

Media release

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Australian farmers lose out from mining boom

Australian farmers have lost \$61.5 billion in export income since the mining boom pushed the Australian dollar to historic highs, a new analysis by The Australia Institute reveals.

Still beating around the bush: The continuing impacts of the mining boom on rural exports examines the rural sector's export income from the beginning of the mining boom in 2003-04 until 2011-12. **The paper is being launched at a public forum in Tamworth tonight.**

The Australia Institute's Senior Economist and report author Matt Grudnoff said producers have fared badly as a result of the high Australian dollar, suffering a 47 per cent drop in export earnings since the boom began.

"The mining boom is great if you work in the mining industry. But for other sectors in the Australian economy which rely on export earnings the boom has come at an enormous cost," said Mr Grudnoff.

"Our farmers are price-takers not price-setters. This has meant that the surge in the Australian dollar due to the mining boom has had the knock-on effect of reducing the value of their exports."

Within the rural sector the cotton and wheat industry have been severely affected by the mining boom. Cotton has lost \$1.3 billion in 2011-12 and \$2.5 billion over the nine years of the boom, while the wheat industry has lost \$3 billion in 2011-12 alone and \$8.3 billion over the nine years.

However, it's not just cotton and wheat exports that are being affected.

The beef and veal industry have also been greatly impacted with export income cut by \$2.3 billion over 2010-11 and \$8.5 billion over the length of the boom and the sugar industry losing \$815 million in 2010-11 and \$2.7 billion over the boom.

"For the Australian economy to remain strong it needs to have many viable industries. If the mining boom is allowed to ruin the rural sector then who will be left to fill the employment gap when the mining boom ends," asked Mr Grudnoff.

"Farmers all around the country have every right to question whether their elected representatives have shown enough regard for the impact of the boom on their livelihoods. History is full of examples of economies that failed because they were too reliant on a few industries," concluded Mr Grudnoff.

A copy of *Still beating around the bush* is available to download from www.tai.org.au under 'Publications'.

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