

SUBMISSION TO THE PRODUCTIVITY COMMISSION  
INQUIRY INTO GOVERNMENT DROUGHT SUPPORT

AUGUST 2008

JOHN OLDFIELD - BELALIE PASTORAL CO

I am a landholder in the Bourke area of the western region of New South Wales, in partnership with my wife and son. Our principal business is normally wool production.

The existing interest subsidy and household support have been very useful in getting through the difficult time, with our business ready to produce again when it rains. Records and peoples' experiences tell us that Australia has a very variable climate. It is the long droughts that require assistance, to maintain farm production for the individual farms and also the wider community that needs the food and fibre. The support needs to be in a form that does not add to the farmer's debt.

Climate change should not be considered in this review as the only known facts are the past records. Speculation on the extent of climate change has been very wide ranging, therefore it is impossible to suggest Government change drought relief policy on this basis.

Government emission taxes to be introduced in 2010 on fuel, electricity, etc., will be passed back and paid for by the rural industry. It is planned that the rural; industry will have a 16% tax in 2013. These costs will have a very big impact on the rural industry. Already the cost of fertilizer is causing farmers to reconsider its use, which would reduce crop yields.

I believe these planned taxes will jeopardize the existence of the rural industry. As I have indicated, these costs cannot be passed on.