

We are dryland farmers and farm contractors in Northern New South Wales. During the drought in 2007 we applied and were rejected from receiving any interest subsidy. We appealed this decision in 2008 without success. The reason we were given for our ineligibility was that our business was 'too viable'.

We would like to submit to the commission the following concerns:

1. Why is it that the government would not assist a rural farming business that was viable? Does this mean the government is more concerned with supporting non-viable businesses that do not provide taxes for our economy?
2. We are a couple with young children, operating a farming business through a farm succession plan that involves supporting parents about to retire.
3. Although we are a viable business, we are not fortunate enough to 'inherit' the farm by any means and are buying the farm from the family at market price. For this reason we have always undertaken off farm contracting to support two generations and make it possible to buy the farm. As part of our farm succession plan and in addition to servicing our own bank interest, we are responsible for paying the interest of the farm (debt) we are yet to purchase from our parents.
4. Why would the government give assistance to farmers who choose not to take advantage of greater opportunities? How does this reward those of us that are highly motivated business operators.
5. Of a farming area of 5,500 acres we harvested approximately 200 tonnes of winter crop last year. The drought has had the same effect on the contracting business with reduced planting, spraying and harvesting. Throughout 2007 we continued to employ the same number of staff to complete all on farm and off farm activities. We continued to pay numerous lease payments on equipment we require for both our own farm and contracting. We know how hard it is to find qualified and competent staff.
6. We feel it is grossly unfair, that other farmers in our region, who's parents are 'viable' enough to hand over their farm, rather than selling to their children, have most likely been granted the maximum interest subsidy to support their business.
7. Our business has contributed significant taxes to our economy over the years and will continue to do so, so why would a government not nurture our financial needs during a drought, rather than us increasing our borrowings to become 'less viable'.

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8. If we had not carried out farm contracting during the 2007 year it is quite possible we would have received the maximum interest subsidy of \$100,000. So therefore, other farmers who had a reduced workload due to the drought, made more money from receiving interest subsidy than we netted from farm contracting. How unfair is this?
 9. We believe the Commission should be considering other measures to assist primary producers and businesses affected by the drought. One type of assistance we believe would be effective would be low interest (rate) loans rather than 'interest subsidy' handouts, particularly for 'viable' businesses such as ourselves.

We thank you for consideration of our concerns and look forward to a response from the Commission.

Yours faithfully

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