

Productivity Commission
Inquiry into Government Drought Support
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Productivity Commission

Submission to Drought Review Policy

After attending the Drought Review Forum into the social impacts of drought held in Birchip recently I felt motivated to write a submission.

Whilst drought support has social impacts on both family and community it cannot be separated from economic impacts.

Current drought support measures not only divide the community: farmers versus business, but farmers who are recipients of drought support and those who don't qualify.

We are led to believe that current drought support will be replaced by a risk management policy in the future.

Farmers who don't qualify for drought support may be the very farmers who have already taken measures (at their own expense) to become self reliant.

Such measures may include

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- Sustainable farming practices
 - Reduced stocking rates
 - Adequate supplies of fodder/feed
 - Off farm investments
 - Off farm employment
 - Self Managed Superannuation Funds
 - Farm Management Deposits
 - Succession Planning

These same farmers may have foregone upgrades to equipment, vehicles, holidays purchasing land in order to remain financially secure, but at the same time they have run down their own reserves as the drought has persisted for 11 years.

Does this mean the best farm managers eventually become unviable?

Structure of the farm entity may be the reason the owner has been excluded from drought relief support or interest rate subsidy payments.

Farms that trade as Corporations or Family Trusts find it very difficult to separate assets, between different generations. The younger generation is therefore ineligible for any form of support.

Not only are we excluded from any fortnightly financial assistance, but other assistance in the form of health care cards, and more importantly we are ineligible for half shire and water rates. This probably hurts more than any other form of assistance.

Drought affects all farmers not just some!

Farmers who have taken measures to become self reliant should be rewarded, not penalised as they are under the current policy.