completion rates for rural apprentices.

Thank you for taking the time to consider the information contained in this submission

Yours sincerely,



Penny & John Taylor