

Thank you for the opportunity to offer this submission. Much of what I have to say today is covered in our submission to the Commission in August. The fact that you have listed hearings for this area encouraged me to come and speak to you.

On page three of your draft report you list the objectives of the National Drought Policy and I feel that our objectives during this time are really no different but on a personal scale- that is, we aim to be self reliant, to maintain and protect our resource base both agricultural and environmental, and ensure that we recover from extreme climate stress - something over which we have no control- it is not a poor business decision it is not something we can give a time frame to.

I can only really speak to you of the situation as I know it in the Gunning area 90 Ks north of Canberra where we produce fine wool in a family business. This drought has had a big impact on our community- we are still not out of "Drought" in our area and have been in such a situation for most of the time since March 2002.

Our Yass- Goulburn area is normally regarded as a "safe" grazing area with the need to give ewes some supplementary feed during some winters but not all winters. We usually plant a winter grazing oats crop and then harvest that for grain reserves for dry years. We have

placed water storage (dams) at appropriate places on the property to ensure that stock water is supplied. Our domestic water is caught on roof tops and held in tanks- such supply has always been of high priority. We always place the maintenance of our blood line as our first priority in any culling decisions which have to be made and even in such times we continue to stress that the bloodlines of the replacement rams we buy ensure that our product does not lose its market value.

We have borrowings—these have always been for the purchase of land to enable us to expand our production, but, any borrowings have always included a measure for the purchase of additional fodder should the need arise. During the past 7 years we increased our borrowings by a further 20% in order to continue operation- we will not borrow more as we would find the rate of equity left in the business unacceptable- our bank has not refused any of our applications for further extensions and have supportive of our “drought attack” decisions. We consult with the bank on a regular basis- to keep them up to date with our situation.

Our management practices are reviewed and adapted frequently and we have upgraded our skills through courses, field days, professional advice – in many areas over the years.

The quality and quantity of our wool in the last 7 years has declined. By 2005 it was only 71% of 2001 production- as this drought, climate change, climate stress continues we

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adjust our management and are now increasing from that production low, we are now at about 85% of 2001 production, and this year the quality of our wool has improved with higher yields and stronger fibre staples, and a heavier cut per sheep. Our sheep numbers are down to about 72% and we see no return to full production for some time. We have changed some of our ram blood lines to try and breed in a hardier frame without losing our wool quality. We sold about half of our wool in October and attended the sale, and there was strong demand for the lines we offered- many bids in an open market system are an indication that your product is in demand.

We are mindful of the environment- it is imperative both for our farm's future viability and for the community interest that we protect our water and our soil. We recently locked up app 8 % of our area as part of a Lachlan River Catchment Programme- while this will not really affect the long term viability of the property and most of the fencing involved was funded we still have to bear the ongoing cost of weed control, and pay Shire and RLPB rates on this area- while incurring some loss of income from unused land.

We have been able to access Drought funding through the Exceptional Circumstances declaration. In 2003 while the figures required by NRAC were being gathered it was stated to me that at no time in the past would this area have been eligible for funding because there had not been such a long term downturn in production- and those figures go back to the 1914 drought. The 1982 drought did not result

in such a downturn and the sharp dry time in 1997 showed a quick recovery. I do not think that when this area was declared EC we would envisage that it would continue for so long.

Our area holds a circuit sale each year- in previous years up to 20,000 sheep would be offered on properties in the district, bringing in app \$1 million to the area – two weeks ago that sale had only 5,000 sheep and would only have achieved \$250,000- while we can say that some may have turned to other enterprises e.g. X ewe production or cattle I think that many producers are well down on production and suffering the resultant loss of income.

We are aware that we live in a rural community and the flow through of such long climate stress affects this community- the availability of constant work for shearers and other seasonal workers is important, they too have to live and the lowering of sheep numbers may mean a loss of six to eight weeks work a year- and there is little other casual work for them as any capital work is put on hold while finances are directed to survival.

Another great loss to the industry is the trend for the young to not return home to work as there is no money for them- often because the older generation has not been able to add to their own superannuation during these past years. Many of the young people are tertiary qualified and will be a great loss to the agricultural community and the rural community as a whole.

And what of the other costs of drought, the hidden costs of day to day management, In 2002 while some of our dams were dry we had them cleaned out –a costly venture on increased borrowings- the extra use of equipment (augers, tractors ,pumps) in dry dusty conditions, the extra fuel used as stock are fed 3 or four time a week, the extra fuel used to check water supplies and stock after watering –sometimes twice a day- the time taken to source feed, organize transport and delivery. While I realize these are variables they are real costs. Have any such figures been collected?

As I stated earlier we have been able to access Drought Support, I do not think that we have become less self-reliant while we are receiving this support, and the fact that I am here today is in part influenced by my belief of a responsibility to contribute to the development of a fair and equitable Drought Support programme, as has our involvement in many community drought related activities. I see such involvement as contributing toward a more resilient future for our business and part of our continuing training programme.

During these past years I have had some contact with NRAC. The committee has visited the area several times, groups of us have traveled to speak to them and give them our information. In my understanding of the process of the declaration of Exceptional Circumstances many factors are taken into consideration, the ability of NRAC to gather this has always impressed me.

Our Rural Financial Councillor has always been available for discussion and advice- my understanding is that their role is to change in the near future but that they will still be available to all clients.

I really think that the current situation is only the visible sign of a much greater question in Australian agriculture- and perhaps that is what should be under discussion- we feed and clothe the country and export to the world, our means of production are dependent on the weather and we attempt to work and plan within that frame work- to develop and protect that agricultural and environmental base as resource managers.