

THE STANDARD

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HD **Corangamite mayor calls for more foreign dairy investment**
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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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