

Submission to Productivity Commission Re Drought

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To whom it may concern.

Thank you for the opportunity to submit to this inquiry. We run a merino wool and meat merino breeding enterprise and have received assistance during this eight year drought. We are very grateful as it has enabled us to continue under difficult circumstances. Not only has it assisted people on the land but the shearers etc. we employ as well as the spin off to towns, rural merchandise stores etc. I feel it is not just farmers who have been assisted but the whole economy.

G.J. & P.C. Hallam.

There are several issues I wish to address.

▪ **Preparedness for drought.**

Most farmers store fodder to prepare for drought, however are not able to store enough to see us through eight years. Nor with the frequency of droughts in the last twenty years have we been able to save in FMD or pay superannuation for retirement in the last eight years. Our succession plan has therefore been put on hold. As it is going to take five to eight years of decent seasons for stock numbers to rebuild and for pastures to regenerate I can not see this changing. Our son is now working away from the property and we have cut costs wherever possible. Stock numbers are reduced, wool cuts and tests are down and costs have escalated. We have implemented new management practices to try to meet the conditions.

A pre drought pasture improvement programme and tree planting programme have been suspended.

It would help if silo, grain /hay sheds and water storage facilities were wholly tax deductible so that in good years we could prepare for drought.

▪ **Pastures/Environment.**

The reason pastures have been depleted is not, in the majority of cases from over stocking as was in the commission paper but rather from a depletion of the seed bed due to conditions. While we continued to keep all our stock initially,(two years), to preserve the environment we reduced our numbers by 30% and at times lot fed ewes. However as fast as germination would occur after brief periods of rain, harsh conditions occurred and these grasses would die before seeding. After eight years of these conditions the seed bed has been depleted. It will take approximately eight years to restore these pastures with pastures tolerant of dry conditions and five years to restore stock numbers. During the drought we have done our best to protect the environment. We cleaned dams, put in a bore, laid pipe to troughs, lot fed sheep at times, reduced sheep numbers, sold all cattle in the first year, used rotational grazing and contacted the lachlan catchment management authority to do an environmental plan for us. This involved fencing off creeks and gutters, putting in a bore for water, sowing trees and restoring the pasture to prevent run off. The co-payment of 50% is far more than we can afford. I ask," How can the land managers afford to pay for for the restoration that is needed after this eight year drought if current assistance does not continue, and should the onus be on them to do so?" At current prices the cost to replant pastures is as follows and we estimate that approximately 1/3 of the property need to be resown while the rest is in desperate need of fertiliser. This appears to be the case in this whole area.

PERENNIAL PASTURE EXPENSES (EXC GST)

Fertiliser:	Granulock 15	\$203/Ha (Adding sulphur)
	MAP	\$150/Ha
Perennial Seed Mix		\$120/Ha
Knockdown herbicide		\$33/Ha
Contract Sowing		\$70/Ha
Lime		\$ 90/Ha
Spreading lime		\$42/Ha
Spray Contractor		\$ 15/Ha
TOTAL		\$520/Ha

CALCULATIONS

Fert: Granulock 15, (\$ 1355/t x 150 kg/ha) 1 tone bulk bag price, delivered Goulburn.

MAP (\$1678/t x 90 kg/ha) 1 TBR ex Goulburn.

Perennial mix : Phalaris, cocksfoot and subclover (\$12/kg @ 10 kg/ha).

Herbicide : Glyphosate CT (1.5 L/Ha @ \$12/litre = \$18.50/ha
Kamba 500 (300 ml/ha @\$34/litre =\$10.00/ha
Li 700 (250 ml/ha @\$8.75/litre =\$2.20/ha
Fastac Duo (200ml/ha @\$10.00/litre =\$2.00/ha

Lime : Generally spread @2.5 t/ha.

Note: Many growers have own equipment so contractor rates can be left out if needed.

• **Assistance and F M D'S**

With the frequency of droughts and the recovery time from each drought I do not believe F M D's can be relied upon as a means of drought proofing.

Anyone receiving assistance from the Rural Assistance Authority has already had to prove viability.

• **Income contingent loans.**

Question. Do the car industries, arts council, sport institute athletes and other industries that have assistance have income contingent loans and how much do these industries contribute to the economy.? I believe that rural people want to be self sufficient and to get back on their feet as soon as possible. It is known that Australian farmers are the most efficient in the world. We have not needed this assistance before and do not want to be claiming assistance forever. The sooner we can get out of debt the better but we will need assistance to repair the damage incurred over the past years if we are going to continue to provide food, work and produce in the future.

• **Implementation of drought policies.**

Centerlink and the RAA have been very efficient and friendly when dealing with support issues. After being involved in trying to raise awareness within the community of assistance available I find that people often say it is too difficult. The **rural councillors** have been of immense help to those of us who find the task too onerous. As people on the front line they have been in a position to also recognise those whose health is also a risk factor. Their assistance to individuals and to communities has been invaluable. We have found ENRAC personnel to be very efficient and knowledgeable about conditions. We note the assistance given in Victoria regarding rates. This has not occurred in NSW. Rather during this time of drought our rates have more than doubled! Transport assistance has been of assistance with stock and grain cartage.

• **Income support**

The health care card has been of great assistance. Without it I have no doubt that many would not have had prescriptions filled, and with the many health issues relating to the drought this would have been a great concern. The living allowance has helped households and I do believe that is how it has been used.

Interest rate subsidies have enabled us to meet banks requirements and to retain some stock and to implement changes to meet the conditions.

■Closing.

We realise that times are changing and that we will need to adapt to the change in climate but we wish to make the point that we cannot adapt to climate change until we recover from the last eight years. In a normal drought there has always been a recovery year. There needs to be an adjustment period but as stated earlier. this is going to take five to eight years of reasonable seasons.