

**Michael Willett's Response to the
Draft Report of the Government Inquiry into Drought Support
For presentation at the Public Hearing – December 1st 2008 Brisbane.**

Overview

I am a 49 yo farmer married to wife Cathie of 21 years, with five sons aged 19 to 3 ½ yrs. I run a mixed farming operation on two properties one at Willowvale via Warwick Queensland and the other situated east of Tenterfield New South Wales. The Willowvale property consists of 84 ha running from alluvial creek flat to a ridge of self mulching black soil cultivation. I hold an irrigation license of 130 mgl reduced to 65 megs for the last three years. The property also has a 1075 spu piggery, 350t grain storage and running in conjunction with 100ha improved pasture grazing block at Tenterfield.

I have been farming since leaving school at age 15. For numerous years I have been in partnership with my parents and brothers until the last five years when I purchased my own property with my wife.

The family partnership land was originally part of Glengallan Station and was purchased by my Great Grandfather. Our family had a history of Lucerne production from then on. We found that only having one enterprise left us with a cash flow reliability problem eg good seasons when hay demand was low. We went into vegetable production having purchased an adjoining property that had a existing washing and packing shed. We had to invest quite a large amount of capital in updating the shed and purchasing cold room storage and purchase of a new carrot harvester. We also grew potatoes, onions and pumpkins. The short falls in this industry soon became apparent eg labour shortage and reliability at harvest time, loss of complete crops through wet weather and hail storms, market preference for established district product.

With the establishment of contracts with local feedlots and the supplying to abattoirs and sales yards with lower grade hay we were able to put more reliance onto Lucerne production. With high demand of cereal hay because of the increase in the local feedlot industry, it was decided to purchase a broadacre property in the Millmerran area, with cereal hay and wheat grain being the main crops grown. Interest rates increased to an all

time high at over 18% within 12 months of us purchasing the Millmerran property and the price of wheat dropped from \$145 to \$85 a tonne. We found that off farm income was needed to survive. E.g. contract harvesting and hay making. The strain of extra workload eg 130 hours per week started to show on all partnership members as their mental and physical health began to suffer. I have been in the situation of finding off farm income to survive but at a cost to my family life, mental and physical health.

Our exceptional circumstances eligibility was lifted on the 15th June 2008, under very dubious circumstances. We have been on water restrictions for 10 years or longer and from a period 1990 to 2007 we have only received our average rainfall seven times. 2006 being the lowest rainfall on record for this area. And with a period from March 2004 to September 2007 a period of 43 months we had a total of 1295mm. An average of 361mm for a 12 month period.

See Appendix A (Glengallan Creek Alert Monthly Rainfall. Bureau of Meteorology 2001 to 2008)

Our thirty year average is 680mm. The rain event of October, November and December 2007 and January and February 2008 saw 478mm in total. Our average for that period was 380mm. This rain event consisted of heavy storm rain with severe storm run off including three local floods and local road closures. This rainfall did very little to replenish sub soil moisture even though there were some record grain crops produced, from a Lucerne growers point of view we saw very little monetary value due to the done grading and loss of hay. Grass country even though it was under stocked did not get time to recover before winter. Late summer planted grain crops all but failed, with one local farmer planting 400 acres of Mung Beans for a yield of 25t.

Opinion

My opinion of the overview of the draft report is that it seemed to very one sided report with continuous referral of Farmers being reliant of assistance from the Government and failing to be prepared for drought (dryness) with comments as viewed:-

- Box 2 '*Farmers view of Drought Assistance*' page xxx, with only three submissions of farmers in favor of drought assistance and five not in favor. (Who are these people? – 2 out 3 in favor are contactable but the 5 not in favor are just random names)
- '*ECRIS also generates perverse incentives in that it can lead to*':..... page xxxi (S & A Boardman comments are more about eligibility)
- '*Overall, of the 150, 000 farms in Australia only 20%*'..... page xxvi (how many of this figure were eligible and more information about who makes up this number)
- '*Indeed, as at June 2008 more than half of the country was declared for 13 of the past 16 years*'. Page xxix paragraph one (What areas were they and more information needed instead of just maps)
- *Figure 6 'Proposed farmer specific temporary income support'* page xxxv (that fact we need to be reassessed every 6 months through Centrelink. Would this be on actual financials or would we be asked to anticipate the seasons? Cost of Accountants to prepare 6 monthly figures. Dealing with unpleasant, unhelpful individuals at Centrelink.)
- '*The Scheme is limited to 3 out of 7 years.*' Page xxxvi (The fact that the scheme can only be claimed for 3 out of 7 years comes with the questioning of who gives the bureaucrats the right to say that farmers are only entitled to this. What happens with the other 4 years? Become charity cases?)
- '*Terminating of EC process and transition of current declared areas*' page xxxvii (paragraph 2: Recipients of EC assistance in the Southern Downs were given approximately 2 weeks notice that our EC payments would be stopped. We were told to apply for Climate Change Adjustment Program and Transitional Income Support. Centrelink knew very little about this program and after applying we

where told we were successful to then be told 2 weeks later that more information is required. Centrelink staff were untrained regarding this program as it seemed to be rushed through – why????)

- “*Future policy Framework*” page xxxviii (Self-reliant and approaches to managing risks are all well and good but we have a current situation where Grain & Cattle prices are below the cost of production)
- “*Expert social panel was of the view that*” page xxxix (agreed with) If there is less money in a district who suffers????? If there is not going to be less money why not readdress the short comings of the existing program. Look at NRAC’s capabilities of assessing the wide diversity of Australian agriculture.
- ‘*Measures to facilitate self-reliance and preparedness*’ page xl Government’s have a role to play where there are market failures which impede farmers building that capital that is required to facilitate self reliance and preparedness. Eg pig meat imports, de regulation of the dairy industry.
- ‘*Farm Management Deposits*’ page xlii (would offer and encourage self reliance and preparedness if our climate situation would allow to do so)
- ‘*Making the Transition*’ page xliv (I think the preparation for this needs to start immediately with the farmer, financial counselors and Centrelink staff working together to overcome the stigma of filling out application forms with more use of pre application financials and less guessing what the future holds)

After reading the Draft report and finding these inconsistencies and bias, I felt the need to comment on this draft report.

Michael Willett