



Productivity Commission – Submission

From

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Introduction:

I submit this submission as a Director of the Foundation for Australian Agricultural Women (FAAW) which is a national, independent, non-profit organisation whose mission is to resource, empower, research, influence and partner for the benefit of rural women. FAAW is one of the four recognised national non-government rural women's organisations.

FAAW works collaboratively with a large community of women across Australia who are involved or interested in agriculture and FAAW aims to maintain an environmentally sustainable, healthy and economically viable rural Australia. There are in excess of 2000 women registered with FAAW.

Firstly, I would like welcome the roundtable panel members of the inquiry into government drought support to South West Qld and thank you for time today.

In my submission, I will refer to primary production or farming today. By this, I mean forestry, fishing and general food production, although my area of knowledge does relate primarily to traditional grazing and broad acre agricultural farming.

Today, I shall outline some very broad, strategic directions in regard to drought support. The role of the Productivity Commission is to help governments make better policies in the long term, that are in the interest of the Australian community. Today, I will be sharing with the commission some ideas that will assist in breaking down some of the 'silos' that I believe exist, and that may continue to be propagated. I am urging the discussion today to look in a holistic manner as to how governments and public policy may appropriately assist farmers improve their self reliance and preparedness for change.

Response to Draft Recommendations:

The Draft Recommendations 6.1, 6.2 and 6.3 are supported in their current form. It should be noted that there is a reluctant acceptance of this direction to Exceptional Circumstance financial support by some primary producers in rural areas, however these recommendations are supported.

Recommendation 7.1 - The Australia's Farming Future Fund is an initiative that aims to assist primary producers to adapt and respond to climate change. Rural people tend to have widely fluctuating views on climate change, and the nature and rate of the impacts.

I would like to suggest that there could be merit in expanding the emphasis of the Farming Future Fund FROM climate change, TO one of '**change**'? Now, more than ever primary producers need to be capably equipped to manage **change**, in general.

Climate change is just one of the many changes that rural people face. Other changes that will or may have to be managed in the near future include:

- More expensive energy / changing energy sources. Will our traditional farming practices survive when energy costs will increase? Also, new biofuels are with us, and food production is now being diverted to assist in producing fuel. What does this mean for the Australian primary producer in the next 10 or 20 years? What will our post carbon energy based world look like? How are our farmers equipped to transition to a more expensive energy and to changing energy sources?
- Changing demographics in rural Australia is leading to an aging farming sector, as well as a shrinking labour pool of willing and workers, both skilled and unskilled. Accompanying this labour shortage is a growing use of a range of technologies that allow for precision farming. Is it possible that farming will become robotic? Indeed, some would say robotic farming is with us, particularly in the dairy industry. What does the shortage of labour, accompanied by an increase in the sophistication of farming technologies mean for rural producers?
- Water scarcity – The facts are that we live in a water scarce environment. Rainfed agriculture is a random and haphazard concept to manage with and to. We need to get smarter and wiser with our water use. How can we realistically double production with 2/3rds of the water that is currently used? In other words, how can we gain a 300% increase in water use efficiency? What changes have to be made to achieve this?
- Soil degradation – Australia is said, by some experts, to have up to 80% of our soils in a depleted state, and this is a serious issue and a current reality. Erosion, nutrient and organic depletion, salinity and desertification are regrettably, not new challenges to farmers. Soil degradation is undesirable. If we are going to be competitive and increase production, how will soil degradation be managed? We also need to consider how drought and the impact of man has impacted on and reshaped our wetlands, mangroves and biological landscape. Environmental factors will have to be costed in to how we run our primary production enterprises. The new world is going to be environment first, profit second. How are our primary producers equipped to deal with this reversal of thinking?
- Managing a trading environment where free trade does not exist. As a nation, we have limited access to some of the world's most profitable markets and trading blocks do exist. How will our primary producers manage to remain profitable and competitive when we rely on a very narrow and sometimes very fickle market to purchase our products? There also exists a number of large global corporate food supply chains. Think worldwide of Cargill's and Tesco's, or on our home front, Woolworth's and Coles. These global players often control all aspects of food supply from production to retail. How will our traditional primary production units manage, when operating alongside multi national investment in farming, supply and distribution chains?
- Changing consumer trends The term 'food miles' is one that has come into everyday vocabulary of late. There is a trend by consumers to locally grown, fresh food – and organic food. There is also a shift in views as to what foods are too costly or unethical to produce, in terms of the food

and water that they consume during the growing process. Meat is the product that is getting the media attention. What impact will these views have on the future of the meat industry, in particular? These trends outlined here are related to both the taste of the dining experience, as well as what is environmentally good for the environment in a sustainable sense. How will farmers respond to these changing consumer trends?

This is a wide ranging cabinet of ideas that surround the future of primary production. Some of these are impacting, some will impact, and some may never impact on agriculture in Australia. However, I think the list of 'never to impact' is very limited.

I therefore advocate strongly that the Government investigate how primary producers can be supported to manage CHANGE, not just climate change.

There are a number of widely recognized fundamentals that should be factored in, when managing change, as a general concept. There exists a plethora of best practice examples in change management. How is the people side of change best managed? What about organizational change? How can we connect change management to our small and large scale farming units, and to our rural communities? How does one deal with resistance to change? How will rural Australia celebrate the successes of actioning change?

Consideration needs be given to the process of managing and implementing change in primary production. New behaviors, skills, and knowledge's will need to be learned by nearly all farmers. Is there a role for the government in actively assisting with this process? Public funding needs to be directed to assisting farmers with managing change, not just climate change. This is essential.

Draft Recommendation 8.2 deals with coounselling and training. This recommendation is supported wholeheartedly.

Significant public funding should be directed to a continuous learning program, where a subsidy (like FarmBis) could be accessed that would cover a portion of the training cost, with the rural producer contributing the remaining funds. However, once again, I would like to see the brief for this widened from managing climate variability to managing change. Training and professional development of our rural primary producers should be continuous, ongoing, and affordable. It should also feature a blend of traditional face to face sessions, as well as utilizing contemporary information communication technologies. Distributed and flexible learning that includes Webinars, telelearning, video conferencing, electronic blackboards, traditional distance learning and correspondence techniques all need to be explored.

Currently, we have professionals working throughout our great nation who are known as rural financial counsellors. These awesome people who beaver away throughout rural and remote Australia provide an invaluable service that is free, impartial, confidential, and most importantly, responsive to the needs of individual farming units. The expert social panel that investigated the social impacts of drought on farming families and communities stated that service providers in rural communities should be co-located in service hubs, in order to link the human support service providers and to facilitate a more effective referral process. This concept of a 'one stop shop' is to be applauded. Imagine if we had our rural financial counselors and our rural social counselors in the one location / building?

I now invite you to reflect upon how services would be enhanced if we were to have **change management counsellors** also located at this service hub? Can we build preparedness for change by offering a person to person dialogue that is supportive, free, impartial and confidential? These support personnel would offer more than climate change support – the support would encompass all change that might be inhibiting primary producers to improve their self reliance and preparedness for all change. How wonderful would this be for our rural people and productivity as we head into 2010 and beyond?

I suggest that the counselling and training should be very much constructed around a learner centered approach that would accompany other more formal and structured group learning, which is covered by Draft recommendation 8.3.

Recommendations 9.1 and 10.1 are supported.

Summary:

I submit to the Productivity Commission roundtable that a more holistic and wide ranging approach to change be taken, and how governments and public policy may appropriately assist farmers improve their self reliance and preparedness for change.....not just climate change. If we teach our primary producers how to manage change, how to undertake better decision making, how to work smarter in the production areas – we ARE looking after the long term interests of the Australian communitiy.

I therefore advocate strongly that the Productivity Commission inquiry explore how primary producers can be supported to manage CHANGE, not just climate change.

Karen Tully

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Any views expressed in this submission are those of the individual, except where the individual specifically states them to be the views of FAAW.