



cutting through complexity

Social media verdict on #agwhitepaper

A \$4 billion investment in Australian agriculture

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On Friday 3 July 2015, the Federal Government released its Agricultural Competitiveness White Paper and announced a \$4 billion investment to drive the future of the Australian agricultural industry.

To gauge market sentiment on the White Paper, KPMG conducted a review of social media activity over a two week period from the date of the White Paper's release (3 –17 July 2015).

Despite being released six months later than promised at the 2013 election, overall the White Paper and its initiatives have been welcomed by industry and stakeholders.

The White Paper focuses on five key priorities:

1. A fairer go for farm businesses
2. Building the infrastructure of the 21st Century
3. Strengthening our approach to drought and risk management
4. Farming Smarter
5. Accessing premium markets.

Between 3 July and 17 July 2015, there were 3,649 mentions on Facebook and Twitter that referenced the Agricultural Competitiveness White Paper. The 3,649 mentions returned a sentiment rating of **53.3%**, which can be considered moderate.

It is important to note that the acceptance of the White Paper was highly impacted by the government's approval of a coal mine in the Liverpool Plains. The social media sentiment excluding the comments regarding the mine approval returns a sentiment rating of **62.3%**, which is positive.

Industry stakeholders were influential in driving a positive sentiment about the White Paper.

Social Media Sentiment Rating

The Social Media Sentiment Rating is a numeric value and expressed as a percentage to quantify users' sentiment on a topic. Every positive mention about #agwhitepaper earns a score of 1.0, neutral mentions earn 0.5 and negative mentions earn 0.0. These figures are combined and then divided by the total number of mentions that are manually rated by human analysts.

What were the most discussed policies in social media?

Water infrastructure development and management sentiment rating – 86.2%

- The White Paper acknowledges the need to ensure Australia's future water supplies for the benefit of the agricultural industry, our communities, and the environment. To this end, the White Paper includes a water infrastructure development and management initiative providing a \$500 million investment in the National Water Infrastructure Fund. This is aimed at providing improved access to water for better seasonal management, and forms part of the Government's drought preparation plan for farmers.
- Of this \$500 million, up to \$200 million has been allocated to Northern Australia through the government's first ever White Paper on Developing Northern Australia. The remaining \$300 million is yet to be allocated, but there is no shortage of suggestions from industry and communities on which projects should be funded.
- "There is a long and growing list of suggested sites and projects that could benefit from funding right across this country from groundwater development in the Pilbara to the Nathan Dam in Queensland and from Gippsland's Macalister Irrigation District Southern Pipeline in Victoria to Dungowan Dam in my own electorate of New England." The Hon. Barnaby Joyce MP, Minister for Agriculture, National Press Club address, 6 July 2015.
- Despite Gippsland being noted as a potential area for water infrastructure by the Hon. Barnaby Joyce MP at his National Press Club address, the lack of specific funding allocation to Gippsland within the White Paper led to a negative community reaction in social media.
- The government has acknowledged the need to work together with state, territory and local governments to ensure water infrastructure is developed where and when it is most needed.



Farm Management Deposits (FMD) and tax offset sentiment rating 98.6%

- In an effort to drive greater resilience and preparedness to drought within the farming sector, the White Paper provides for changes to financing for farmers. This has included increasing the threshold for FMDs, lifting restrictions on banks to accept FMDs to offset farm business loans, and also reducing the interest rates for Drought Recovery Concession loans. The White Paper includes \$250 million/year for 11 years to provide farmers with continued access to low interest concessional loans during times of drought.
- Major banks and regional banks currently offer FMD products in line with the previous threshold of \$400,000. The government is now looking for the banks to embrace the increased deposit limit of \$800,000 and enable the use FMD accounts as a farm business loan offset.
- These initiatives were well received by industry and farmers.



ACCC funding and Agricultural Commissioner – sentiment rating 79.8%

- With a view of providing “a fairer go for farm businesses,” the White Paper includes appointing an Australian Competition and Consumer Commission (ACCC) Commissioner responsible for agriculture as well as investing \$11.4 million to boost ACCC’s engagement in the agricultural sector.
- Social media users welcomed the initiative to appoint a new ACCC Agriculture Commissioner to adjudicate on issues between farmers and supermarkets/processors and give farmers a “fairer go”.



Biosecurity, pest and weed control sentiment rating 96.6%

- Industry welcomed the White Paper’s \$300 million commitment to biosecurity, pest and weed control and its role in supporting Australia’s reputation of quality produce and the impact to our environment. The White Paper included \$200 million to improve biosecurity surveillance, \$25.8 million to manage pest and weeds in drought- affected areas, and \$50 million for emergency pest and disease eradication as well as response capability.



What issues did social media rule that the White Paper did not adequately address?

Safeguarding agricultural land sentiment rating 5.5%

- Social media users responded negatively to the government’s approval of a coal mine in Liverpool Plains with suggestions that this mine approval translated to the White Paper failing to safeguard agricultural land against mining interests. The trending on this topic negatively impacted the overall sentiment towards the White Paper.



Climate change sentiment rating 8.5%

- Through initiatives such as including water infrastructure, drought concessional loans, pest and weed control, among others, the White Paper provides for measures to help farmers cope through drought conditions. However, the White Paper was criticised across social media for not considering the root cause of climate change, or and addressing this as a key factor for the future of agriculture.



Recognition of women in agriculture sentiment rating 0%

- The White Paper was criticised for not addressing women’s contribution to Australian agriculture. This topic attracted 100% negative sentiment in social media led by not-for-profit group Australian Women in Agriculture.



Strategy for future farming generation sentiment rating 2.7%

- The Future Farmers Network was active in highlighting their disappointment in White Paper initiatives aimed at promoting agriculture as a desirable career choice for future generations.
- This sentiment was slightly offset by positive views regarding access to labour through the revision to migration and flexible work visa programs.



Other topics discussed in social media included research and development (R&D), technology, trade barriers, live export and food labelling.

Getting the message out

The government has embraced social media to communicate the message on the White Paper. The Department of Agriculture has taken an active stance on Twitter on the release of the White Paper and the five priority areas, as have Prime Minister Tony Abbott and Minister for Agriculture, Barnaby Joyce.

However, there was a missed opportunity to ‘set the record straight’ on negative views presented by media and industry. Engagement from government departments and officials with social media users on #agwhitepaper was limited.

By proactively engaging with social media, the government may have been able to educate users about the five priority areas and direct them on where to find information on their topic of concern within the 141 page White Paper.

Barnaby Joyce’s decision not to appear on the ABC’s Q&A program on 6 July 2015 attracted negative social media comment and was regarded as a missed opportunity to engage with the Australian public.

Where to from here?

Government:

- Recommend that the government adopt a collaborative and transparent approach to the planning and assessment of potential water infrastructure with state, territory and local governments.
- Recommend a cohesive strategy to consideration of future land use across government departments and how this links to the future state of our environment.
- Consider a social media engagement strategy to drive response to industry queries and criticism.

Banks:

- Recommend banks review the commerciality of the increased FMD limit from \$400,000 to \$800,000 and allowing the use FMD accounts as a farm business loan offset.

Industry:

- Recommend engagement with state, territory and local governments to influence infrastructure planning and development and provide the Federal Government with information to support decisions on where and when infrastructure is most needed.

\$4 BILLION INVESTMENT IN THE AGRICULTURE SECTOR

A fairer go for farm businesses

Total +\$101m

\$11.4m

over 4 years to enhance ACCC engagement

\$13.8m

for a 2-year programme to assist farmers with doing business

\$20.4m

to streamline approval of agricultural and veterinary chemicals

\$56m

for a more simplified accelerated depreciation regime for fencing

Allow farmers to opt back into income tax averaging

Increase the deposit limit for FMDs to \$800,000

Allow FMD accounts to be used as a farm business loan offset

Improved Country of Origin labelling

Productivity Commission inquiries into reducing regulation in agriculture and aquaculture

Social media sentiment

Building the infrastructure of the 21st Century

Total +\$501m

\$500m

for water infrastructure with \$200m allocated to North Australia

\$1m

for CSIRO's TRANsport Network Strategic Investment Tool

Supported by existing investment in road and rail, as well as in communications technology including NBN and improving mobile coverage in regional and remote communities

Social media sentiment

Farming smarter

Total +\$202m

\$100m

to extend the Rural R&D for Profit programme to 2021-22

\$1.4m

over 4 years to match new RD&E levies in the export fodder and tea tree oil industries

\$1.2m

over 4 years for additional funds to the Rural Industries R&D Corporation

\$50m

to boost pest and disease eradication and national response capability

\$50m

to manage established pest animals and weeds

\$50m

Improve RD&E priorities and the efficiency of RDCs

Improved access to labour through changes to visa programmes including the Seasonal Worker Programme and Working Holiday visas

Social media sentiment

Strengthening our approach to drought and risk management

Total up to \$2.97b

\$250m

Up to \$250m a year for 11 years in drought concessional loans (maximum \$2.75b)

\$86m

over 3 years for immediate tax reduction of new water facilities and depreciation on fodder storage assets

\$29.9m

over 4 years for farm insurance advance and risk assessment grants

\$20m

for additional mental health and community support services

\$22.8m

for case management and Farm Household Allowance Support

\$35m

for 'shovel-ready' local projects to stimulate drought-affected communities

\$3.3m

for improved seasonal forecasting

\$1.8m

for additional financial counselling services

\$25.8m

over 4 years to help State and Territory governments manage pest animals and weeds in drought-affected areas

Provide farmers in drought early access to their Farm Management Deposits, as well as advice and assistance from the ATO

Social media sentiment

Accessing premium markets

Total +\$243m

\$200m

to improve biosecurity surveillance and analysis

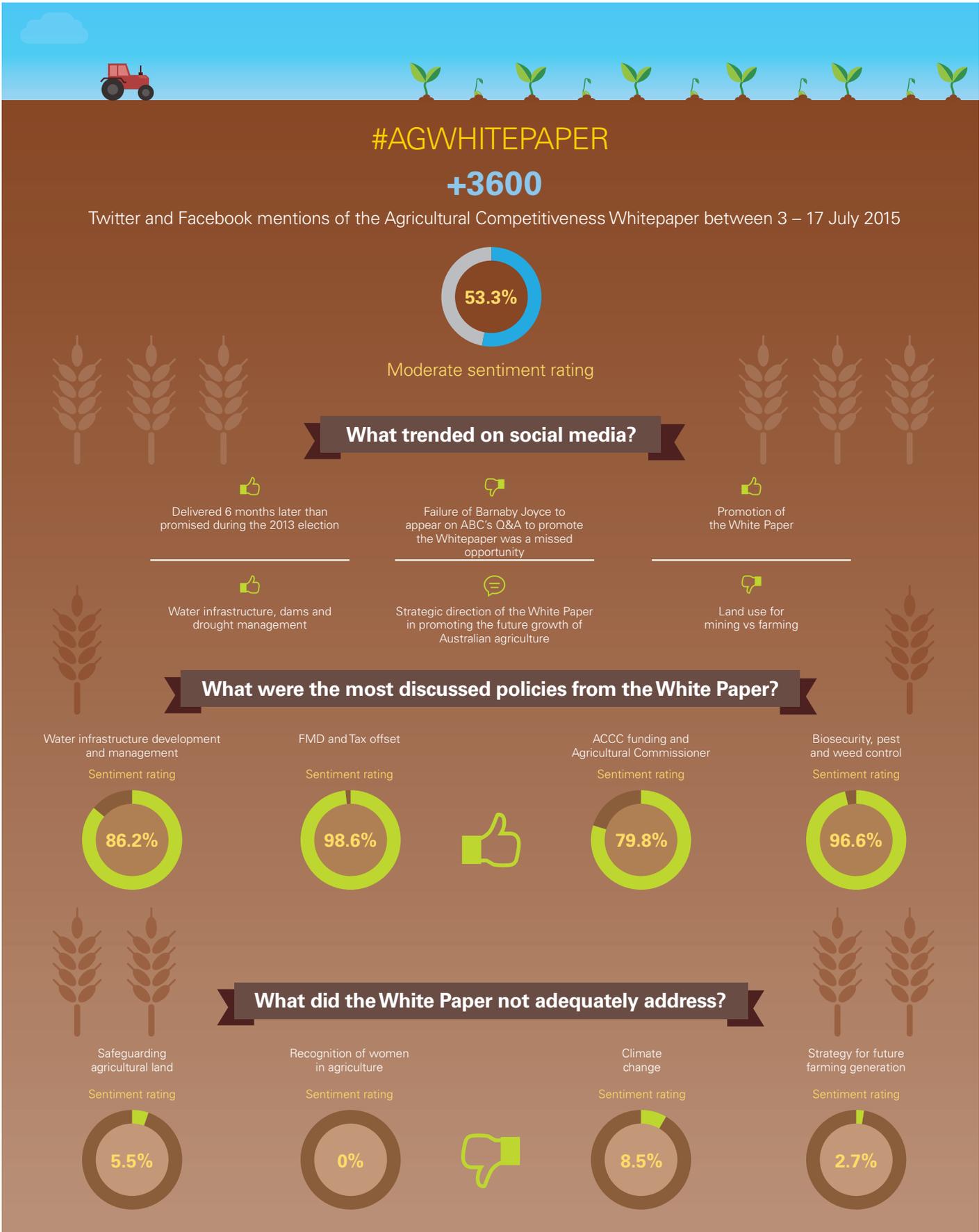
\$30.8m

to breakdown technical trade barriers including more agricultural counsellors based overseas

\$12.4m

to modernise Australia's traceability systems

Social media sentiment



Access the Australian Government's Agricultural Competitiveness White Paper at agwhitepaper.agriculture.gov.au

Thumbs up – primarily positive sentiment
 Thumbs down – primarily negative sentiment
 Neutral – mixed or limited positive/negative sentiment

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KPMG Digital Consulting Services

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KPMG's Digital Consulting professionals have extensive experience of working with business and technical leaders across various industries in transforming organisational operating model and value chains to improve benefits from the use of digital technologies for customers, employees and shareholders.

Contact us

Paul McDonald

National Sector Leader, Agribusiness
+61 3 9288 5795
pjmcdonald@kpmg.com.au

Trent Duvall

National Sector Leader, Consumer Products
+61 2 9335 8871
tduvall@kpmg.com.au

Guy Holland

Partner in Charge,
Digital Consulting Services
+61 2 9335 7782
guyholland@kpmg.com.au

James Griffin

Director,
Digital Consulting Services
+61 2 9346 5402
jgriffin1@kpmg.com.au

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