

# AUSTRALIAN DEMOCRATS



RURAL



POLICY FRAMING  
STATEMENT

## Contents

|                            |   |
|----------------------------|---|
| RURAL AFFAIRS .....        | 3 |
| Agricultural Business..... | 3 |
| Drought .....              | 5 |
| Animal Welfare .....       | 6 |
| Live Animal Exports.....   | 8 |
| Firearms .....             | 9 |

## RURAL AFFAIRS

The stability and longevity of society has always and will always depend on the sustainability of the agricultural enterprise that supports it, thereby making all societies agricultural by definition.

Australian Democrats is founded on the fundamental importance of agriculture as the key sustainable foundation of regional socioeconomic and political stability, both domestically and abroad for current and future generations.

At the most basic level agriculture underpins society because it allows people to specialise in professions without needing to produce or forage for their own food. The modern world sees just two percent of the population providing food for the entire population globally.

There are a number of qualifying statements that must also shape Australian Democrats policy:

- If you eat then you are dependent on and part of the agricultural value matrix.
- The conservation of productive agricultural lands is essential. The preservation of ground and surface water resources is likewise essential.
- The promotion of a viable agricultural industry is essential to retain the best and brightest minds in the enterprise in line with the industry's domestic and international significance.
- Agricultural resources must be developed and utilised as efficiently as possible to underpin national and regional political stability.
- Agricultural trade is an essential global social imperative making Australian agriculture globally significant.
- Infrastructure investments that prioritise the opportunity for sustainable agricultural development and trade are essential to the long term stability of our society.
- The timeframe for policy impact assessment must incorporate outcomes for the current generation as well as consideration of the notion of intergenerational outcomes for future generations of Australians.
- Agricultural enterprise is not limited to production, but incorporates the entire pre and post farm value chain. In this context though, the entire value matrix's prosperity is contingent on a prosperous production sector.
- Appropriate policy for the purpose of the agricultural sector will ultimately create opportunities for other sectors of economy, specifically in relation to small business sector and more broadly to sectors unfairly exposed to biased international competitive pressure.
- In the context of the global social imperative of agricultural trade, the notion of free and unfettered trade in global agricultural markets will be increasingly difficult to achieve. Therefore, so called free trade agreements are unlikely to provide significant counter to foreign protectionism and declining terms of trade. Alternative strategies for underpinning agricultural enterprise viability must be implemented.

### Agricultural Business

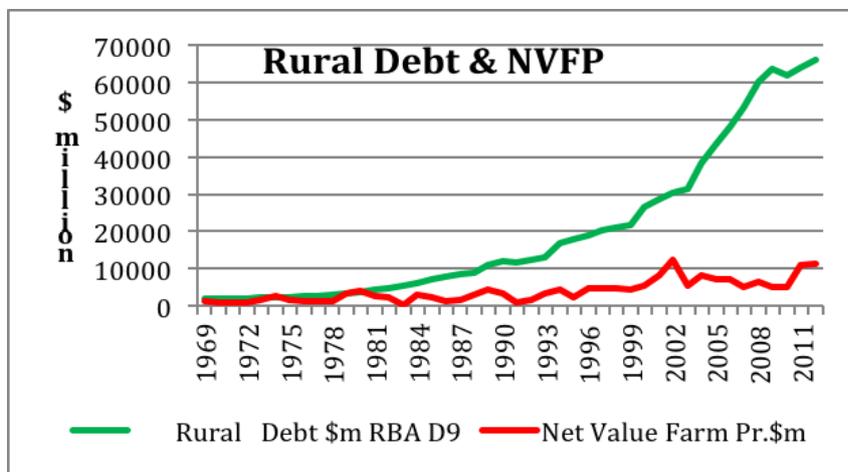
There are approximately ninety thousand farming enterprises in Australia producing approximately sixty billion dollars' worth of produce and directly employing over three hundred thousand people. Across the supply chain agriculture powers over one and a half million jobs.

Agricultural businesses manage approximately 48% of the Australian land mass with ongoing improvements in management systems and ecoservices being delivered. Between 1996 and 2016, Australian agriculture has reduced its greenhouse emissions by approximately 63%, largely without compensation.

Approximately 12% of Australian agricultural land is now foreign owned. The number of Australian agricultural businesses continues to steadily decline.

Australia is one of the few countries that expects its agricultural producers to subsidise consumers domestically and internationally, by being forced to compete without support in domestic and international markets against products that are heavily subsidised in their country of origin.

The aggressive trade liberalisation ideology pursued by consecutive governments and supported by the National Farmers Federation over the past two decades has severely damaged rural industries and their communities. Farm debt is steadily increasing while net farm incomes are not increasing with this debt. This trend demonstrates market and public policy failure in the agricultural sector.



Source: Ben Rees from ABARES data

The result of successive governments' deregulation of agricultural marketing arrangements has shifted market power to the post farm gate sector of the supply chain and moved profit in agriculture away from producers. This trend results from the failure of agricultural market reform in Australia to benefit to the production sector.

The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), continually forecasts a bright future for Australian agriculture based on potential increasing demand due to a combined increase in population and increasing affluence in key markets. Fundamentally though, the reality is that no central government in the world wants food prices to increase and the majority of the population growth is unlikely to be able to pay even the true cost of production for their food let alone a profit on top of that.

Engel's Law is an economic observation explaining that the proportion of income consumers spend on food does not increase in line with their increasing income. This phenomenon belies the notion that agriculture will benefit proportionately from increasing affluence. Compounding this problem is the fact that agricultural production costs increase disproportionately more than either increases in agricultural commodity prices or productivity growth.

The agricultural economy will always fall behind the broader economy under the free market mentality that economic rationalists have so fervently and recklessly pursued. Free marketers are

killing Australian agriculture and by extrapolation, rural and regional Australia and all industries that feed off it.

There is a public and politically promoted notion that it is the role of Australian farmers to meet the increasing global food challenge. The reality is that Australian farmers are business people and their primary obligation is to feed, clothe and educate their own families and those who work for them. This is becoming increasingly difficult. If society generally wants Australian farmers to feed the world then there needs to be a strong market signal sent that underpins the economic success of current and future farmers.

The rural and regional economy of Australia is increasingly dependent on farmers' prosperity. Similarly, as the resources boom begins to slow, the national economy is dependent on the export of Australian produce to bring in export income and provide a major injection of capital to the broader Australian economy to underpin sustainable economic growth.

## Drought

In Australia, agriculture as an industry is nearly twice as volatile as the next nearest industry sector. Globally, Australian farmers operate in arguably the second most volatile markets and separately the second most volatile weather conditions in the world with ever decreasing support. More recently we have also seen increasing volatility in sovereign risk from our own Government.

In the face of a declining terms of trade for the agricultural sector, this volatility presents a wide array of situations or events which simply are not able to be mitigated by ordinary or reasonable management. Some events may be acute such flood or fire, while other events are cumulative such as drought and the impact of each circumstance varies based on preceding events.

Recently, the dire situation faced by many farmers and graziers induced by yet another unmitigable drought has reignited the debate around justification for Government financial support to agriculture.

Any erosion in farmer resilience is felt right through rural and regional communities. Agriculture is the primary money inflow for many rural and regional areas and any downturn quickly translates to instability in employment both on farms and in the businesses that serve and rely on agriculture. This economic contagion spreads all the way through the service sectors that operate in these affected regions. The entire social and economic fabric of rural and regional communities is linked to the resilience of the farm sector.

The environmental implications of compromised financial resilience also amplify as longer term natural resource management objectives are substituted for short term financial imperatives. This often compromises longer term productivity impinging on the sector's ability to mitigate against disruptive events.

The current drought highlights in real time the fundamental lack of economic and emotional resilience in the sector that exposes it and all who rely upon it, directly or indirectly, so profoundly to disruptions in production by weather. The 2011 live cattle export ban continues to highlight the same vulnerability to disruptions in markets.

Australia is out of step with the rest of the world in terms of commitment to support food producers in the face of global price expectations that do not adequately underpin farm viability. Australian producers have been forced to carry this financial burden. The impact of Australia's aberrant attitude to the importance of maintaining productive capacity and retaining the human capital in

agriculture is now manifest, as farm businesses fail due to a lack of economic resilience brought on by unmitigable events including drought, market closure, floods and or the cumulative impact of a range of events.

Societal expectation, as reflected through Australian Government policy, is similarly out of step with the needs of today's agriculturists and increasingly out of step with the needs of those who depend on our produce.

In any business model the decision to invest must incorporate a risk reward assessment. Typically, low risk investment can be justified on relatively low returns. Conversely, higher risk ventures require higher returns to justify the same investment. Australian agriculture has gradually been wound into a high risk low reward category that belies the value of the sector to society.

Global agricultural markets are subject to distortion by deliberate government intervention and protectionism meaning these markets fail to accommodate the shift in the risk profile of Australian agriculture.

It is the role of government to intervene where markets fail and the Australian Government must derisk agriculture to ensure adequate Australian investment occurs in the sector and to attract and retain the kind of entrepreneurial capacity that is essential for a sustainable future.

Agriculture is more than just a business and the social value of the enterprise must be properly evaluated in terms of economic multipliers, eco services, trade and geopolitical stability. In this context the value of Australian agriculture to the average taxpayer is currently grossly underestimated by Government and there is a sound case for increased financial support for the sector.

Similarly, Australian Governments must recognise that financial support to agriculture does not exclusively benefit farmers. It is obvious and demonstrable that the entire regional and in turn national economy benefits from maintaining resilience in the agricultural sector.

It is not desirable to revert to a welfare culture as a default mechanism for support for rural and regional communities, but Government must recognise that there are circumstances that are simply unmanageable and unmitigable. The common underlying trigger that makes these events unmanageable is the lack of financial resilience.

Australia must decide if it wants an agricultural sector that can deliver on current societal expectations. If so, it must address the underlying issue of viability that includes the ability to withstand what are currently unmitigable events.

### Animal Welfare

Approximately forty-three percent of Australian agricultural production relates to production animal industries. The major contributors to the production animal sector incorporate beef and veal, dairy, sheep meat, wool, chicken meat, eggs and pigs.

There is a wide diversity of production systems for these industries with free range enterprises and more intensive systems operating to meet global demand and underpin viable domestic industries.

The Australian Democrats are committed to the highest possible standards for the management and welfare of agricultural production animals. While it is regrettable that there are relatively isolated incidents where animal welfare standards are not well met, overwhelmingly farmers are commercially and emotionally committed to the wellbeing of the animals in their care.

In determining practical assessment parameters of production animal welfare, it is clear that the physiological wellbeing of an animal will be reflected in the performance of the animal. In all circumstances the efficiency of any production animal enterprise will be indicated by feed conversion ratios achieved by the animals and sickness or mortality rates of the enterprise. Fertility rates also present essential performance feedback for breeding enterprises.

There are strong financial motivators for all farmers to treat animals well and optimise feed conversion efficiencies. Sick or distressed animals do not perform well and a farmer cannot derive an income from animals that die in on farm. These statements are fundamental to the notion that it is in a farmer's financial interest to ensure their animals are not distressed within the production system.

Further to this financial driver, most farmers farm because they have a strong emotional bond the land and their work. The retention of people in agriculture is more heavily dependent on a sense of doing something worthwhile and valuable than on financial reward alone. Most farmers take pride in the work they do and care about the animals and environment in their charge. This commitment must be respected and indeed revered.

There is a popular view that intensive animal industries deliver poorer animal welfare outcomes, but this is not reflected in the performance of the animals in intensive production industries.

Low input and less intensive production systems have less capacity to manage animal welfare when rainfall deficits occur and pasture conditions deteriorate to be below animal maintenance condition. Furthermore the increased pressure on pasture systems in seasonal downturns has longer term impacts on overall productivity of the pasture systems delivering a longer term environmental impact.

The Australian Democrats is uncomfortable with subjective assessment of animal welfare deployed by some interest groups. Similarly the intrusion by animal activists onto legitimate farming businesses is unacceptable. In the same circumstance the coordinated and ignorant demonization of intensive and extensive animal production systems must be challenged politically and legally.

High intensity agriculture is essential to meet the global food challenge now and more importantly into the future. It is essential that farmers are able to operate their enterprise in good faith and with undue interference.

Subjectively applying human emotional considerations to animal productions systems does not necessarily optimise animal physical health, often increases costs of production, increases environmental impacts on a per unit of production basis, undermines farm viability and global competitiveness and decreases overall production.

Furthermore, the imposition of subjective censures on Australian animal production systems does not improve global animal welfare situations and is not reflected consistently in censures against competing imported products.

Australian farmers need every tool available to ethically maximise production efficiencies and maintain global competitiveness while still meeting the ongoing and increasing social expectation around food and fibre supply.

## Live Animal Exports

Live animal export is a polarising issue that continues to be used in the parliament for political gain, cashing in on a superficial public sentiment driven by ratings driven media with no genuine consideration of the complexities around the trade.

The debate about the legitimacy of the industry seems to settle singularly on perceptions that the industry can't meet Australian standards of animal welfare.

The accepted standard for mortality in live exports is 2% in sheep and 1% for cattle. The overall industry figures consistently remain well below these standards. This alone suggests that the footage and reporting we see is not representative of the general conditions in the trade.

The trade can meet those standards, but there is much more at play.

The discussion around the industry is emotionally charged and has become grossly disrespectful of any opposing view. There are entrenched positions and ideologies in play deliberately misinforming the debate on both sides.

Much is made of the idea that greed underpins animal cruelty in the trade. This is counter intuitive because the commercial incentive is to deliver the animals in a saleable condition. Dead or injured animals represent an economic loss. Quite apart from the ethical problem in cruelty there is a clear economic disincentive for it.

Furthermore the rhetoric declaring that participation or support for live exports is synonymous with malicious is grossly disrespectful to the many decent people who are concerned deeply for the welfare of the animals in their care.

Our ongoing participation in live animal exports is leading to demonstrable and ongoing improvements in animal welfare outcomes in transit and in destination countries. For example, prior to 2011 15% of Australian cattle were stunned before slaughter in Indonesia and today that number is over 85%. This is a marked improvement in animal welfare in a destination country that our trade presence has significantly helped and will enhance on an ongoing basis.

Australians should exercise caution making moral judgements about foreign cultures and standards particularly in relation to the provision and preparation of food where food security remains a much more significant political and social issue. Similarly, we should be cautious about the reaction in those countries we currently supply if we continue to superimpose an openly judgemental, affluent, western, first world perspective on access to food on societies that are not as wealthy, educated or tolerant as our own.

The disruption and knock on effects of banning live animal exports can't be quarantined to just those people, communities, businesses and landscapes involved in live export supply chains. The structural adjustments required if the trade is stopped have not been considered fully in the debate. The glib optimism about increasing domestic processing is not reflected in practice and the AA Co's Livingstone abattoir speaks loudly to this.

The 2011 suspension of cattle exports resulted in far reaching social, economic and environmental impacts beyond the participants in the trade and caused deleterious animal welfare outcomes beyond those they prevented. These impacts persisted long after the suspension.

The Moss review is about as balanced a document that can be found and reinforces most of the positions I had previously formed. It too, was highly critical of the failures in the industry and

regulatory framework, but at the same time did not recommend an end to the industry. The review recommended stronger, more independent and more transparent oversight of the industry to provide objective accountability.

The animal export industry is faultless. Australian welfare standards have not been upheld in every instance, but at the same time they aren't being breached in every instance. Moss said, "Exporters are individual businesses, some of which may have behaved in a non-compliant way that has adversely affected the reputation of the industry as a whole."

The framework that was put in place around live animal exports has been undermined from within the Department that was supposed to administer it.

The industry must realise that the only way to ensure the industry maintains its social licence to operate is through objective, balanced and rigorous enforcement of standards and prosecution of breaches of the regulation.

The live animal export industry can and must comply with the prescribed animal welfare standards.

There have been failures in compliance and there are legitimate concerns about compliance and enforcement that must be addressed robustly for the industry to continue.

## Firearms

The Australian Democrats will not support any structural weakening of gun laws in Australia.

Public safety must be the primary objective in the structure and operation of firearms regulation in Australia.

The Australian Democrats respects that ownership and use of firearms are legitimate activities in our society. The Australian Democrats rejects the suggestion that firearms and firearm ownership are in themselves bad.

There are over 800 000 licensed firearm owners in Australia and approximately 3 million registered firearms<sup>1</sup>. Estimates suggest there could be up to 600 000 illicit firearms in Australia.

Leaving aside the obvious issues around policing and security services, there are commercial applications for firearm use particularly in rural areas with regard to feral animal control, commercial harvesting and animal welfare applications. Following this there also are a range of legitimate recreational applications involving firearms. These would include hunting and target shooting.

Recreational hunters perform an important amenity in feral animal control and often provide a commercial benefit to primary production where there is cooperation to provide legitimate access to land.

The International Shooting Sport Federation World Cup incorporates nineteen different shooting disciplines. The Summer Olympics incorporates nine events and the Winter Olympics include the biathlon which is a mixed shooting and skiing event. These are reputable organisations highlighting the legitimacy of shooting disciplines as recreational and sporting pursuits.

In Australia and particularly in regional Australia sporting shooting clubs are an integral component of the social fabric providing an important and legitimate community amenity.

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<sup>1</sup> [https://www.acic.gov.au/sites/default/files/2016/10/illicit\\_firearms\\_in\\_australia\\_0.pdf?v=1477016769](https://www.acic.gov.au/sites/default/files/2016/10/illicit_firearms_in_australia_0.pdf?v=1477016769)

Rural communities benefit from the related tourism benefits of people travelling to hunt as do all communities who host shooting events. The financial aspects of the firearms industry and associated pursuits on the broader economy are significant.

Nonetheless, gun related crime is an issue in society and there are legitimate concerns around the access to firearms by people engaged in criminal activities or who may otherwise pose a significant threat to themselves or others in the community.

Much of the current firearms regulation in Australia was shaped in direct response to the Port Arthur massacre in April 1996 in which 35 people were killed and 23 others wounded. The 1996-97 National Firearms Agreement saw all states and territories implement coordinated firearms regulation reform<sup>2</sup>.

Key components of these reforms included major changes to both the type of firearms that can be purchased and the licencing processes which now include background checks of applicants. Australia's existing policy has been very effective and is held up internationally as an example of "successful" regulation.

Unfortunately, there is a willingness to associate mass shootings in other countries with the need for tighter gun controls in Australia. This often leads to a public perception of the need for further regulation of firearms in Australia. This is not a compelling justification for greater regulation.

Tightening of firearm regulation only really affects the section of the community that already follow the rules. Firearms legislation that increases the regulatory burden on the activities of the compliant firearm owners, who statistics show are not responsible for the bulk of gun related crime, will not resolve or reduce the current rate of gun related crime. This sentiment is highlighted in the position articulated by the Attorney General's Department of NSW, in its recent submission to the Senate Inquiry into gun-related violence.

*"putting additional restrictions on the legal ownership of firearms would not necessarily reduce firearm-related crime."*<sup>3</sup>

Much of the public comment supporting increased restriction to lawful firearm ownership are poorly informed and targeting the wrong demographic in our society. Gun crime is committed by people who already do not comply with regulation. Increasing the regulation around compliant gun owners and users is not likely to further resolve gun crime.

Any tightening in firearms regulation should target non-compliant gun use and illicit firearms.

The Australian Democrats considers that regional Australia will be disproportionately affected by further tightening firearms policies in Australia.

The Australian Democrats support uniform firearms regulation across Australia but would require a compelling argument to increase the regulatory intervention against compliant firearm owners.

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<sup>2</sup> <https://www.loc.gov/law/help/firearms-control/australia.php#Executive>

<sup>3</sup> Attorney-General's Department (NSW) 2014. Submission to the Senate Inquiry: The ability of Australian law enforcement authorities to eliminate gun-related violence in the community (Submission 42).

[http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Legal\\_and\\_Constitutional\\_Affairs/Illicit\\_firearms](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Legal_and_Constitutional_Affairs/Illicit_firearms).

Conversely, the Australian Democrats will not support any structural weakening of gun laws in Australia.

As an adjunct to the broader issue of firearms regulation, The Australian Democrats is concerned about rural mental health and mental health in general. Specifically, we are concerned about the issue of access to firearms, particularly for people at risk of self-harm. There is evidence that ready access to firearms may be a contributor to spontaneous suicides. It is important to increase the community awareness of suicide and empower communities to provide adequate support to those at risk and potentially restrict their access to firearms on a case by case basis.

While we acknowledge that delaying the time between a decision to suicide and the ability action the decision may provide enough time for the decision to be changed, we are more inclined to proactively address the underlying causes of the suicide decision as an effective means of reducing the overall suicide rate. The Australian Democrats is founded on the principle of addressing the broad issues contributing to rural and regional decline, thereby significantly improve the viability and vibrancy of the regional sector and the emotional well-being of the people in those communities.

The Australian Democrats does not support trivialising, patronising or demeaning the significant stressors disproportionately affecting rural and regional people by suggesting blanket regulatory tightening of firearm controls to restrict access to firearms is an appropriate or particularly effective way to reduce the overall suicide rate in rural and regional communities.