

Media release

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Australian farmers lose out from mining boom

Australian farmers have lost \$43.5 billion in export income since the mining boom pushed the Australian dollar to historic highs, a new analysis by The Australia Institute reveals.

Beating around the bush: The impact 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 2010-11.

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 41 per cent drop in export earnings since the boom began.

"Unfortunately for our farmers, they 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," said Mr Grudnoff.

Within the rural sector the beef and veal industry has also been adversely affected with exporting income cut by \$2 billion in 2010-11 and \$6.2 billion over the life of the current boom.

The sugar industry lost \$566 million in 2010-11 and \$1.8 billion over the past eight years.

"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.

"We often hear of the difficulties farmers face during times of drought, but we have heard very little about how they are coping with the impact of the two-speed economy.

"The mining boom has not been managed well. It has been allowed to expand with little consideration for the collateral damage it causes to other sectors of the economy, including farming.

"There needs to be a stronger focus on the boom's full effects rather than a reliance on the simple belief that unrestrained growth in the resource sector is in Australia's national interest," concluded Mr Grudnoff.

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

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