

**Productivity Commission
Inquiry into Government Drought Support**

**SUBMISSION
Cotton Australia Limited**

Cotton Australia Ltd. is the peak body for Australia's 900 cotton farmers and also represents cotton farmers through our commodity group membership of the National Farmers Federation.

Cotton Australia supports the submission of the National Farmers Federation to this review and would emphasise the following points.

1. **Strategic fit** --- We support a new approach to drought policy that sees drought assistance perceived as part of a coherent national framework of policies.
2. **Reform** --- Climate change, economic and social policies will not all be agriculture-specific, however they are a vital part of the national policy framework that is necessary to support a reformed drought assistance package.
3. **BMP** --- Achieving climate change preparedness across the agriculture represents significant structural adjustment, some of which has commenced during recent this drought event. Consistent with recent leaps forward in adopting sustainable practices in Australian agriculture, the cotton industry believes that our Best Management Practice (BMP) program provides a strong pathway for the adoption of research that enhances farmers' capacity to respond to climate change.
4. **Innovation** --- The interdependence of drought policy to other non-drought specific policies should be improved. For example, without meaningful research and development, extension and adoption, or appropriate risk management tools, the impact of a specific drought policy may be limited. Consideration should be given to ways of sustaining industries capacity to continue to innovate and implement change during times of drought.
5. **Renewal** --- Particularly hard hit by drought are farmers growing their business but not yet in a position where they are able to invest in confidence in preparedness and growth strategies. Examples of people that may fall into this category are young farmers, farm businesses undergoing succession or generational change, farmers significantly restructuring their business to promote success in a changed climate.
6. **Service Sector** --- Cotton Australia is also supportive of the extension of assistance measures to farm income dependent small business operators who can underpin a rapid recovery of the farm sector and small regional communities from drought.
7. **Safety net** --- In the most difficult times farmers need to access a time-limited household income support payment. Such a payment ensures that as farmers weigh up their future business options, families can be confident of having food on the table and of meeting their basic needs.
8. **Industry assistance** --- Cotton growers have been the beneficiaries of a number of successful targeted strategic support programmes during this current drought. These include Department of Agriculture, Forestry and Fisheries (DAFF) projects in the **Irrigation Industries Workshop programme** and the **Irrigation Management Grants** of up to \$20,000 to assist Murray-Darling Basin irrigators to implement water management strategies. DAFF have also provided **Professional Advice and Planning Grants** of up to \$5,500 to assist drought affected farm businesses to access professional advice to assist their drought management and recovery processes. Cotton Australia is supportive of these industry level targeted programmes which support a resilient farm business community.

Adam Kay,
Chief Executive Officer