

AGRICULTURAL COMPETITIVENESS WHITE PAPER



KEY HIGHLIGHTS

On 4 July 2015, Prime Minister Tony Abbott and Agriculture Minister Barnaby Joyce, launched the Commonwealth's Agricultural Competitiveness White Paper on a farm near Warrnambool in south west Victoria. The much anticipated paper is the result of years of industry consultation and sets out "real actions" for Australian agriculture for the next decade.

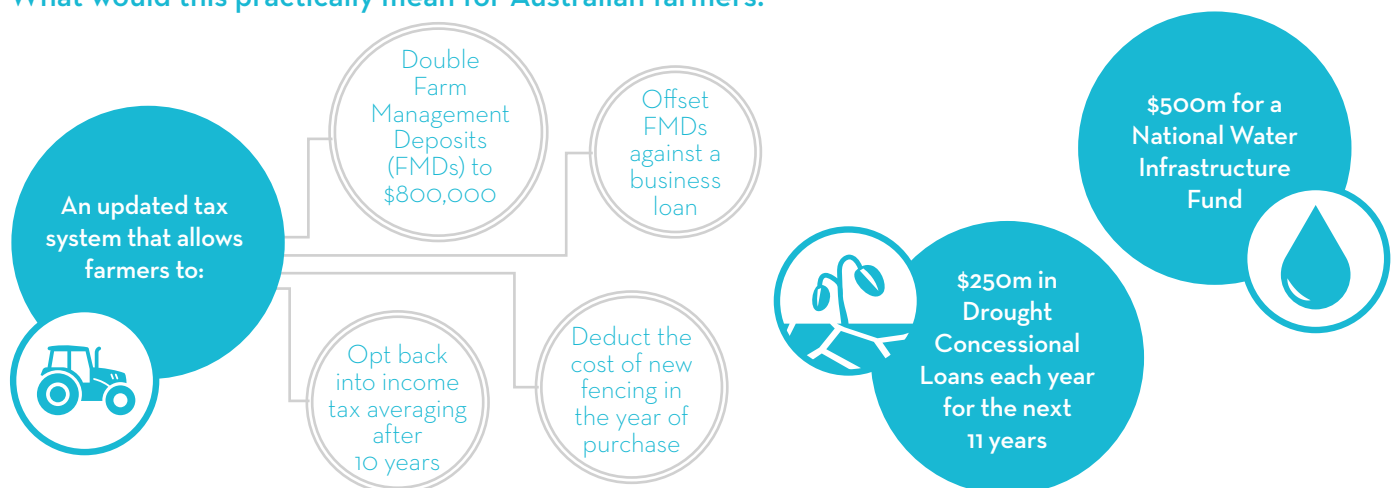
Stronger farmers, stronger economy

Vision: To build "a more profitable, more resilient and more sustainable agriculture sector to help drive a stronger Australian economy."

Five priority areas:



What would this practically mean for Australian farmers:



What the rule changes to Farm Management Deposits would mean for farmers:

New rules designed to help manage variable and volatile cash-flows in a farming business and ensure "taxes are lower, simpler and fairer for our farmers and all Australians."

1. The limit of FMDs increased to \$800,000 to provide greater ability to smooth profits across seasons and manage tax liabilities more proactively
2. Ability to use FMD balances as an offset against bank loans, therefore reducing interest costs

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Priority one: A fairer go for farm businesses

- ☛ A dedicated Agriculture Commissioner (\$11.4m)
- ☛ Significant changes to the farmers' tax system
- ☛ A two year programme to provide knowledge and materials on cooperatives, collective bargaining and innovative business models (\$13.8m)
- ☛ Improved country of origin labelling

Priority two: Building the infrastructure of the 21st century

- ☛ The \$500m National Water Infrastructure Fund
- ☛ \$60m to improve mobile phone coverage across regional Australia

Priority three: Strengthening our approach to drought and risk management

- ☛ **In-drought support:**
 - Continued Drought Concessional Loans (\$250m)
 - Farm Household Allowance case management for farmers (\$22.8m)
 - Farmers in drought provided with access to their FMDs, without losing tax concessions
 - Local infrastructure projects to help drought stricken communities (\$35m)

Priority four: Farming smarter

- ☛ Extension of the Rural R&D for Profit Programme to 2021-22 (\$100m)
- ☛ New RD&E priorities to direct levy funds to areas that will improve farm gate returns
- ☛ Enhanced emergency pest and disease eradication capability (\$100m)

Priority five: Accessing premium markets

- ☛ Improve access to overseas markets to grow exports (China/India/Japan FTAs)
- ☛ Five new Agriculture Counsellors in Asia (\$30.8m)
- ☛ Improve biosecurity surveillance and analysis nationally (\$200m)
- ☛ An update to Australia's food export traceability systems (\$12.4m)

Full version can be found at www.agwhitepaper.agriculture.gov.au

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