

The Current EC relief payment scheme should conclude by June 2010

From July 2009 all farmers facing hardship should have access to temporary income support designed for farming circumstances, at Newstart levels subject to

- **An asset cap inclusive of the farm home, beginning at 2 million with a taper.**
- **Liquid assets cap of \$20 000**
- **Independent financial advice on a plan of action to improve self reliance**
- **Eligibility being reviewed, payment acquitted, plans updated every six months.**

The scheme should be limited to a maximum claim of three years out of every seven.

Those considering leaving farming should be assisted with counselling, training suited to earning off farm income and the recognition of prior learning.

In relation to the above recommendation I commend the commission on the decision that all farmers should have access to the equivalent of Newstart. The issue of families has not been addressed by this though. Farmer's with small children under six will still not be able to access parenting payment for their children as can other families.

I am also very concerned at comments made at the Launceston hearing which equated to the fact we should be encouraging young farmers to leave the industry. If current trends continue there will be no young farmers in the pastoral areas of Tasmania. We are seeing properties that have been in families since settlement being sold because young people can't afford to farm. I am a sixth generation farmer and I describe farming as a disease, there is no sane reason why you would do it. Drought has become a way of life to us. We are preparing for droughts but this one is the worst in history.

In Tasmania we are in a rather unique situation of being an island and farms **are disappearing** to agriculture. The areas of Acton, Sorell, Cambridge, Richmond, Campania, Brighton and surrounding areas in the south of the state were once

Prime agricultural land they are now built up housing areas. Similar situation exist around all major towns and cities in the state. Even in the Midlands we are seeing agricultural land being sold off for housing.

Thousands of acres of prime farm land have been purchased at prices well above market value to grow trees. The opportunities for expansion and diversification are somewhat limited in many areas because of this and the prices we receive for commodities have not increased in line with anything. We are still receiving prices equivalent to the 1950's.

The liquid asset cap of \$20 000 is to me an unrealistic figure unless this is related to off farm income only. Many farmers now work off farm part or full time to support their families but farms are unfortunately a sink hole the more money you put in the more you need.

I also think that the limit of being able to claim for three years out of seven should be reassessed bearing in mind the current financial crisis. Not only have woolgrowers in Tasmania been hit by drought for the last five years, we are now seeing wool bringing only two thirds of what it was worth last year owing to the current world financial crisis which is well outside our control. We are running one third of the stock we were. So our incomes have been radically reduced by circumstances totally outside our control.

It is going to take years for Tasmanian farmers to recover from this drought we have sold our stock and used the money to feed the remaining ones. It would be nice to think we could have put the money into Farm Management Deposits' for the future but this drought has been so prolonged that we have in most cases exhausted farm reserves of fodder and money. I believe that declaring no more EC areas is the first step but let the areas currently in EC get over this drought first and it hasn't broken yet.

Someone asked one farmer how he could afford to keep buying all the stock feed he was. He explained it is like this every time I sell a mob of sheep or cattle I buy more feed for the rest. One day I Won't need to buy any more.

A large amount of farms have been offered for sale in the Tasmanian Midlands and have failed to sell. Why? They have stopped buying farms for trees and grazing properties aren't an attractive proposition.

As far as Research and Development is concerned I think most of the money would be better spent getting the more innovative farmers to explain to others what they are doing to get it right and setting up income support for farmers.

Millions of dollars of producer's money has been spent on R&D to no great benefit to anyone except the people being paid to do it. Many projects being undertaken today are merely duplicating similar projects undertaken up to fifty years ago and the results are still the same.

I had intended to write a submission addressing all points of your report but time has beaten me so I will raise a few dot points for your consideration.

- **LEAVE THE RURAL FINANCAIL COUNSELLING SERVICE ALONE.** It is working brilliantly. Hideously understaffed and underrated these people in Tasmania are doing a wonderful job and have done so since the service began.
- A point that has not been raised about farmers with off farm income and investments is that many of them are farmers in name only. They employ people to farm there properties as an arm of their businesses. I attended a workshop to road test a training manual for farmers. Of the twelve people attending I would describe two of us as farmers. One was a school teacher, one was a farm manager for a large company and the rest were highly paid rural consultants who made there living out of telling other farmers how to farm whilst obviously employing people to run their farms.
- The major problem with farming at the moment is that real farmers are not being heard. Professional board sitters and people with major outside income seem to do all the talking for farmers
- Drought is part of farming but this is the longest and driest drought in Tasmania's history
- Farmers farm by choice not because they want to make massive amounts of money and have a lavish lifestyle
- .Farmers don't have a social welfare mentality and most only seek assistance after all other avenues are exhausted.
- It takes so long for EC to be declared that many small and medium farmers have exhausted all available capital.

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- We are amongst the efficient producers in the World but have to compete against heavily subsidised produce from overseas countries.
 - Farming in Australia does need to be looked at long and hard for its viability but, not by farmers but by Government and the people who eat and wear what we produce. Farmers are being driven off the land by rising input costs, Tree plantations and Housing.
 - We need to be encouraged to stay on the land to produce the food to feed our nation and the exports we produce but the next generation are not returning to the land they are seeking jobs with good pay, 38 hour weeks and paid holidays.
 - State government assistance to farmers varies widely from state to state and is in many cases a knee jerk reaction to counter negative publicity.
 - Unfortunately too many non farmers are becoming involved in Agriculture as a tax dodge or to acquire prestigious old homes and of course with major off farm income they can turn profits.
 - EC interest subsidies have only encouraged farmers to run up further debts which they have no hope of ever repaying. So I agree that these should be scrapped.
 - I fully agree that Farm Management Deposits should be retained.
 - I think that the Government should look at paying Farmers Aged and Disability Pensions also. We are encouraged to plan for our retirement and to pass the farm onto the next generation but factors outside our control make this impossible in some cases. The prime mortgage situation in the USA has seen superannuation funds devalue immensely. How can we plan for such a happening?

Young people come home onto the farm to work but cannot be paid because in some cases two and three generation need to make a living off the farm. The age old promise of one day it will all be yours is scary. You are inheriting massive debt.

- I think now is the time to talk to farmers and start to plan how to keep them on the land not encourage them to leave. Yes there are farmers out there who are not viable and perhaps some criteria needs to put in place to assess what can be a viable enterprise and those people who aren't viable assisted to leave the Industry or classed as hobby farmers.

