

Thank you for the opportunity to submit to this inquiry. We operate a wool growing enterprise on the Southern Tablelands of NSW and are part of the Goulburn -Yass Exceptional Circumstances area. This year again we have not recorded average winter rainfall and face yet another doubtful spring.

Some thoughts concerning the support of farmers during Exceptional Circumstances:

- The quantity and quality of wool produced on our property in the last 7 years has declined, by 2005 it was only app 71% of 2001 figures- as the drought continued we adjusted our management yet again and are now increasing production from that low – we are now at about 89% of our 2001 production- the quality of the wool is also improving. We have been able to achieve this by changing grazing practices and other management skills and taking decisions about our enterprise as each season progresses.
- During this time none of our inputs have gone down, the cost of grain for drought feeding has of course risen due to local and international influences- the cost of fuel and fertilizer has risen steeply and our Shire rates have more than doubled. Yet demand for our goods has not fallen, we are prepared to supply that market adjusting our product according to market signals as climate variation allows.
- As wool growers we contribute to the industry R&D and market development, and have shared the benefit of such, so too has our nation as scientists and marketers are employed – any loss of such will have flow through effects.
- We are aware that we live in a rural community and the flow through of prolonged drought will affect that community – the availability of work for shearers, shed hands, other workers is important, if these skills are lost to the area during years of drought then any recovery is made more difficult as we have to attract and train new workers. If by some assistance we are able to keep working communities going we are contributing to a more profitable and sustainable rural community.

- We are mindful of the environment- soil and water protection have always been imperative both for our farm's viability and the community interest, as community demands increase, stewardship issues must be addressed, we have recently locked up app 8% of our area as part of a catchment management programme- most of this was funded , however we still have to cover the ongoing costs of weed control and pay Shire rates and RLPB rates on this area as well as the loss of income from unused land
- Over the years we have attempted to improve our readiness for drought by storing fodder(but can you hold fodder for 8 year droughts) and constructing and enlarging water storage both for human and stock consumption - any budgeting for borrowing always included a measure for the purchase of additional fodder should the need arise. Our management practices are reviewed and adapted frequently and we have upgraded our skills (courses, field days, professional advice) in many areas over the years. As this drought, climate change, weather pattern change continues we assess and try to adjust accordingly.
- We have been able to access both Income Support and Interest Rate Subsidy. Income Support has taken some of the day to day burden of living and we are grateful for that. However, superannuation has not really been added to and succession planning is to be fully addressed as retirement age nears.
- Interest Rate Subsidy has enabled us to continue to work with our bank maintaining high industry equity while at the same time continuing to adjust our business to conditions.
- Many may complain that the paper work involved in applying for IS or IRS is too difficult, but my understanding is that to obtain either of these forms of assistance you must prove long term viability. We have found that Rural Financial Councilors and DPI have always

been supportive with advice and direction and are always approachable concerning any matter.

- The process of Declaration of EC may be complicated but at least it is a start-with an inquiry such as this refinement can be made. Having seen NRAC inspections of EC areas in progress I can only say how professional they were.
- And to the future- we accept that things have changed and we would anticipate that new skills and processes will be incorporated into our business as we now regard this as adjustment funding – rather than money to tide us over “till things get back to normal”
- Grazing pastures are depleted and will need regenerating-this will be a long term project as we source new and drought tolerant grasses-the cost of this has to be budgeted for while still trying to feed bloodline stock and preserve equity.
- In closing we would like to say that perhaps it is time the nation had a discussion as to their desire to have home grown primary product or have imported product- other industries have such discussions and suitable funding arrangements are made- why not primary industry- we employ others, try to conserve the environment and contribute to our communities and face the vagaries of nature that few other industries have to cope with.

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