



## **Submission of Concerns**

**to**

## **Productivity Commission**

## **Inquiry into Government Drought Support**

**Rural Youth Organisation of Tasmania Inc.**

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## **Introduction**

Agriculture and farming are vital both socially and economically to Tasmania. Agriculture contributes significantly to the Tasmanian economy through direct agricultural production as well as having a major influence on downstream economic activity. Agriculture is constantly facing new challenges such as declining terms of trades, greater competition from overseas markets, increases in the cost of production, the impacts of inflation and drought.

The Rural Youth Organisation of Tasmania is a volunteer based organisation for 15-30 year-olds. The organisation and its members are at the forefront of agriculture and have strongly felt the impact of the current drought.

This Submission of Concerns is in response to the Productivity Commission Inquiry into Government Drought Support and outlines some of the issues encountered by Rural Youth and its members.

## **Issues**

The following issues have been identified by Rural Youth as significantly important.

- Restrictions to exceptional circumstances
- Rural health
- Environmental concerns
- Succession planning
- Employment in the rural sector
- Training, leadership and community development.

## **Restrictions to exceptional circumstances**

Rural Youth have identified three main issues that appear to be preventing some farmers in need from being able to take advantage of the EC benefits:

- The off farm income limit for farming families is set too low. Given the current economic climate in Australia, the cost of living is such that many farming families must source off farm employment, when in drought, in order to survive. Under the current system, only \$20,000 per year in taxable income is offset. If the farm is not making a profit during a drought this only allows for \$769 per fortnight to be earned off farm before EC benefits are reduced. Once tax is subtracted, this makes the financial situation, for young farming families especially, very difficult.
- The complexity of paperwork required by Centrelink and the lack of information available with regards to eligibility, prior to investing days filling out said paperwork.
- Support during recovery period, restocking or waiting for harvest is inadequate

There are presently a number of organisations offering various forms of support for drought affected families and communities. As a result of such a wide range of organisations having their own drought support programs, there is a lack of collaboration resulting in resources being used inefficiently. Greater collaboration and co-ordination between all levels of government, private and non-profit sectors would improve serviceability and accessibility for farmers.

## **Rural health**

Even under ideal conditions there are number of deficiencies, such as insufficient medical services, in the rural health sector. Under drought related pressures there is an increase in the incidence of a number of health issues. Stress, depression and suicide are major concerns for the Rural Youth organisation and its members.

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The stress and pressures often associated with the isolation of living and working in rural and regional areas can be compounded under difficult conditions, such as drought. The impact of this can take a number of forms, from minor short-term conditions to very serious longer term issues. At present there is a number of counselling and support services available, these services could be better utilised through greater co-ordination.

There is an opportunity for all levels of government to demonstrate their genuine concern and alleviate some of the pressure felt by those working in agricultural industries through on ground collaboration with the non-profit sector.

### **Environmental concerns**

There are two primary areas of concern relating to the environmental issues associated with drought.

- The long term environmental impacts of drought, such as soil erosion and damage to water resources. There are a number of practices being implemented on farms to try and prevent environmental and ecological damage. There is potential for more extensive adoption of these practices through increased availability of natural resource management subsidies.
- A number of agricultural sectors have encountered issues with environmental groups. The duty of care and responsibility, as well as the associated ongoing costs, of environmental care are increasingly being absorbed by the farmers and rural communities. There is some concern, however, that decisions having significant impacts on farms and rural communities are not being reasonably considered due to minority, vocal, environmental groups. For example, the controversy surrounding the release of water for irrigation down the Clyde River vs. the Golden Galaxia fish.

### **Succession planning**

The passing of the family farm from one generation to the next has been an important part of farming in Tasmania. This issue is particularly relevant to members of Rural Youth, as many members are in the age range at which they must make crucial

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decision about their future. Under current conditions, Rural Youth has seen a decrease in the number of farms being handed over to the next generation. There appear to be two primary reasons for this, the first being the unwillingness of the current generation of farmers to pass on farms in the present conditions. The second reason is as a result of the younger generations being drawn away from working in the agricultural sector, in particular to find work with more stable income.

### **Employment in the rural sector**

During periods of drought the level of employment in rural and regional areas can be significantly affected. Changes in the trends of rural employment have been felt by Rural Youth members in a number of ways.

Due to the downturn in business associated with poor seasons, the level of available employment in some rural areas has been greatly reduced. This can be seen in a range of situations, not only on-farm but also in the surrounding communities and associated businesses.

In order to compensate for reduced farm productivity many farmers have had to source off-farm income. This then presents a number of issues including: health concerns as a result of increased mental and physical stress and pressures, limits to the amount of work that can be undertaken due to restrictions when claiming exceptional circumstances and adverse impacts on rural families and communities.

### **Training, leadership and community development**

The importance of training has been widely accepted as an important aspect of agricultural development, and can also contribute to the general well being of rural communities. As new practices and developments are made in agriculture and agricultural production there is a need for this information to be promoted and developed, training courses and field days form an important part of this process. At present ability to attend such information sessions can be difficult due to increased time pressures and the associated training costs. Training subsidies have always been an important factor in the level of uptake in training. FarmBis provided farmers and their employees with the opportunity to receive important training and was highly regarded by the agricultural sector.

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For many farmers in Tasmania they have not experienced a drought as significant as the current situation, so there is a greater need for increased training and information. Increased support and availability of training and information will allow the agricultural sector to better manage adverse seasons and potentially lessen the negative impacts and repercussions of drought.

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