

THE STANDARD

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HD **NEW sources of investment capital needed to be found**
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NEW sources of investment capital needed to be found for the **dairy** industry including foreign ownership of **dairy** farms, Corangamite mayor Chris O'Connor says.

Cr O'Connor, who earlier this month backed a proposal by an investment **firm** with **Chinese** links to **buy** about 50 south-west **dairy** farms, said Australia's negotiations for a **China**-Australia free trade agreement "is the single most important piece of work the federal government will do for Corangamite and Australia's farm sector".

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Cr O'Connor devoted all of his mayor's report, to be delivered to tonight's Corangamite council meeting, to call for the local **dairy** industry to take advantage of **China**'s growing demand for **dairy** products.

He said it was vital the federal government completed a free trade deal with **China** that was better than New Zealand achieved in 2008.

New Zealand's free trade agreement had given it an enviable advantage over Australian producers and was one of the reasons why NZ's exports to **China** were now valued at \$5 **billion**, while Australia's were only \$500 **million**.

"It is also one of the reasons that while New Zealand has increased **dairy** production from nine **billion** litres to 20 **billion** litres. Australian production has fallen from 12 **billion** to nine **billion**," Cr O'Connor said.

"It is vital the federal government can complete what has been termed a 'New Zealand-plus' trade deal with **China** as soon as possible," he said.

Cr O'Connor said the Japan-Australia free trade agreement yielded minimal benefits for the Australian **dairy** industry.

The industry would be outraged if the past nine years of negotiation for an agreement with **China** yielded another disappointing result, he said.

"If there needs to be some trade-off with foreign ownership of farm land, then under controlled circumstances that would not necessarily be a bad thing.

"Currently 98 per cent of our **dairy** farms are fully Australian owned, and with the low investment on farms we have witnessed over the past five years, I believe new sources of investment capital need to be found.

"Foreign investment, along with super funds and other innovative forms of private investment, would take up some of the backlog of farms that need new investment or ownership," Cr O'Connor said.

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