

Submission to the Productivity Commission on Drought Support

After attending the Productivity Commission on Drought Support meeting at Narrabri, held on the 22nd July 2008, we felt very concerned that continually handing out interest subsidies was having a depreciating effect on the whole rural community e.g., increasing the price of land values, farmers becoming reliant on the subsidy, farmers organising their finance so they remain eligible, so not being as productive as they could be.

We are farmers and graziers who have been on the land for a couple of generations and are lucky to be in a strong position but this has only been achieved by making our property productive through good and bad years. If one maintains productivity by good planning and investment the property should pull through the bad years.

We certainly would agree for people to be helped if they had been viable prior to the bad times, but due to extreme circumstances, needed help. As long as these people would continue to be viable they are to be given that help. It is hard though to justify the continual hand outs to farmers who are not viable, year after year.

Agriculture needs the younger generation of farmers to be given the opportunity to get a start and be helped in those first 10 years. Those young farmers would be mainly people who have the desire to get on the land and who have worked within the agricultural industry.

Banks are influencing the price of land and are quite happy for clients to receive the interest subsidy from the government.

Worthwhile taxation incentives for drought proofing properties are essential, they would help to enable farmers in the good times to put away and/or prepare for drought, or purchase equipment that will enable crops to be sown on minimal moisture. Farmers need impelling incentives to spend money to prepare for drought, otherwise in good seasons, when there is available money it will be spent on other things, and every time there is a drought the same farmers will be once again be dependent on government assistance. FMD's are another good way of preparing. Perhaps once seasons have improved, seeing this is reportedly, a 1 in 100 year drought, a one off grant up to a certain amount where farmers have to present receipts to prove they have bought hay/build hay sheds etc ., and they will be refunded the amount spent, to give them a start.

If farmers are productive the town businesses will remain viable. If people on the land are given the opportunity to become productive and remain productive, then Australia will benefit far more than propping up farmers continually with little hope of becoming productive or viable.

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