

Which are the more important rationales for government intervention during severe drought?

To ensure that families do not have to rely on handouts from organisations like Aussie Helpers, CWA and Salvation Army to put food on the table. Farmers should be able to access the equivalent of new start allowance when they find they can no longer afford basic living expenses,

Most farm families cannot even access basic parenting payment from Centrelink as they have too many assets. This is grossly unfair as people living in expensive homes can qualify whilst we on low or non-existent incomes cannot.

Most Farmers are very proud people and do not have a social welfare mentality. We all look at what I call fixed income families, those who produce children just to receive more benefits from Centrelink and avoid working as having a welfare mentality but the cruel fact that they are in most cases considerably better off than a farm family and have to do nothing to earn it.

Farmers work long hours and many now have off-farm work as well to support their families. In our family case as I am sure is the same with many others social outings are virtually non-existent a) because we can't afford them and b) there is too much work to do to take time off.

My husband when shearing leaves home at 6 am and gets home again at 7pm. Whilst he is working I look after the stock, our son, the bookwork for two farms as I still farm with my brother also and run the house.

The drought in Tasmania has been said to have been going on for three years. Unfortunately in real terms it has been going on much longer but one freak rain storm put us out of drought and whilst it meant most of us had hay to harvest in real terms it didn't break the drought just slightly interrupted it.

What is your understanding of the meanings of preparedness and self-reliance?

My understanding of preparedness and self-reliance is doing what we have done put money into FMDs on the better years, good years are a long forgotten memory, Filling the barns and silos up in the good seasons and keeping water storages full. But there are limits to what individuals can do to improve their preparedness. Droughts in Tasmania normally only last one or two years and have never been to the extent of the current drought. We are now heading into our fourth failed Spring, On the farms I am associated with we have been feeding non-stop for over two years. On Farm reserves of fodder have been exhausted and cash reserves also. Fodder prices have become inflated so we have sold off more than half our stock only maintaining the bare necessities to restart our flock when the season breaks.

If it doesn't break this spring I will again have to look at selling more stock. The problem is my stock are irreplaceable we have been breeding these sheep for over thirty years and bred traits into our flock that you can't buy. Good mothering, resistance to fly strike, fantastic body conformation. You don't get this overnight.

To some farmers this drought has been like winning tatts lotto they have been able to buy young stock never before sold from properties like Trefusis and Kelvin Grove some of the best fine wool flocks in the world. The impact of the current drought has been horrendous on sheep and man.

What have been the lessons learned from the last drought and what strategies are farmers now adopting in response to those lessons?

We learnt from past droughts to watch for the signs and start selling early because the vultures will rip you off and watch you starve. None of us want to have to dig pits and shoot sheep again because no one will buy them. When you are forced to sell prices paid are at best minimal for your stock. We also note that feed prices magically move towards the sky when you most need it.

We have learnt to make preparations like saving money and fodder for the bad times.

We have also learnt that unfortunately there are still people out there who lie and rip off the system to detriment of others. I don't think people who have full time off farm work and small farms should be eligible for EC but they seem to get it and fill up their silos and buy new vehicles whilst genuine farmers struggle to survive.

We have learnt that people really don't care. We laughingly call our 800 ACRE + farms hobby farms and go out to work to support our families but underneath we are hurting badly suicide levels are particularly high in Tasmania second only to the Northern Territory.

What are the impediments to individual farmers sufficiently self reliant to withstand severe drought events?

The fact we are price takers. We have no say in what we receive for what we produce but our costs our continually rising as our supplier's raise there prices to take into account inflation and other considerations.

In real terms farm incomes have been declining since the 1960's. You hear the stories from the old hands when a prime lamb would buy a drum of petrol, which equates to \$330 dollars on today's market. Even now when prices are high because of shortages top lambs are only bringing \$125-00. As farmers we are expected to compete on world markets but we have no subsidies, no government protection and only interference from organisations and groups which just seem to cost us more money for no benefit.

Over twenty years ago I spoke in a Rural Youth State Debating final on how necessary farmers are to the country. **The opposition speaker got up and said we don't need farmers we can buy milk and meat at the supermarket.** It got a great laugh but back then Rural Youth was mostly that. Unfortunately this is the mind set of the average Australian. They also see the price in the supermarket as somewhere near what farmers receive. We wish. I recently read in a farm on line newsletter that the price of lamb was getting too high and consumers would not pay the prices. Especially for cuts like Rack of Lamb at \$40.00 a kilo. Excuse me. With lamb bringing around \$4.00 a kilo how can this price be justified?

Drought is used as an excuse of retailers for raising prices but they don't reach the farmers. Some time ago milk went up 40cents a litre because of drought. I happened to meet up with a Dairy Farmer and asked him how much of that he received. Ten Cents a litre.

In general, do current drought support programs provide an incentive for farmers, farm businesses to become more self reliant and adopt strategies that better prepare them for instances of severe drought?

Farmers are amongst the most self reliant people in the Country. What help do we get? We are grudgingly paid Drought relief when faced with horrendous seasons but only after we have exhausted ourselves, our monetary reserves, and are virtually reduced to the poverty line. Depressed to the point of suicide. We can't become more self reliant. I don't know who thought this question up but they don't know much about real farmers.

Perhaps their experiences are based on the so called farmers I met when Road testing the Making More from Sheep Manual for AWI. The ones that spend all their time on computers and thought I was an idiot when I pointed out that farmers in their late thirties and older were in many cases computer illiterate. Computers have only been in mainstream use since the early 1990's. These farmers were out there working there guts out to make a quid as my Dad would have said. They had no interest in learning to use a computer.

Most of these so called farmers were actually highly paid farm consultants who constantly quoted my group would. I have visited farms owned by people like these who profess to know all and have bred the sheep of the future. Some of them I wouldn't have fed to the dogs but on paper given the facts and figures they look marvelous. As my wool consultant put it they need to be able to walk around and eat to be much good.

These so called farmers are clouding the issue of real farmers because they charge thousands of dollars a day for their services but still insist their only farmers.

One so called farmer I met had bred a wonderful strain of worm resistant sheep. She was lecturing in Japan at something around \$20 000 a day on the wonderful attributes of these sheep. Of course the resistance doesn't really show until two or three years of age and weaners are always susceptible to worm. Excuse me my father was breeding sheep like this thirty year ago of course just being a Average (dumb) farmer he didn't have the facts to figures to back up this claim but he had a lot better sheep than she ever will.

To what extent do drought support policies prevent the development of market responses to manage drought risk? For example, have drought policies impeded the development of weather insurance or other weather derivative markets?

What is weather insurance? I bet it costs a lot of money and of course it would be just another expense to be absorbed by farmers because don't forget we don't have the

ability to pass on input cost rises we have to absorb them and learn to be more efficient.

In my experience anything to do with insurance is loaded well and truly in the insurers favour and who would want to offer weather insurance given the doom and gloom predicted by the experts.

Market responses are well developed in response to drought feed goes up; initially stock prices go down to rise slowly whilst retailers pass on the cost of the drought to consumers by increasing their prices immediately. Prices certainly do take into account drought as just another excuse to rip off consumers whilst allegedly paying farmers more.

Is the EC declaration process overly complex, long, non-transparent?

YES. Exceptional circumstances almost requires a degree to complete forms. They are overly complex. Arduous to fill out and totally daunting to many people. Many people don't bother. Thank God for the Tasmanian Rural Counseling Service as they help many people fill out these forms and understand what they are entitled to. There are still many people who should be receiving EC but aren't either because they filled out the form wrongly or didn't bother to apply assuming they aren't eligible.

My husband and I were victims of the form filled out wrongly or someone reading the information wrongly. My husband is a farmer and Contract Shearer meaning he is paid an amount per sheep to shear them. I am also a farmer in my own right, farming with my brother. I applied for EC payment from Centrelink as soon as I was able. I am very computer and form savvy so despite turning up with a pile of documents 8 inches high to provide information required I was quite sure we were eligible. Our claim was processed and I was informed that we would receive I think it was \$299 per fortnight. This was for me and my husband and son. We struggled on and eventually at Easter time I had an old fashioned nervous break down. I was completely physically and mentally exhausted. Coping with a small child, selling of my stock, trying to make ends meet financially where the gap in the middle was impossible had taken their toll.

I was admitted to hospital for two weeks most of which I slept. I came home and slept for most of the next week, slowly I recovered with the help of good friends and neighbours.

Once I recovered I discovered Aussie Helpers, CWA, the Uniting Church Frontier Services and the Salvation Army. They helped us out with food and paying bills.

Then I started asking what other people were receiving from Centrelink thinking every one must be in the same dire straits we were. They were getting over \$700 per fortnight. I rang the drought help line and asked what the maximum amount we could receive was. I was told over \$700 per fortnight for a couple **there was no extra included for children**. I asked why we were only getting \$299 per fortnight and was told as my husband was a shearing contractor and a farmer he had two businesses and was not eligible. I promptly replied my husband was a contract shearer not a contractor and explained the difference. I was told to send in a list of my husband's earnings and it would be looked at.

A few days later I received a letter saying we would now receive over \$700 per fortnight and we got back pay which helped to clear up the accumulated bills. After reading the wonderful submission of Mr. Gary Grady JP I realise why everyone was so surprised when I said we got back pay.

The process is fraught with pitfalls and most farmers are still not very savvy when it comes to filling in these forms, well almost a small set of books.

Do the geographical boundaries used in the EC declaration process unfairly exclude some farmers from relief payments or conversely include some that do not need assistance?

YES the original boundary in Tasmania did not include the Baden area where I live so I rang the person in the DPIW and asked who decided to draw the line in the sand there? He replied he didn't know but low and behold when the revised map came out the boundary line was Baden but, what about Tunnack just over the river. EC areas really need to be assessed on individual needs basis not some imaginary line where the rain supposedly stopped.

Does an EC declaration influence behavior, for example, does the potential for declaration delay the decision to adopt preparedness strategies?

Given the uncertainty of EC declaration it is has in my opinion no affect whatsoever. Most farmers in Tasmania adopt preparedness strategies well ahead of any likelihood of EC being declared. The amount of money paid for EC isn't a very attractive proposition. I am sure we would all rather have rain and normal seasons. Interest subsidies are almost impossible to get so most of us don't bother applying.

As another farmer put in his submission these interest subsidies seem to favour the less efficient and border line farmers whilst those who work hard and make provisions for bad times are discriminated against.

Does the EC declaration process create incentives for states governments to apply for assistance given the Commonwealth is responsible for most of the funding?

I was unaware that the Sates could apply for EC declaration I thought this was done from Canberra. I think the process for declaring EC areas has too many layers and would be better administered by one area so farmers would know who to contact when they felt the need was going to arise.

Have expectations of ongoing assistance being created as a result of many regions been declared as experiencing EC for several years?

Not in Tasmania.

Is a trigger approach, such as an EC declaration, a necessary first step to determine individual eligibility for drought relief?

NO. Farmers should be able access payments like Jobsearch when they are in a situation where they can no longer put food on the table or meet household expenses. Many farmers have been reliant on handouts from charity to survive.

Could assistance be delivered on the basis of individual circumstances without an EC declaration?

Yes. Some farmers are affected much earlier than others by drought because of the types of farming operation. For example a farmer who relies on cropping may lose a whole years income if the crop fails and have no income to live on. Adverse weather conditions at shearing time can also see farmers lose large amounts of stock which will only affect them.

What administrative efficiency issues does this raise?

I think something like the Rural Counseling services would be better equipped to assess eligibility of individuals and referring them to Centrelink. These groups work with farmers all the time and understand farm businesses. Rural Counseling would be better equipped also to work with the farmers on an individual basis to refer them to help sources. At the moment we many groups out in the country trying to help farmers some with no experience at all of rural life and basically in many cases it is a duplication of services and a waste of money.

In Tasmania the Salvation Army has put a counselor on the road to talk to and assist farm families. He is absolutely brilliant. Understanding, compassionate and humble. This would be well worth government money to increase the service. The Salvation Army has been working with individuals in crisis for years and understands what people need. I met another counselor recently who has been appointed to work in rural areas. I said to the person I was with they won't relate to farmers. They came across as arrogant, I know everything and I am the best. How people like this become councilors is beyond me and putting them in the field to work with people as depressed as farmers is ludicrous.

How effective have EC interest rate subsidies been in improving the survival of farm businesses?

In my case they haven't because of the paperwork involved and the probability of not getting it I haven't applied.

Farmers should be able to access money at reasonable rates in order to keep their businesses viable. Governments in there wisdom have done away with lower interest rate loans for farmers but they can still find money to lend to other businesses.

How are farm business decisions altered by EC interest rate subsidies?

Not applicable

Do the current eligibility requirements create adverse outcomes, for example, by creating a disincentive for farming households to seek off-farm income?

This is another one of those questions I wonder about. Most farm families have at least one outside income these days. If we waited for so called handouts from the Government we would starve. We can't even access basic parenting payment from Centrelink because of our assets.

Would support based on business attributes other than debt be more effective?

Yes. Efficient farmers who save and invest off farm are penalised, whilst farmers who waste money spend everything get more help.

To what extent have farmers benefitted from other input (fodder, transport, rates and other transaction based) subsidies?

I assume we have benefitted from the Bass Strait freight subsidy but as far as I know it is the only subsidy we receive.

Have the benefits gone to farmers or to others in the marketing chain, including financiers and farm input suppliers?

Haven't you noticed how prices immediately rise when the need is greatest. Banks rip up off left right and centre with excessive fees. Overdraw your cheque account and expect to pay at least \$35 plus interest.

Do such subsidies encourage poor farm management practices, such as maintaining excessive stocking levels?

What Subsidies we are in Australia not USA.. The State Government in Tasmania was shamed into giving farmers \$10,000 each for fodder by Aussie Helpers. You have to spend the money and then they will refund what you have spent. Some Farmers are spending that much a week or more to support their stock.

What role do farm financial counsellors play in guiding farm business decision making prior to, during and following drought? How effective is their advice compared to that from other sources?

The Tasmanian Rural Counseling Services are fantastic they help you with forms and give you alternatives to look at and discuss. They are unfortunately extremely overworked and we need more. They offer unbiased sensible advice and we can afford them.

If you are lucky you might find someone in the DPIW to answer your question.

The 8x5 Wool Program costs money and they to date haven't bought out anything I haven't heard twenty times before.

Should governments have structural adjustment policies which are triggered by severe drought?

The Government should put in place policies that assist farmers in times of great need. The criteria for declaring drought is so ambiguous most of us don't know what it really takes. Some areas like the Tunbridge, Woodbury and York Plains were in drought months before other areas.

Why is there little use of current exit programs?

Because you are not offering enough money. People need at least enough money to buy a house. Many are so far in debt that if they sold up they would have nothing. The alternative is to hang in there and hope for better seasons so you can sell for a good price and pay off the debts and have enough to buy a house..

Do severe droughts lead to an increase in exit from the industry? If not, why not?

Normally no because this leads to lower prices for property but in Tasmania we have seen many farmers leave the industry as they approach retiring age because of the outrageous prices being offered by timber companies to acquire Prime farm land to plant trees.

In the Tunnack area alone I estimate that around 1000 prime lambs and 400 bales of wool per year have just been turned into trees.

If governments want to maintain rural communities, what are the most transparent, effective and efficient policies? What are the effects of incorporating these policies in measures directed to the preparedness for, management of, and recovery from, severe drought?

In my opinion in Tasmania the old fashioned rural community is dead. The towns like Oatlands still exist but they are populated by retirees and commuters. The people who used to populate rural towns and work on farms and related businesses are long gone.

We still have some locals who do volunteer work and help out in the community but at 48 I would be the youngest I think. In fifteen years we will have no volunteers as they will either be in nursing homes or gone to a better place.

The Community spirit of rural towns is gone. The churches are closing and being sold. Our schools are shrinking and the quality of education is questionable.

You can walk down the street and not meet a person you know.

How effective are drought relief payments in providing a safety net for farming families?

They offer some help but nowhere near what a family with children need.

Are the eligibility tests for farm family assistance suitable?

My understanding is that the drought relief payment is the same if you have no kids or seven kids so I don't understand the question. We receive no payments for families.

What have been the farm family welfare outcomes from the EC Relief payment? Are they satisfactory and at the level expected? For example, have farm families been able to meet their immediate health

and education requirements? If not, what are some of the problems yet to be addressed in this area?

We have had to seek help from the CWA, Salvation Army and other community groups for help to meet household expenses so I think this means they are inadequate.

Farmers families cannot access parenting payment because they have too many assets this means that farm kids are disadvantaged financially. The level of education in Rural areas is of a lower standard than our city counterparts because we are funded on a per head basis This means many subjects taught in urban high schools are not taught at rural schools owing to lack of funding.

To what extent, if any, are payments diverted to the farming business?

In our family they are contributing towards the cost of running our household and the farm electricity and phone accounts.

How effective have EC interest rate subsidies been in improving the survival of farm businesses and farm dependent rural small businesses? How are farm business decisions altered by EC interest rate subsidies? Do the current eligibility requirements create adverse outcomes, for example, by creating a disincentive for farming households to seek off-farm income?

EC interest rate subsidies are so hard to get I haven't bothered applying the hours of work required to compile the information required is a disincentive of the largest degree, particularly as I have been told I probably won't qualify anyway.

What is the role for government in providing social security-type payments to self-employed farmers and rural contractors/businesses during times of drought?

I feel that these people should be eligible for unemployment type payments at all times. We cannot sell off our businesses in bad years or when crops fail to support ourselves and after this drought we have no reserves left to fall back on. Because we are not eligible to receive unemployment payments we cannot get assistance to find work either as these services are for the unemployed.

Who should be eligible and in what form should payments be made?

People who are tied to a farm business including a farm property which excludes them from receiving benefits as the rules now stand. These people make a valuable contribution to the economy of Australia and are not dole bludgers. No one with the mentality of a dole bludger could work or run a farm it's too hard.

Farmers work long hours for little return and are penalised at every turn for the assets they have accumulated.

Perhaps these payments could be paid in the form of a family income support as it is particularly hardest for those who have children.

Should payments be drought dependent or instead based on individual circumstances?

Payments should be based on individual circumstances. A bad batch of weather can wipe out ones farmers entire income whilst his neighbours aren't affected. I have known of farmers who have lost nearly all their sheep to rough weather after shearing these people deserve help. Or as is happening this year we are having a horrendous lambing. We have mated 500 ewes and will be very lucky to mark 200 lambs.

Should equity in assets be run down to some minimum level before households are eligible?

No. People who live in big expensive houses don't have to sell them to get help so why should we have to our properties.. Off farm assets should be included but the farm properties should be exempted from Asset's test.

How can the environmental consequences of severe drought be minimised while providing assistance to farmers?

In my opinion government policy is solely to blame for environmental consequences of the drought. They have encouraged people to put in large dams and irrigation schemes which have had a detrimental affect on farmers down stream. People have been cropping intensively on land that erodes easily and we are now seeing the consequences in the loss of topsoil and degradation of our river systems.

Assistance should have been given to farmer's years ago to allow them to continue to farm in the sustainable fashion that was in place. Since the 70's when we were all told to farm smarter we have seen massive increases in irrigation and cropping. The result of this in some areas is massive soil loss and salination of our waterways

Do current government support measures change these consequences in either a positive or negative way?

NO

What role do FMDs play in helping farmers prepare for severe drought events?

They are an incredibly effective tool for managing funds from good years to bad years but many farmers don't know about them or how to use them.

Is there evidence that FMDs are substantially drawn down during a drought? If not, what other 'needs' are FMDs fulfilling and is this an intended policy outcome? Do the eligibility criteria of the separate relief payments encourage or discourage the use of FMDs?

I know mine will be empty shortly and when I will be able to put more in is a good question.

Could support arrangements be delivered in a more efficient manner? For example, are the government institutions responsible for delivery of business and welfare assistance the most appropriate organisations and do state differences add to compliance costs?

I am not sure but, there are a lot of people out there at the moment and I am not sure what their function is except to look useful. A lot of programs have been put in place to help with health and well being. But most of us are too exhausted to be bothered.

Rural Support (Counseling) has been a magnificent support to Farmers but they are there for us through thick and thin and not reliant on Drought to be able to assist us.

I think Aussie Helpers, the CWA and Salvation Army have been of the most assistance in Tasmania during the drought. They are certainly out there and visible. I have recently met up with the lady from Centrelink and she appears most helpful so I will also help her to network amongst farmers.

I think Centrelink are the best people to administer payments and eligibility for payments working in conjunction with the Rural Counseling Services. As to other measures perhaps if Centrelink could coordinate letting farmers know who and what they are it would help because a lot of farmers are unaware of what they are entitled to and from whom.

What is the time taken and cost incurred by farmers and farm businesses to prepare the necessary documentation and how long does it take to process these applications once submitted?

The cost incurred is an interesting idea in what farmers are receiving it is minimal but if an administrative person were employed to compile the documentation and forms you would be looking at a figure in the region of \$500 for a very basic person. If you need to consult your accountant I would think you would be looking at around \$800 to \$1000. Rural Counseling is free but horribly over stretched. It probably takes about a week to gather up all the necessary documentation but once it is sent to Centrelink it only takes about one to two weeks to be processed.

Should there be a uniform national approach to drought policy?

YES. I thought there was. Our State Government believes in knee jerk reactions and has no idea of the needs of farmers. It needs to be run by people who understand Primary Industry and the problems faced by Farmers.