

REPORT OF PROCEEDINGS BEFORE

STANDING COMMITTEE ON STATE DEVELOPMENT

**INQUIRY INTO ASPECTS OF AGRICULTURE IN NEW SOUTH
WALES**

Uncorrected Proof

At Cootamundra on Thursday 13 September 2007

The Committee met at 10.00 a.m.

PRESENT

The Hon. A. Catanzariti (Chair)

Reverend the Hon. F. J. Nile

The Hon. M. J. Pavey

The Hon. C. M. Robertson

The Hon. M. S. Veitch

CHAIR: I welcome everyone to this public hearing of the inquiry of the Standing Committee on State Development into aspects of agriculture in New South Wales. The inquiry will be examining the contribution of agriculture to the New South Wales economy, the impediments to sustaining operating levels of productivity, capacity and growth, and initiatives to address those impediments. Before we commence I would like to make some comments about certain aspects of the hearing. The Committee has previously resolved to authorise the media to broadcast sound and video excerpts of its public proceedings. Copies of the guidelines governing the broadcasting of proceedings are available from the table at the door. In accordance with the guidelines a member of the Committee and witnesses may be filmed or recorded. However, people in the public gallery should not be the primary focus of any filming or photographs.

In reporting the proceedings of this Committee members of the media must take responsibility for what they publish or what interpretation is placed on anything that is said before the Committee. Witnesses, members and their staff are advised that any messages should be delivered through the Committee clerks. I also advise that, under the standing orders of the Legislative Council, any documents presented to the Committee that have not yet been tabled in Parliament may not, except with the permission of the Committee, be disclosed or published by any member of such Committee or by any other person.

Committee hearings are not intended to provide a forum for people to make adverse reflections about others. The protection afforded to Committee witnesses under parliamentary privilege should not be abused during these hearings. I therefore request that witnesses avoid the mention of other individuals unless it is essential to address the terms of reference. Before commencing I mention that Katrina Hodgkinson, the member for Burrinjuck, apologises for not being able to be here today. I thank Mayor Braybrooks and Mr Godbee for the use of these premises today. It sounds a bit funny welcoming you to this inquiry in your hometown, but thank you for being here and thank you for taking the time to put in a submission.

MICHAEL PAUL BRAYBROOKS, Pharmacist, Mayor of Cootamundra Shire Council, PO Box 420, Cootamundra, and

SHANE TREVOR GODBEE, General Manager, Cootamundra Shire Council, PO Box 420, Cootamundra, sworn and examined:

Mr BRAYBROOKS: Thank you for coming to Cootamundra. It is good that an inquiry like this moves into some of the smaller agricultural towns. I certainly welcome you. It is a privilege to have you here.

CHAIR: Mr Braybrooks, in what capacity are you appearing before the Committee?

Mr BRAYBROOKS: As Mayor of Cootamundra Shire Council.

CHAIR: Mr Godbee, in what capacity are you appearing before the Committee?

Mr BRAYBROOKS: I am here only to support the mayor.

CHAIR: Would either of you like to make an opening statement?

Mr BRAYBROOKS: I certainly would. Thank you for the opportunity to make a presentation to the inquiry this morning. I am sure that over many years you have heard detailed and informative comment about the importance of agriculture to the rural economy and the challenges it faces from many sources. As Mayor of Cootamundra I hope I will be allowed to constrain my comments to an overview—to the importance of agriculture to our local economy and the impediments to its efficient future—and to be able to comment on the future of agriculture in general in the Cootamundra shire. Cootamundra began to grow as a town in the 1860s. Its real growth was closely aligned with the arrival of the railway from Sydney on 1 November 1887.

Since that time Cootamundra has been a railway and agricultural town and its growth has been closely related to the development of these two economic influences. When the rail line was completed from Sydney to Melbourne it gave product access to both seaports for the agricultural products of this district. In many ways things have not changed over the years. The nature of the agricultural product, its destination and many of the means of its handling may have changed dramatically, but it is still the access to an effective transport system which is so important to the future of agriculture and the general prosperity of country towns like Cootamundra. It is a point that may be obvious to some, but it still needs to be stated repeatedly and clearly: there is a strong correlation between the future of a vibrant agricultural industry and the need for a secure and vibrant country town such as Cootamundra.

The agricultural sector is the largest employer in Cootamundra with, according to the 2001 census, 167 establishments in the industry employing 461 people and using 152,500 hectares of our shire. The local retail sector comes a close second, employing 415 people. According to the 2001 census, agriculture accounted for 16.3 per cent of total employment in Cootamundra, which is significantly lower than many other comparable towns in the Riverina, for example, Tumbarumba where agriculture accounts for 30 per cent of the total employment; Temora 26 per cent; and Harden 34 per cent. For many years the shire has encouraged diversification of our economic base, which I believe is reflected in these figures. I believe that diversification is an important part of the security of a country town.

The total value of agricultural production in the Cootamundra district was worth \$47.6 million, which is a significant contribution to the total gross product of Cootamundra of \$300 million, according to the 2001 census. Broken down into commodities, cereals accounted for 41 per cent of the total, canola 15 per cent, wool 21 per cent, and sheep and cattle for meat sales, 20 per cent. All the figures come from the 2001 census. Unfortunately, the results from the last census will not be available, I believe, until March 2008 for individual local government areas. However, an indication of the agricultural activity in the intervening years is available on a statistical division basis.

The Murrumbidgee division, of which we are a part, obviously covers a large part of southern New South Wales. These figures reflect the dramatic effect of the drought on agricultural activity. Between the years 2000 and 2005, the value of cereal production has fallen 44 per cent, wool by 23 per cent, while sheep and cattle for meat have risen by 1 per cent. Overall, the total cereal, oilseed wool and sheep and cattle production in the years 2000 to 2005 in this statistical division has dropped by a cumulative value of 35 per cent. Unfortunately, the Australian Bureau of Agricultural and Resource Economics [ABARE] results confirm that the situation has worsened in the last few years. While wheat production rose in 2005-06, it fell dramatically in 2006-07, the last harvest.

The drought has also played a major part in the decline in the sheep and cattle numbers in our district. These, in turn, are reflected in the numbers being sold through our own saleyards. While saleyard sales account for only a proportion of stock sales, the proportional decline is very noticeable. The number of sheep and cattle being sold through Cootamundra saleyards has almost halved between the years 2001 and 2007, with a significant but short-lived peak in 2005-06. This, in turn, reflects the needs to de-stock because of both the lack of water and the lack of feed and probably the need to generate cash when other sources of farm income are failing or are dramatically reduced. Therefore, the major impediment to sustaining productive capacity and growth in the agricultural industry in our district is simply the weather and, in particular, water.

The major water source for Cootamundra shire is its town water supply and the major water source for stock and industrial needs is the Murrumbidgee River, which itself is under stress after five years of drought. However, it is not all doom and gloom. The underlying strength of agriculture in the Cootamundra district is the local tradition of mixed farming, which in recent years has been compounded by further diversification, for example, the use of special sheep breeds such as Texels and the use of innovation in grain and seed varieties are commonly found in this district.

Probably one of the more innovative ideas used in our district is the branded product where the farmer also controls each stage of production. A good example is the local enterprise, which grows its own grain to feed to feedlot cattle, then slaughters the cattle to sell through specific retail outlets. This not only allows the farmer to produce a quality-assured product by controlling each stage of the production, but also allows value adding to each stage to produce a higher standard and higher return on production. From a local government point of view there is inevitably an extra amount of paperwork and time for certain agricultural ventures involved with property vegetation plans and some duplication of responsibilities with the local catchment management authority [CMA]. However, I am assured by our staff that while this has increased the amount of paperwork, it has not caused significant delays in processing development applications from rural enterprises.

The working relationship we have between our council staff and the CMA is on a very workable basis. The inquiry would be aware of the Dual Consents Working Group, which is looking into the very issue of problems that have arisen for local government and for the CMAs and is hoping to further refine the native vegetation regulations as necessary. The situation may be a little clearer, I believe, when all local government areas have adopted their new local environmental plans [LEPs]. Local government itself generates a limited amount of red tape for the farming industry. I suggest that areas where more intensive agriculture or irrigation are more prevalent may experience greater amounts of red tape than the mixed farming enterprises normally found in the Cootamundra shire.

I feel the skills shortage, which is so well documented elsewhere, is felt very strongly in the country towns rather than on the farms. The local TAFE has for years been very active in providing additional practical skills to those who require them and a number of farming families include these days a growing number of younger members, both male and female, who hold an agricultural tertiary qualification. This is a very positive move, which encourages innovation and the adoption of new and often efficient farming techniques. The change in the demographic make-up of many country towns shows a significant level of skills shortage. This, in turn, reflects on the services that may be unavailable for the whole community, both town and country. After all, there is an expectation by the town, as well as the country community, for professional and trade services to be available. Their absence further adds to the feeling of isolation and frustration felt by our whole community.

This takes me back to one of my opening remarks when I stated that there is a strong correlation between a strong, vibrant and successful agricultural industry and the need for strong, vibrant and secure country towns. Gone are the days when the farming community only ventured into

town on a market day and maybe on Sunday for church. These days the family, especially the wife, expects to drive to town most days to take the children to preschool, to shop and to utilise various services from the local lawyer, the dentist, the pharmacy and the doctor. In the last twenty years there has been a growing and greater dependence on off-farm income sources, as farm income has not been able to keep up with expectations. It is often the wife who needs to drive into town to find the job or follow her profession or career. Unless the social and civil infrastructure is there in the local country town, the rural population will slowly but surely decline. Whatever advances there are in the agricultural industry, it is people that make the industry secure. Without country towns, such as Cootamundra, there will never be a long-term and vibrant rural economy.

The ongoing years of drought have taken their toll on many people and their families. The level of this toll is unfortunately very difficult to gauge. It is often suffered in silence or at least within the family and in private. Cootamundra Shire Council has sponsored the south-west slopes Rural Financial Services and has been involved in sponsoring several events in the last few years where farming families were encouraged to attend, for example, a barbecue where the opportunity was taken to provide information from rural financial councillors, drought support workers and psychologists. The town community, especially through the action of local service clubs, has shown significant concern and compassion during this difficult period. For example, next Wednesday evening there is a free public forum to be held next door in the Town Hall on coping with depression, which is aimed especially at the rural community. It has been organised by the local Rotary Club and Cootamundra Shire Council is providing the venue free of charge.

Our sister shire council, Baulkham Hills Shire Council, and their community were very generous in donating funds to our community. The money was spent assisting people who were experiencing serious financial difficulties due to the drought. The money was spent under the direction and advice of the local Salvation Army, Mission Australia and the local stock and station agents. Anecdotally the demand for the services of rural financial councillors and drought support workers is high and growing, but only these workers can confirm this impression. Once again the impression is that these services, especially the rural counselling service, is stretched to provide the necessary level of service to our rural community during the current and continuing drought.

I would like to end on a slightly more positive note and claim that Cootamundra is surviving the many and serious challenges of the ongoing drought. As a town we are fortunate to have a largely diverse economic base, but this does not belittle the serious problems that many are facing. It is important to remain optimistic. It will rain in adequate amounts one day and allow the diverse and strong rural economy in Cootamundra shire to once again play a significant and major part in our local economy. Mr Chairman, thank you for the opportunity to address you this morning.

The Hon. MELINDA PAVEY: Councillor Braybrooks, thank you for a comprehensive address to us this morning. We are all impressed. Our statistical queen is very happy that you were able to draw down on that data. Your presentation was very worthwhile to listen to. In relation to productive capacity of the region, you say that many of your farmers would be in mixed fields. You gave the example of their grain growing and feeding their own feedlot. Are there other examples of that diversification and what are your ideas of how the Government could help to encourage that mindset amongst a broader range of farmers throughout the State?

Mr BRAYBROOKS: Certainly the example I gave stands out quite considerably because instead of running the cattle inevitably on the property, they use the property just to grow grain. To me that it is an excellent example and probably the best example that I know of in this district, and that is the one that came to mind when I started writing my presentation. It is also important to realise that a lot of the farms today to have at least one person, if not the principal, with a tertiary qualification. I have lived in this town for 25 years now and in that time I have seen the use of and the quick take up of a lot more modern technology, certainly in the seed varieties. After all, we have somebody who lives in this district who is chairman of one of those organisations that promotes the new seed varieties. It is the take up of good ideas, new ideas, new innovations and efficiencies along with the mixed farming that has been paramount to the success of farming traditionally in the Cootamundra area.

The Hon. MICHAEL VEITCH: Councillor Braybrooks, in your opening address you touched on sale yards. Could you elaborate about the importance of sale yards, selling centres, to the

agricultural economy in this region and advise what you think will happen in the future with sale yards?

Mr BRAYBROOKS: Certainly by the larger operators there is a growing tendency to sell either directly to the abattoirs or to a specific market. For those who either are not big enough or cannot get their stock to that standard—the standard required of stock to direct sales is extremely high and very specific and as such the sale yards pick up almost everything else—that is why they are so important, certainly in a mixed farming area where you do not have the tendency to produce and export lamb, which is a very large and heavyweight lamb. So the sale yards are important to the future of certainly a mixed farming area. The biggest problems obviously are firstly, to be blunt, they are not pretty things, secondly, they need to be close to a town and, thirdly, they have environmental issues, one of which we are very much aware of in this town. As such, I think the future is that there will be probably in the next 10 years, because of both drought and changes in the industry, a considerable rationalisation.

I hope that we do not get to the state of truly regional sale yards because that obviously increases the cost, especially for small lots, very considerably. But I can see there will be a rationalisation of sale yards. I do not think that every country town will have its sale yards. It is getting to that stage already where sale yards are being closed. I suspect that in this area particularly there will be one or two sale yards in 10 years' time for this district. I can see that, but hopefully the rationalisation does not go further. Certainly years ago when I grew up in England, that was when England joined the European Union. The first thing they did was close all the small district sale yards and then had very big regional sale yards. That became quite a cost and also became a major impost, especially for smaller mixed farmers.

Reverend the Hon. FRED NILE: You mentioned some of the roles you play in regard to property vegetation plans and catchment management authority legislation. Have you struck any problems in assessing those?

Mr BRAYBROOKS: We have not. I did check with our staff here and although it means there most certainly extra paperwork, in their opinion it had not had a significant effect on application times. Whilst another form is another form, there is no doubt about it, and other sets of rules and regulations, we have a reasonable working relationship with our catchment management authority [CMA]. As such, they felt that they had not encountered any serious delays or impediments to a development application from those sources. As I said, I know there is a working party looking at those issues and I suspect that once all councils have adopted the standardisation of a standard local environmental plan [LEP] it will probably make life a lot easier too.

Reverend the Hon. FRED NILE: We have heard from some of the farmers there is a lot of red tape. Is there any area where you feel that perhaps there is too much red tape or it could be reduced to take some administrative burden off the farmers?

Mr BRAYBROOKS: I think without the slightest doubt that we are all in the business of not creating red tape. Whilst there needs to be regulation, I perfectly agree with the concept that unnecessary red tape or duplication of red tape is totally unnecessary. I do not have any specific examples. I asked for specific examples from the staff and they were quite satisfied with the way things are working at the moment and hope that in future it will be even better. As I said in my presentation, the feeling amongst the staff was that in intensive agricultural areas or in irrigation areas maybe there was more red tape, but certainly in the mixed farming in Cootamundra the staff he had not experienced any major impediments.

Reverend the Hon. FRED NILE: Have you had any complaints from the farmers?

Mr BRAYBROOKS: No, I have not had any complaints from the farmers either, which obviously backs it up. They may exist.

Mr GODBEE: That is probably because this is a very old established farming district. I think a lot of the clearance legislation and all that sort of stuff tends to affect areas that are developing. This is a very old and very wealthy farming area. Farmers here are not clearing land; they are planting trees.

The Hon. CHRISTINE ROBERTSON: You have brought up a new issue that is obviously not new to the country about livestock selling systems. Do you know of any planning processes outside the competitive market in relation to livestock selling systems across New South Wales?

Mr BRAYBROOKS: I know of none. I am not aware of any.

The Hon. MELINDA PAVEY: What about requirements? Wagga Wagga sale yards have spent millions of dollars to take the sale yards to a certain standard.

The Hon. CHRISTINE ROBERTSON: I am talking about the long-term history of the selling process, not the quality of the yards. The big regional centres are all spending money on upgrading their sale yards. That could be just because of demand. I want to know if anyone is doing any planning or are we waiting for the market to change the process?

Mr GODBEE: There are certainly companies out there that are seeking to purchase saleyards.

The Hon. CHRISTINE ROBERTSON: So we are waiting for the market?

Mr BRAYBROOKS: They are looking for big subsidies to do that. They are looking for the council to build the saleyards and then let them have it. That is our experience with them so far. Private enterprise does not put its own money in when it can help it.

The Hon. CHRISTINE ROBERTSON: That is about the quality, but access to markets for the agricultural industry in the long term is the issue.

The Hon. MICHAEL VEITCH: It is a very important point. You are the first person to raise the issue in our travels across the State, hence the interest in your comments. Is there a strategic plan for the future of saleyards?

Mr GODBEE: There is no strategic plan with regard to the number of saleyards. The council is a member of the Saleyard Operators Association of New South Wales.

Mr BRAYBROOKS: One of our local farmers is now on the executive.

Mr GODBEE: One of our councillors has just been elected to the executive. The Saleyard Operators Association does not deal with the number of yards, although it is a matter of interest to it. As the mayor said, yards are closing or are under threat from a lot of requirements. Environmental requirements have caused a number of yards to close. The Hon. Mick Veitch would understand coming from Young the pressure on the Young yards because of the effluent and their location in the town. When yards close, you cannot re-establish them simply because the cost of re-establishment is prohibitive. We cannot afford to comply with the modern regulations except as a regional facility. I think that Forbes spent \$11 million on its yards. We would not be looking to spend that amount of money on yards. I think that facility deals only with cattle; they are yet to build the sheep yards.

The Hon. CHRISTINE ROBERTSON: I am interested because this issue applies to all agricultural produce, not only livestock. The system of selling grain and wool has much the same problems with centralised processes and the competitive market. I recognise the issues about the environment and saleyards and caring for them. But this affects all agricultural selling processes for the family farm.

Mr GODBEE: You are correct. The market power of a very small group of people in Australia is enormous. The economies of scale that came from centralisation are now becoming very large diseconomies of scale. Centralisation is severely impacting on the people down the end of the food chain; that is, the smaller producers. It is forcing them into a situation where they are either leaving the industry or amalgamating and so on, and there are bigger and bigger producers. So, we are wiping out the smaller people. It is concentrating market power into very few hands. That is not good for the agricultural industry in my opinion.

Retailing is the same; the retailers are pushing the buttons. That was referred to in recent discussions regarding Woolworths and Coles. They run our markets. In that situation, when there are diseases, like what is happening in England, you no longer have a problem in one area. Because everything is spread so widely, the cost of anything going wrong is enormous. You wipe out your whole flock or herd. The equine flu thing is teaching us that lesson in a smaller way.

CHAIR: What suggestions or advice would you have post drought with regard to planning?

Mr BRAYBROOKS: My suggestion to other levels of government is that local government needs assistance with infrastructure. Infrastructure at one level is a very simple problem—it just needs money. It does not need careful thinking; it just needs money. The simple fact is that infrastructure in many country towns, and even regional towns, has reached a level where it is almost unsustainable. My suggestion—and I have stated this twice—is that there is a very strong correlation between a strong rural economy and a strong country town. It is those country towns that provide social and infrastructure support to the whole of the rural economy—whether it is in town or out of town—that survive. My advice to all levels of government is to take very seriously the declining level of infrastructure in country towns.

Reverend the Hon. FRED NILE: Do you have any problems in Cootamundra in getting labour?

Mr BRAYBROOKS: We do and I think every country town does. We go out of our way to work with other local government areas in looking for staff. We try to grow our own staff by taking on school leavers. We are about to offer a cadetship for an engineer. We take university students from the University of Technology, Sydney as engineers. We also provide bursaries and sponsorships for medical students. While it is a simple answer to a complex question—throwing money at it—the reality is that we must do that as well. We are certainly very active in this regard.

The Hon. MELINDA PAVEY: Are the services viable at the moment and sufficient in terms of drought support and counsellors?

Mr BRAYBROOKS: As I said, my evidence has to be anecdotal. It is an impression I gain. When I have phoned the rural counselling officers they always seem to be stretched. When I have asked for advice or action on a particular issue I am always told they have an enormous waiting list. That is the sort of advice I get. The services are stretched. They are providing an excellent service—there are no two ways about that—and a much-needed one. My impression—and it can only be an impression—is that they are stretched. They are meeting a need, but only just.

The Hon. MELINDA PAVEY: And this is crunch time.

Mr BRAYBROOKS: This is a real crunch time for many people, especially if the season continues as it appears to be.

The Hon. CHRISTINE ROBERTSON: Can you see a role in the agricultural industry for these sorts of positions outside of the word "drought"?

Mr BRAYBROOKS: Yes.

The Hon. CHRISTINE ROBERTSON: Because of the change that is happening in agriculture, or why?

Mr BRAYBROOKS: The drought has been the straw that has broken the camel's back, without the slightest doubt. Working in isolation on a farm is not to everyone's liking. They might like the lifestyle and what they do, but working on their own has its own stresses. But, certainly, there is a need to continue these services after the drought because there will be another drought and—

The Hon. CHRISTINE ROBERTSON: The problem is that "drought" is a nice emotive word and makes it easy to sell these things in political circles.

Mr BRAYBROOKS: Yes.

The Hon. CHRISTINE ROBERTSON: But it would appear from evidence we have heard that solid community development-type positions are very important. If we are going to talk about recommending such things, we need some hard information for the long term.

Mr BRAYBROOKS: In all fairness, I think that has to come from the counselling services—the psychologists—they are the people who can provide the facts and figures. But that is certainly the impression. I totally agree with the statement.

The Hon. MICHAEL VEITCH: You are well positioned given your occupation as a pharmacist. My father-in-law is a pharmacist. Often people present to the pharmacist rather than going to the local doctor. Are you getting many people presenting to your pharmacy seeking assistance or indicating that they need assistance?

Mr BRAYBROOKS: It is interesting. When times get tough, prescription numbers go up. It is not always the obvious prescriptions. That does not mean that they present to the pharmacy saying they are depressed—they do not. They present with allied conditions. It is interesting to note that as the season goes on and gets tougher, the number of prescriptions increases. You see prescriptions from people who you have probably not seen since last year. But they are not obviously looking to the pharmacist for medication for depression. They are looking for medication for allied ailments.

CHAIR: Thank you very much for your submission and your evidence. Thank you also for the use of your facilities.

(The witnesses withdrew)

IAN CAMERON HAY, National President, Cherry Growers of Australia, P.O. Box 486, Young, sworn and examined:

CHAIR: Thank you very much for appearing. Would you like to make a brief opening statement?

Mr HAY: I thank the Committee for the opportunity to appear today. The Cherry Growers Association of Australia has 705 growers across the country in five states. We produce roughly \$65 million worth of cherries a year, which used to go to the export market. However, we have had a lot of issues there, and I will address that later. My role as the president is to handle agripolitical, research and development and promotional activities for our association, and to look at new initiatives to move forward.

I am also a fruit grower on a property called Cherry Haven at Young. We have 400 acres of fruit—cherries and plums, but predominantly cherries. Depending on the season, we employ between 200 and 450 people on our farm. We are large employers, if only for short periods because the season is only six weeks for cherries and then we move into the fruit season, when we involve fewer people.

The main cherry production areas in New South Wales are Young, Orange and Hillston. Hillston is a new production area. It has not normally had fruit production and it is very dry. The producers there are using river water and bores. It is a new and innovative growing area. Climate change—if that is what we are facing—could see them confronting difficulties in the future.

Obviously the frost issues last year were as a result of the drought. An insidious frost came up from Victoria and got to the edge of Young, to Boundary Road. That is the watershed for the Murrumbidgee as against the Lachlan. The frost acted like water and only got to that road and nothing beyond that was touched. It was an insidious thing that was exacerbated by the drought.

The drought has really impacted on fruit production in Young and the growers are into their sixth year of drought. Young has the Young granites, which is an unknown resource that has been reliable until now. The Government is monitoring test bores in the whole area. Other areas like Orange have bores, but also better rainfall because of the effect of Mount Canobolas. The Hillston area has major bores and the river, but it is much more tied to the water situation and water allocation than we are in Young.

In the Young and Orange areas, as far as water is concerned, we are not a part of the Murray-Darling cap. We do not want to be constrained by the rules and guidelines from the Murray-Darling cap.

At my orchard in particular the water that runs off my place when it rains—young children would be frightened if they ever saw it happening because it has been such a long time—goes into McHenry's Creek, which you can drive a vehicle along. It is dry; it is sand. When McHenry's Creek flows it goes into Burrendong Creek, which goes into the Bland, which then goes into Lake Cargelligo. If there is a flood in the Lachlan, the Lachlan backs up to Lake Cargelligo; it does not go past Lake Cargelligo or Lake Cowal. It just does not work that way. With the hydraulics of the Lachlan, it backs up to Lake Cowal. The Lachlan goes into the Great Cumbungi Swamp at Oxford. Several years ago I was there in a LandCare tour and in some places it was a flood situation. We could not even get near the river because the river was coming to us.

The flow at Ian Macdonald's or Ian McFarlane's property going into the Great Cumbungi Swamp was only about 10 feet wide, six inches deep and very slow. The Lachlan, even in flood, does not make it to the Murrumbidgee. The Murrumbidgee backs up to the Lachlan when there is a flood event. I have been on several water committees in New South Wales. I was one of the three people on the volumetric conversion anomalies committee for the State and I was also on the Namoi verification committee. We have seen all the graphs and the studies and so on—I still have them at home—and that is true. It does not happen that way so why should we in areas far away from the main rivers of the Murray-Darling be impacted by the imposts of red tape that will come out of this drought?

We have bores, we have dams and we have low flow bores out at Young granites. Some of them are only 500 gallons per hour or 1,000 gallons per hour. Because we have water needs for the brief few months of our harvest, we need the water in larger volumes at that time, we spend all year pumping when there are no run-off events. For five years we have had no run-off event. Growers in the Young area in particular that I have talked about have massive electricity costs. Electricity costs on our property have gone up from \$15,000 a year to \$45,000 a year. Those costs are something that the State Government could help with.

CHAIR: Is that for pumping?

Mr HAY: That is just pumping water into the dams so we can store it and can pump out the right amounts when we need it. If we do not have the water stored in our irrigation dams to give volumes of water when we require it to beat the evaporation of a hot summer or a hot spring, we are in trouble.

The Hon. CHRISTINE ROBERTSON: How would you want the State Government to help you with that?

Mr HAY: In the horticultural industry in New South Wales and in Australia at large horticulture is not really recognised by the National Farmers Federation [NFF]. Horticulture is actually the second biggest agricultural production area. If you add wine grapes to it, it is very close to being the biggest in the country on production levels. We are also the biggest employer by a long way. Horticulture alone employs more than 65,000 people directly. When you take into account the other people that come in after that, it works into millions of people who are related to horticulture across Australia.

In New South Wales through the drought there are fodder subsidies and water transport subsidies for agricultural pursuits, while horticulture is not recognised in any of those at a State level. That is where we see some anomalies in the State assistance. So what we are looking at is red tape, which is pending, and bores will be monitored with meters. Those meters, on a slow volume bore, are useless because the volume of water that we are getting out of that ground can change as the different water qualities affect the flow. If we have irrigation meters on our dams to measure how much we are pumping into the orchards, that water has already been metered once, then there is the run-off into those dams and then there is the metering coming out. If there has been no run-off what is the use of the meter anyway?

A lot of people have purpose-built dams to pump water into so that they can control what is in there and they have their run-off dams separate. That is the way we run ours. It would be a tragedy to have your run-off water dam being filled when you have spent all that money on electricity, maintenance and costs to get the water in there, have it full and then have a gully raker come through and it is translucent; there is no extra water in the dam because you have filled it. So we try to keep our catchment dam separate from our storage dams. We do not want to see meters being read over and again every year with no water being pumped. This is happening on the rivers where people have river allocations. They used no water at all last year and they are still being charged for reading meters and being part of that network.

So far as New South Wales is concerned, and in Young in particular, we have had a lot of trouble with labour with the unions trying to impose their conditions on the piecework rates, which is a critical issue for us because we can sell only what we pick and we need to know what the price will be to pick it. The productivity of an individual can vary markedly in the farm place. For example, we have one guy that we call Kevin the Koorawatha kid. He comes in and picks about one lug, which is about 14 kilos, in a day. He is getting, say, \$10 for that. We base our rate on what a normal, average person picks. We can pick that person. We know by looking at the average of the pickers, not someone that is busting his or her guts and being the career picker, but somebody who is being normally productive. If they pick 1½ lugs an hour that is the rate that is geared.

Generally, that is how our piecework is being worked out to reflect the average wage, the base wage rate or award wage, and that is how enterprise agreements are being set up. Then we have other people who our young pickers who can pick 50 lugs in a day if the fruit conditions are right. That person can make \$500 a day or maybe more than that when you add on the extras. So we

definitely have to be geared to production and so on. The mushroom industry of Australia has written a comprehensive paper supporting that. The unions finally conceded that they accepted our interpretation of the award.

Since then we have set up enterprise agreements or collective workplace agreements within our industry, which has meant that the unions have left us alone on that side of it. They have still come to my property with three police saying that they wanted to do a book audit. But, thank goodness, it did not work out for them because we had parliamentarians in Sydney on side. But later, when we were not in season—at that time we were in the full flush of season—when we were finished picking they were invited back and they did six years audit of our books, over 2,000 employees, and never found anything wrong.

That being said, the wage rates we now have within the orchard industry are extremely high compared to other mundane tasks such as a little old lady standing on cherry belt just watching the cherries going past and picking out the bad ones. There is no-one on our package at under \$17 an hour, and that is before all the other add ons come on. So that is a huge price for us. We are so uncompetitive overseas unless we are efficient in our marketing. Moving on to the marketing, there has been a hiatus in the domestic industry because of the supermarkets.

The dominance of the two supermarkets in New South Wales is also reflected in other States. Growers trying to sell through the central markets, as the supermarkets have consciously and devotedly said they are not buying from them and have moved to buying from category managers and direct from growers, is a furphy and a cover. They are buying off us. We are Woolworth's Quality Assurance [WQA] accredited, which becomes our accreditation with Coles—it accepts that as well—and we have other accreditation levels with Freshcare and so on for export.

Woolworth's buys approximately 10 per cent of what we grow. The other 90 per cent has to go through the central markets. Yet Woolworth's makes the claim that it is buying and supporting growers who are directly trading with it. Referring to that 90 per cent that goes into the central markets, the supermarkets do not have to buy for one or two days on a highly perishable article and the price will drop heavily in the market. They then start to buy from the market and shorten up on what they are buying direct, or they keep buying from you direct at a good price for that 10 per cent, but the average they are buying it for is only a fraction. They call that buying from the central markets special buys. In the last few years we supplied most of our fruit to the central markets because our export markets have been eroded away.

CHAIR: Committee members might have a few questions to ask you.

Mr HAY: One issue I would really like to touch on is that New South Wales is not doing enough in the way of research and development and funding a research centre. We have export markets that we are trying to open. The only place we could get it done was at the Department of Primary Industries [DPI] research station at Gosford with Andrew Jessup. He is the only well-recognised person who can carry out this work efficiently, get it done and get us market access for a peer review paper that is recognised worldwide.

The Hon. MELINDA PAVEY: Is that for cherries?

Mr HAY: That is for anything to do with horticulture and other things, but specifically horticulture. The Federal Government had to fund the whole project for Andrew to do that specifically. As an emergency Minister McGauran came in with funding to try to reopen these markets that were closed to us in Taiwan, and new markets in China were ongoing on Saturday with the Government. We ask the New South Wales Government to look seriously at being the clever State and setting up a purpose-built research and development station where there are methyl bromide chambers, cool rooms, human resources, and all the other facilities. If Andrew Jessup were hit by a bus we would just slip backwards.

The Hon. MICHAEL VEITCH: A couple of weeks ago I heard you talking on the radio about biosecurity issues for the cherry industry. What role does the State Government have to play in those issues and what assistance can it provide? Can you advise the Committee what your concerns were at the time?

Mr HAY: At the moment there are many biosecurity issues. But this research and development was conducted because we got closed out of overseas markets and we had to do the research in Australia on Q-fly. We lost the market because our national negotiators did not recognise with Taiwan that they were very sensitive about losing face in the negotiation processes. Two and a half years ago a delegation was here from Taiwan and they wanted to bring fossilised 100-year-old eggs, alkalised eggs, or salted eggs that were alkalised. They are the most revolting things that you have ever seen. Apart from coming out of a duck's bum they are treated in this way. Some are green and some are yellow inside, but they are a delicacy.

They wanted to bring that into Australia. They were asking to get access right in the middle of the bird influenza exercise and also the Newcastle episode. Our guys physically laughed at them. They went back to Taiwan and said, "What are we going to do?" They said, "We do not have the protocols for Q-fly", so they stopped all trade in horticulture. We are fighting for that access now. That is one of the main issues that we have. We have done that work but it will be hard to have it recognised overseas if, as a result of that work, we cannot move produce across borders in Australia. Look how ridiculous it looks if we are going for market access.

On Monday we are going to China for talks. They will be able to look in the media and say, "But you cannot even shift cherries from New South Wales to South Australia, Western Australia or Tasmania." If fruit fly are found in a trapping grid you cannot even go to Victoria, yet every State can send to New South Wales. New South Wales markets are a dumping ground for cherries and other produce in Australia. New South Wales and Queensland are the only two States that allow all that to happen. We must be much more proactive with our negotiators at a State level to get these borders more workable so that we can move fruit and produce across these boundaries. There are systems and ways to do it but we have to get States like Victoria and South Australia in particular to recognise that. There is not a big market for us in Tasmania or Western Australia.

CHAIR: What are your thoughts about other States? Do you believe that they are using you for marketing reasons, or are they feeding you information about fruit fly?

Mr HAY: It is definitely marketing. It is a coincidence that South Australia found a protocol of 14 days cold sterilisation for cherries will fix the problem and will kill the fruit fly—which is what our research that we paid \$600,000 for just found out and that is in the documents that we are taking to Taiwan and China. They have set it at 14 days and that was done 15 years ago. Their picking time is 14 days after we start. So it is too much of a coincidence. If we can get in straightaway with fruit then we can be in there 14 days before they start to produce.

The Hon. MICHAEL VEITCH: In your address you touched on exceptional circumstances [EC] assistance, State drought subsidies and horticulture. Do the arrangements restrict or prevent horticulturists from accessing that assistance?

Mr HAY: We ourselves have applied for EC. We applied on our farm for exceptional circumstance. I had a fair bit to do with getting the extension to five years. The Feds had done terrific work in getting three years and then the fourth year and fifth year were coming up and we lobbied to get that extended to five years. Things were put in place and viability studies and reports had to be done to show transparency and arm's length distance for the support. However, at State level the Rural Assistance Authority [RAA] were so slow and cumbersome that they were between three and four months behind in their assessments of applications. We fell into that trap. As a result our bank said, "We are not waiting any longer, you are behind on your interest." We could have had a twelve months lending certificate from them if they had acted in October, November, December and addressed us within three months' time. It should have been done within two weeks, not any longer. So much can change in three months. The bank took us into mediation and we personally have gone through the mediation process. We negotiated a time frame out of that, but we could not get a twelve months' lender certificate. So we have slipped out of the EC loop. We have refinance coming in now, at great cost. When you are in a hard place you have got to take what you can get. We have managed to negotiate as good a deal as we can get. We will be getting a twelve months' lender certificate and will be eligible. That waiting time is now down to five days. If that had happened before we would never have gone through the nightmare of mediation and the nightmare of finding funding in this climate for

horticultural things that have been knocked back on EC. That is not a healthy way to go looking for funding.

Reverend the Hon. FRED NILE: Does the horticultural industry receive the same drought assistance as other areas?

Mr HAY: Yes, we do for exceptional circumstances, but not for other subsidies at a State level, only at a Federal level. At a State level we are not eligible for any other support other than a rural financial counsellor who can attend mediation with you or help you prepare for it, all those sorts of issues.

Reverend the Hon. FRED NILE: That is an historical situation that has not changed?

Mr HAY: Yes. The only time in horticulture you get assistance from State level is in natural disaster, and that is pay-back low interest loans or special conservation loans, along those lines which are all low interest pay-back loans. You do not get assistance like fodder subsidies and that sort of thing in an exceptional circumstance.

Reverend the Hon. FRED NILE: What has been the argument for discrimination?

Mr HAY: We have argued it long and hard.

Reverend the Hon. FRED NILE: Why does the Government have that policy? How does it justify that discrimination?

Mr HAY: We have tried through New South Wales Farmers to get that sort of support, to fight the argument that our trees are our stock. We did get from the New South Wales agricultural Minister before Craig Knowles, I forget his name—

CHAIR: Richard Amery.

Mr HAY: Yes. We lobbied him long and hard. The gun amnesty was on. I met with him in Harden where he was opening a new agricultural office. We suggested to him at that point that we had been caught with irrigation rules that were coming in and volumetric conversion and everything and said that we should have a dam amnesty because we are not traditional irrigators in the Young area. We only irrigate when we have to. Some years in a 26-year rainfall area we do not even turn a pump on. In the last five years it has been a different case. So we lobbied for a dam amnesty and we got it. It was very important to us, that one, because it meant we had time to breathe, time to get the department to look at what we were doing with our irrigation processes. We have done some very good initiatives. We are still learning and doing things in areas that have limited water with a thing called pulse irrigation. It is technical and I will not go into it now. Also growers are looking at which varieties and trees they will let go of and make some decisions on their properties.

Reverend the Hon. FRED NILE: You mentioned the problems you had with Taiwan and you lost that export market. Have you lost other markets and what are the reasons?

Mr HAY: We have lost the Taiwan market through the Q-fly issue. We lost the China market, which we never had, so to speak, because we were operating under grey trade. A lot of Australian produce was going into China via Hong Kong. When China went into the World Trade Organisation [WTO] we had been told and told and told by Austrade—and I have been to China many times—that we must get our protocols in place. But the exporters association was going to the Government and saying "Don't worry about it. The wheel ain't broken." They knew who they were dealing with going through Hong Kong and they did not have a clue who they were going to deal with if they were to go into China. They let the people in Hong Kong run the race of what was going into China. China said, "We have these protocols. We have to act under the World Trade Organisation's rule. We need protocols negotiated." Other countries like Chile took six months to negotiate their protocols. Australia is still not even close. It is going to be another two years before we get access. We are trying to regain access to Taiwan. We will miss it for this year, going on the teleconference we had earlier this week.

The Hon. MELINDA PAVEY: I want to follow up on your evidence in relation to the research station at Gosford and funding. Does the industry itself support research dollars? Does it put research dollars on the table in the horticultural industry?

Mr HAY: In the cherry industry we have had a levy. I was fortunate enough to be chairperson at that time. We ended up getting a 1¢ per kilo levy put in place for research and development, which is matched dollar for dollar by the Government.

The Hon. MELINDA PAVEY: Which Government?

Mr HAY: The Federal Government. Again, we do not get anything from the State Government, State and regional assistance. We have tried with various things but there is just nothing there for us. If I get time I will mention something that is happening with us hopefully from the State Government and looks very promising. Over the last two years, coming back as national president, I was given the mandate to get a levy in process again, another levy, a new levy. We broke the record for Australian horticulture by getting a 1¢ levy turned into a 7¢ levy. We got the research and development up from 1¢ to 4¢ and that is matched dollar for dollar by the Government and we got a new levy put in place of 3¢ for promotion and marketing activities. Marketing research comes under research and development. The industry has gone from putting in between \$70,000 and \$85,000 with matching funding to \$320,000 matched, another \$320,000, plus another \$240,000. That is a considerable amount of money for an industry of our size.

If we as a committee deem a project to be more personalised to a certain area, we ask them to resubmit it as a voluntary contribution, which they can then put in as a matched funding exercise from the Government. The Government will match a voluntary contribution provided the industry recommends it to be approved. It is a very good thing, even if there is a change of government. I was in Canberra yesterday with Simon Crean and Kerry O'Brien and had an hour with each of them. I did not see Fiona but we were in her woods. They have both said and committed that they will support the dollar-for-dollar funding in a new government if they come in because it is critical to our industry.

The Hon. MELINDA PAVEY: How do you rate your chances of being kept out of the Murray-Darling Basin?

Mr HAY: A Senator from South Australia who is obviously very vocal on it—a lady Senator, I forget her name now, I think she might be the chair of the Murray-Darling Commission or the representative for it on a Federal level—said when I brought this up at a Horticulture Australia forum in Sydney, "You are not going to get out of it." She said, "You will going to be a prescribed area and you will have meters." That is them telling us from down there. I am saying that here in New South Wales we should be putting our ring around the area that does not contribute to the flows down the Murray. We are in a lot of trouble in New South Wales because under the COAG agreement X amount of water was allocated for New South Wales. When we did all the volumetric conversion, when they got to what they call the high country, unregulated areas which are not on regulated streams, they found that the amount of water left under the COAG agreement for New South Wales was 4,000 megalitres for those areas. There would be more than 4,000 megalitres in the Young shire alone, let alone across the whole State.

So the Government through Craig Knowles and the water reform, said, "Hang on a second, leave that alone. We will not give volumetric conversion to those high country areas. We will leave it. You have got a farm dam. We have got a photograph of it. If you want to trade in water all you can trade is that dam." That is all. There is no volume unless you go to trade. If you have got a 20 megalitres dam that is all you can trade in. If you have got a bore that is separate. But for catchment run-off water, if that gets exposed under the COAG agreement, it will be a can of worms that the other States will come running for. They are in the same boat; they have done it as well.

CHAIR: Would you like to elaborate on the assistance you are receiving in New South Wales?

Mr HAY: We have quite a problem with promotion. We are seeing regionalism as being a very strong way of getting out of the central market hiatus and the supermarket hiatus that exists because of the lack of expert activities. Taking advantage of the feeling that people get about having

the experience of buying their fruit, we are promoting tours, trips, ventures to experience coming to farms and packing shed tours and so on. We have done that individually, but we now we are looking at doing it as a region. We started looking at it with a consultant from Victoria. We were using his expertise because he helped with the jigsaw puzzle promotion in Victoria that they had. When he looked at Young and the district around Young, we have no name. Hilltops does not fit for what is there. It is a bigger area than that. Hilltops is a bigger region than what we are talking about. With Young as the lead advocate council for the application, an initiative that was pushed hard by my wife, Arna—who is here and who is a pharmacist who works for Paul Braybrooks and locums here, so it is a closed shop here today—Arna and a group put in an application under the drought assistance tourism grant. We are hoping that we are going to get a good response from that. It involves signage, advertising and promotion of a specific area, that is, the cherry experience area.

Reverend the Hon. FRED NILE: What will it be called?

Mr HAY: I do not know yet. It has not got a name yet.

Reverend the Hon. FRED NILE: You can hold a competition to name it.

Mrs Arna HAY: We have to work out what represents the region and put that up as part of the process, a geographical determination as to who and where we are at the top of three rivers.

Mr HAY: To give a reason why cherries are important to the district, a high temperature incinerator was going to put somewhere. Young has not got a river. It was a very good place to put it because we have got gas, power and big power lines going through it. It was going to be here. But there are insidious things that hang on with that project, bad karma that comes from that. It did not matter that we grow more sheep in the Young shire than any other pasture protection zone in Australia. It was because cherries are synonymous with Young that we got taken off that list.

CHAIR: Thank you for your evidence and your submission. We have further questions for you.

Mr HAY: Could you include red tape and occupational health and safety activities? That was one of the things that I was surprised about with Paul Braybrook's evidence that farmers have not been coming to him because occupational health and safety activities and workplace issues are huge.

CHAIR: We will pass on to you any questions we think of and ask you to respond by 28 September.

Mr HAY: Yes.

(The witness retired)

GEOFFREY WAYNE KNIGHT, Regional Service Manager, New South Wales Farmers Association, P.O. Box 2810, Orange, sworn and examined:

CHAIR: Thank you for appearing before the Committee today. In what capacity are you appearing today?

Mr KNIGHT: I am currently employed as regional service manager with the New South Wales Farmers Association.

CHAIR: Are you appearing in that capacity?

Mr KNIGHT: Yes. This is part of the region I look after. It embraces all of the central west slopes and some of the Central Tablelands and involves about 3,500 farmers, not all of whom are members of the association. However, I represent the association to all of those people.

CHAIR: Would you like to start with a brief opening statement?

Mr KNIGHT: I understand that the New South Wales Farmers Association has already presented a submission. I have a copy here. However, I would like to raise a few other issues in relation to this inquiry. These issues are probably not peculiar to the Cootamundra district, but they are hidden in the submission and I feel they should be highlighted.

CHAIR: Can you expand on that?

Mr KNIGHT: Members are well aware of red tape. It is a huge burden on people on the land. The majority of farmers are simply farmers, but some are very well educated. In fact, quite a few are very well educated and some have good university degrees. However, their primary position is to maintain their farming enterprise. Given the lack of labour available, they have to do more work. People are now coming home exhausted at night and facing two or three hours more of paperwork. It does not matter which way they want to go, they are inundated with paperwork. Much of it is repetitious; various government agencies all want the same information but each has a form to be filled out. It is time consuming and costly, not only financially but also socially. Some of these people are stressed out of their brain because they do not understand the need to do this several times over. There are all the all sorts of regulations that must be applied. While I think many of them understand that it is important that they are in place, they believe it is over the top and it is creating social distress for many people.

To be eligible for the measures in place for drought support they must jump through incredible hoops and over huge hurdles. Many people have said that they cannot do it and could not be bothered. Many are not getting the support they are entitled to simply because they have not got time to do the paperwork. It is as simple as that. These people are older—the average age of farmers is 58. Their sons, daughters and other family members have had to move away to survive and these people are now doing all the work on their own. The part-time employees who used to be available in the districts are now either fully employed or have left to work for a mining company. That is placing more stress on these people.

The Hon. MELINDA PAVEY: Leaving drought forms aside, I am having a lot of trouble understanding what specific forms and regulations New South Wales farmers would like to see removed from day-to-day management. The previous witness mentioned occupational health and safety. However, the Committee is continually hearing evidence that there is too much red tape. You have just said that some regulations are required. The Committee needs some specific examples demonstrating the over-the-top nature of these regulations so that we can present them to government.

The Hon. CHRISTINE ROBERTSON: If there is an over-the-top nature.

The Hon. MELINDA PAVEY: Yes. We need that evidence. I believe that farmers are genuine in saying that it takes them two to three hours every night to do the paperwork. However, the

Committee needs specific examples, particularly from your organisation, of where it is over the top so that we can make recommendations.

Mr KNIGHT: I do not think I am in a position to answer that. I know there are many different applications that must be made and many forms to complete to meet compliance regulations. These people are telling me about them all the time. I do not fill them in myself, but I know about things like chemical compliance and the additional training required, which is all part of it. There is also business administration, legal documents, and returns must be filled in all the time, such as National Livestock Identification System returns. Every time they want to sell stock they must fill in forms and supply data. Education and training is also an issue. It is just a constant barrage of red tape.

Reverend the Hon. FRED NILE: Can you take that question on notice? You may have to discuss it with head office. You could list the things that the association believes should be eliminated, and then someone would have to justify them.

The Hon. MICHAEL VEITCH: But also which ones need to stay. We have spoken to people who have said that some need to stay, but no-one says which ones. We are getting confusing messages from a range of people.

Mr KNIGHT: And I cannot tell that you either.

CHAIR: Can you take that question on notice? We would like to know the main regulations that you think you could do without, where they come from and so on. GST is another example. There are many that probably need some review. However, we must be very careful. Some of these regulations have been enacted for a specific purpose. We want to ensure that by eliminating them we do not throw out the baby with the bath water.

Mr KNIGHT: Understood.

CHAIR: We have to be very careful. Please talk to your executives to see if they can give us a proper list of what they feel we could do without.

Mr KNIGHT: I will take that on board and certainly do that.

The Roads and Traffic Authority [RTA] is another problem for many farmers, particularly the Grain Harvest Management Scheme. Farmers do not have the facilities to be able to weigh their loads exactly. They have machinery that will fill a truck with 30 tonnes of wheat in three minutes. It is not easy to turn it on and off. The trucks arrive at the silos slightly overloaded and there is absolutely no allowance for that. They have no way of knowing exactly what weight they have on. The weight from crop to crop varies dramatically depending on the moisture content in the grain and the size of the grain. The RTA workers do not notice that and farmers are facing fines and constant problems with RTA because of these issues. There is no tolerance whatsoever. We would like to see some sort of tolerance allowed by the RTA—not massive, but enough to overcome the small inconsistencies.

We have issues with stock loading. Transports come from Queensland into New South Wales carrying sheep with six months' of wool growth. They are legally loaded, and when they enter New South Wales they are still legally loaded until they go through a thunderstorm and the wool fills with water. They are then pulled up by the RTA and they are overweight and are fined. There is no legitimate reason for that.

The Hon. CHRISTINE ROBERTSON: Are there any figures on this issue? How many farmers have suffered these indignities?

Mr KNIGHT: I do not have them. I am hearing this from people; people are telling me that this is what has happened. One chap from Bourke rang he and told me that the RTA had pulled him up. The RTA had registered his truck and trailer for the past 10 years and it has been measured and inspected. Last week he was stopped by the RTA and it was measured and he was told that it was 200 millimetres too wide and that he would have to take off the crate, cut it down the middle and join it again. These are the issues the people are facing. There is just no give from the RTA and this is creating enormous stresses.

CHAIR: Do you believe that the RTA is examining the regulations and following the book? Or do you think there is no commonsense approach?

Mr KNIGHT: All of the above. I think the inspectors have been told that this is the way it is and that is the way it has to be. The inconsistencies exist. For the past few years the farmers have thought they were doing the right thing and all of a sudden they are finding they are not.

CHAIR: Can you take on notice to provide some specific examples and evidence of that?

Mr KNIGHT: Yes. I certainly can and will do.

Reverend the Hon. FRED NILE: Would you like the RTA to say there will be a 5 per cent tolerance?

Mr KNIGHT: We need some sort of tolerance. The same problem exists with loads of hay. No two square bales of hay are exactly the same size. They are all manufactured to fit on a truck eight foot wide. Some are a little wider and some bales are not packed as tightly as others. As a result, there is not a perfectly straight line down the side of the truck. The RTA has been stopping transports and booking people because the load is too wide. There is nothing the farmer can do about it. The other issue is the absence of clearance lights. How do you put them on bales of hay? The RTA is over the top with many people.

I am sure the Committee is well aware of infrastructure. We have problems with a lot of old timber bridges that are now forced to carry extremely heavy weights they were never built or designed to carry. They are constantly being repaired and becoming less and less stable and more and more dangerous. Funding for these bridges is impossible to obtain. A bridge has been closed recently because it is no longer safe for traffic. A bypass cannot be constructed so there is a deviation that will take traffic and transport a further 40 kilometres to get around the bridge. These are urgent things that are happening regularly.

Most of our freight now comes on roads that were built 50 years ago and designed as access roads for farmers using little old five-tonne trucks to get to town. Now they are carrying 25 tonnes and 30 tonnes and doing so legally. They are not capable of carrying those loads. We are lucky we have a drought, because if we had wet weather we would have no roads left. There is nothing more daunting than a school bus travelling in one direction on a piece of bitumen no more than eight feet wide facing a monster semitrailer coming the other way. God help us if a school bus is hit by a truck and kids are killed.

It is a big concern. The transport situation is critical in rural New South Wales. It is the lifeblood of New South Wales. But all the spur lines have been closed and produce now comes into major centres on big trucks. It is taken out of major centres to varying locations like Cootamundra and smaller outlying districts on trucks of the same size. The health system is failing in the bush because doctors are getting older and younger replacements are not coming through. Dentists are a million to one. You may have to wait six to 12 months to get to see a dentist. It is just not on for anybody with a really bad problem to have to wait that long.

People have to travel long distances to see certain practitioners. That is costly and time consuming and they often have to wait lengthy periods for such an appointment. There is a big lack of diagnostic services that are centrally located. Orange is getting a new hospital, which will relieve the situation dramatically once it is finished, but it will service only a certain area. I think we need more in more locations. Education is becoming a problem in the smaller centres. As younger families leave because they have to the number of students is dropping off. With that decline in the number of students, teachers are dropping off. That is leaving holes in towns. Families are leaving and towns are becoming isolated.

Children are missing out on youth interaction. They are not getting the support that they should be getting. Of course, water is another issue. It is my belief and the belief of just about everybody I have talked to that all our waterways are over-allocated and they have been for many years. It is only through good seasons that we have managed not to notice the problem. Now that we

have this roaring drought it has become a major issue. I believe it is time that this was closely monitored not only by the Federal Government but also by the State Government. A lot of land that is currently being irrigated should not have been allowed to have been irrigated for a start; it is just too far away and it is not suitable. However, because there has been enough money and interest there has been an allocation to people, they still have that allocation and there is not enough water to go around. The maintenance of infrastructure is becoming more difficult because people are not able to meet their commitments. That will continue until such time as people get back on their feet.

The Hon. MICHAEL VEITCH: The first presentation today was by the Mayor of Cootamundra, Councillor Braybrooks. In his address he touched on saleyards. That was the first time the issue was raised with the Committee during its tour of New South Wales. Do you have any comments about saleyards or selling centres in this part of the State? What do you see as being their future, in particular for communities like Cootamundra and Harden?

Mr KNIGHT: I think it is critical that they remain in place and are maintained. They are the lifeblood for farmers. This is where they get rid of their stock and this is where they make their money. You do have big centres but they are fairly well spread apart. Forbes and Wagga are two of the major selling centres, but there is still a need for people to be able to sell their livestock in places like Cootamundra. We have an abattoir here at Cootamundra. It will cost them more to bring their stock from Wagga to slaughter them here than it would to bring them from Cootamundra, which means that they can sell them through cheaper and keep down the cost.

They are building a new large selling centre near Blayney, between Blayney and Cowra, to service the Central West. That is costing a lot of money but I think it is essential. There have to be regional saleyards, and there have to be saleyards wherever there are abattoirs. I wish to mention one other thing—the ever-increasing city-country divide. I do not know whether you understand, but people in the bush feel very isolated. They believe that—

CHAIR: Most members are from the country.

The Hon. CHRISTINE ROBERTSON: Every member of this Committee is from the country.

Mr KNIGHT: That is good to know. The problem we have is that the population is continuously expanding into Sydney. Sydney is basically a city State like Rome used to be years ago. The people this side of the divide feel that there is no interest in them any more simply because there are not enough votes out here. I do not know whether or not that is a fact, and it is not my concern. My concern is that young people who are growing up in the city have no idea where their food comes from, why farmers plough up paddocks, or why they have to kill livestock or produce livestock. It is a concern because our future is dwindling away.

New South Wales rural industry is the lifeblood of people. They provide the food for the city and the children believe that their milk comes out of a refrigerator and that their vegetables grow in Woolworth's. We need to educate them. We need to have an education program for children. I am hoping that some day country schools will adopt a sister city skill and they will have interaction twice a year to build that relationship so that people understand. I would just like to mention that people feel very isolated and very alone.

CHAIR: Thank you very much, Mr Knight, for your contribution this morning and also for your submission. It would be much appreciated if you could supply the Committee with answers to those questions on notice by 28 September.

Mr KNIGHT: Certainly. This afternoon I will be taking you out to a farm to have a look. I spoke to Peter McClintock this morning and he asked me to give you these documents to have a look at before you arrive.

CHAIR: Thank you very much.

(The witness withdrew)

(Short adjournment)

LEE O'BRIEN, Farmer and Chairman, Murrumbidgee Catchment Management Authority, PO Box 5224, Wagga Wagga, affirmed and examined:

CHAIR: Mr O'Brien, in what capacity are you appearing before the Committee?

Mr O'BRIEN: I am here in my capacity as Chairman of the Murrumbidgee Catchment Management Authority.

CHAIR: Thank you for coming to this inquiry today.

Mr O'BRIEN: It is my pleasure.

CHAIR: Would you like to commence with an opening statement, or would you like to go straight to questions?

Mr O'BRIEN: I would like to open with a statement to put into context the catchment management authorities in New South Wales. I am not sure how well members of this Committee understand the catchment management authorities.

The Hon. MELINDA PAVEY: We enacted the legislation.

CHAIR: I think you should proceed with your opening statement.

Mr O'BRIEN: Between the financial years of 2004 and 2007-08 New South Wales catchment management authorities have been investing of the order of \$436 million of public money, which is jointly funded by the Australian Government and the New South Wales Government. They have primarily come through the National Action Plan for Salinity and Water Quality and also the Natural Heritage Trust. Some other funds have come through there but broadly speaking that is where they have come from. Most of those funds—I would say more than 95 per cent of those funds—have been invested in rural and regional New South Wales.

Only a small amount has been invested in the metropolitan catchment management authority [CMA] in Sydney. Those funds have been primarily aimed at protecting and enhancing our natural resource base but they are also delivering agricultural production benefits. So we do not see those investments as being only for environmental outcomes or only for agricultural production outcomes; we look for synergies so that we can make an investment to give multiple benefits for the public dollar. The sorts of things that are achieved are improved agricultural practices, encouraging the adoption of new innovation, protecting our natural resources and purchasing goods and services in rural and regional New South Wales.

Out of that \$436 million, many millions of dollars are spent in the local areas through agricultural resellers purchasing fencing materials to protect native vegetation, by purchasing pasture seed and chemicals, and those sorts of things needed for weed control. They also are expended employing contractors to plant trees and to contract nurserymen to grow many trees. In the Murrumbidgee Catchment Management Authority area in the 2007-08 year alone we will plant 900,000 trees and shrubs. That is considerable investment in the local area, and that is contracted out largely through local nurserymen who grow those trees and plant many of them.

That is to give you an overview of the sorts of things that catchment management authorities do and to give you an idea of where we see our role. It is not only to protect and enhance native vegetation and achieve biodiversity outcomes but also to improve agricultural production and agricultural practices and to ameliorate the causes of dryland salinity.

CHAIR: Mr O'Brien, how do you see that we can grow agriculture in New South Wales and sustain it in the future?

Mr O'BRIEN: That is certainly a great challenge. One area we should be looking at is the New South Wales State Plan where it talks about the P1 priority, aggressively adopting innovation. I think that is what we need to do with agriculture. Agriculture is no different to any other industry.

This is where catchment management authorities are in a position to assist. We have been leading many programs that are encouraging landholders to adopt new practices, to employ best management practices in their particular agricultural enterprises and whilst doing that also protecting the natural environment. For example, in the Murrumbidgee, Lachlan and Murray catchment management authority areas we put in a bid for and attracted separate funds from the Natural Heritage Trust of \$1.8 million to be used to provide training and soil testing for farmers to start to test the soil on their farms and to come to understand what that is about. It involves a series of workshops where we provide the farmers with the knowledge, the skills and the confidence to not only do the soil testing themselves but also to interpret the soil tests and come to understand what actions they need to take to ameliorate them. That program has been so successful it has engaged more than 1,500 farmers actively participating in it.

The Hon. MELINDA PAVEY: Is that across the three catchments?

Mr O'BRIEN: Yes.

The Hon. MELINDA PAVEY: What percentage of farmers would that be?

Mr O'BRIEN: I could not tell you. It still would not be a huge number. There is a lot further to go.

The Hon. MELINDA PAVEY: About 10 per cent?

Mr O'BRIEN: I would only be guessing. To engage that many farmers is quite an achievement. They are enthusiastic. This has been partnered by the Department of Primary Industries. Again the catchment management authorities are working with other government agencies to get out there and get things happening. We are attracting \$1.8 million out of the Natural Heritage Trust which came from the Australian Government over and above that \$436 million I talked about before and we are using that to upskill farmers and to assist them to understand how to better manage their land.

CHAIR: What are the catchment management authorities doing to try to encourage young people to take up the challenges and to stay on farms?

Mr O'BRIEN: The challenge to encourage young people to stay on farms is certainly a very, very big task. The catchment management authorities, to my knowledge, are not undertaking any specific actions that would do that. However, in some of these programs, such as the one I just mentioned about Healthy Soils-Healthy Landscapes and other programs we are running, younger farmers are quite often a large proportion of the people who attend those workshops and sessions. They are younger and quite often more keen, if you like, to adopt new practice. They always look for a better way to do it than dad or granddad did it. We try to encourage those sorts of practices and certainly in fitting in with the State Plan and the notion of providing lifelong education and training the catchment management authorities through this sort of process are doing exactly that—continually assisting landholders to hone their skills and providing incentives to do so. There are many other programs that catchment management authorities put in place to encourage landholders to adopt best farm practice.

The Hon. MICHAEL VEITCH: Mr O'Brien, as a matter of interest, how will the National Plan for Water Security affect the activities of the Murrumbidgee Catchment Management Authority [CMA]?

Mr O'BRIEN: I am pleased you asked that question because I have thought about that a reasonable amount. As well as being the chair of the Murrumbidgee Catchment Management Authority, I am also the chair of the Community Advisory Committee to the Murray-Darling Basin Ministerial Council. So I have some knowledge of the National Plan for Water Security. My immediate response to the question is that the National Plan for Water Security has positive things about it in that it is a sizeable commitment from the Australian Government—\$10 billion over a relatively long period of time, 10 years. Most other natural resource management programs have usually come in a five-year cycle or a seven-year cycle. So ten years is pretty good. When you think about previous investments, they have been in the order of \$1 billion over the life of a program. Now we are seeing fairly sizeable amounts of money being directed in that area.

However, like everybody and obviously yourselves, we are yet to see any of the detail or much of the detail of the plan. As they say, the devil is in the detail. I can understand why State governments are reluctant to jump on board and sign up immediately. As I said, the positive things from my perspective are \$10 billion over ten years, which is sizeable funding long term. Also the CSIRO sustainable yields study, which is part of this, is being undertaken at the moment. Mind you, we should put it in context. The CSIRO sustainable yields project is actually a hydrology study; it is not a sustainable yields study. It does not take into account the impacts on ecological communities and the needs of ecological communities. It is really a hydrological study which estimates the current and future use up until the year 2030, taking into account surface and ground water interaction and the impacts of climate change. It is a very big study. It is engaging, as we peak, 80 scientists investigating these groundwater and surface water systems. I attended the launch of the first of the reports, the report for Warrago catchment on Friday.

The Hon. MELINDA PAVEY: They are going to auction it. Are you going to buy it?

Mr O'BRIEN: I believe as we go now over the next five months these will come out on a continual roll. The good thing about that project is, as we all know, there is not a comprehensive data set for all water systems in the Murray-Darling Basin. We know you cannot manage what you cannot measure. So that has to be a good thing. The \$3 billion to purchase overallocated water entitlements and returning those to the environment has some positive benefits. More so the \$5.9 billion to be directed towards improving irrigation efficiency and irrigation infrastructure, which will return some water to the environment but will allow some of the water to stay with the landholder who participates. That means you are leaving water in the system, but you are actually maintaining the agricultural production with less water and there is still a little bit of water left over for the landholder to increase productivity. That must have a benefit as well.

There are many in the community, particularly from an environmental perspective, who would disagree with that approach and would argue that you should spend the whole \$10 billion just on buying back water. I think we would all recognise the impact on regional and rural communities if you took that amount of water out of production. It would devastate regional and rural communities. We need to find a balance between entering the market to purchase water from willing sales and also providing incentives to upgrade irrigation infrastructure so we maintain productive rural economies. To come back to your original question, which was how did I see it impacting on catchment management authorities, I see that we are yet to get a handle on the full detail. But I believe there must be many, many opportunities for the catchment management authorities to engage in the National Plan for Water Security to deliver not only against national priorities but also to deliver against the catchment priorities. In doing so we are going to deliver against the 13 State Plan E4 priority targets. We need to be able to use that system to deliver against the priorities for New South Wales, as well as delivering on national priorities.

The Hon. MELINDA PAVEY: On that basis, would you be keen for the New South Wales Government to make a bid for the water that is going for auction next week in Queensland, the 8,000 megalitres of the Warrago catchment? Should New South Wales put itself in a position to buy that water to help our catchments down the Murray-Darling Basin?

Mr O'BRIEN: I would caution that you would need to get specialist technical advice on that because if you bought the full 8,000 gegalitres you would need to work out how much of that would find its way into the Murray-Darling Basin system or how much of it would spill out onto the flood plain across the border and not find its way into the river system. You would need to make some analysis of that. I am sure hydrologists and hydrographers from the Department of Water and Energy could provide that advice. I am certainly not skilled enough to do that.

The Hon. CHRISTINE ROBERTSON: You would need a scientific decision rather than a political decision. That would be strange!

The Hon. MELINDA PAVEY: It may be too late. The auction is next week.

The Hon. MICHAEL VEITCH: One of the previous witnesses to this inquiry this morning, Mr Ian Hay from Young, spoke about the inclusion of a particular catchment—McHenry's Creek,

Burrangong Creek, Lachlan River—being included in the Murray-Darling Basin cap. His view was that the Murrumbidgee River backwashes during high water rather than the confluence of the Lachlan flowing in from Lake Cowal. Do you have a view on that in your capacity as the chair of the advisory council?

Mr O'BRIEN: No, I do not have specific knowledge of that. The only thing I note is that it is a very rare event that the Lachlan River ever joins the Murray River. Most of the water drains into the Great Cumbungi Swamp and that is where it stays. It is only in extremely high rainfall years—once every 25 or 30 years. The last time that would have happened would have been 1974.

The Hon. MICHAEL VEITCH: That was Mr Hay's point—it therefore should be excluded.

Mr O'BRIEN: I thought you said "included".

The Hon. MICHAEL VEITCH: At the moment it is included.

Mr O'BRIEN: That would be a foolish position given the interjurisdictional arguments about participation in Murray-Darling Basin cap. I do not see how that makes any sense. That sort of view would see the water running in the Lachlan River as water for irrigation and not providing any environmental benefits. I would argue that there are many environmental benefits even if it is a terminal stream.

Reverend the Hon. FRED NILE: Could you raise that at your advisory committee meeting?

Mr O'BRIEN: I would not need to. The committee comprises members from all jurisdictions of agriculture and environmental areas. They would certainly raise it and make representations to the ministerial council.

Reverend the Hon. FRED NILE: So it is still being debated; it is not finalised?

Mr O'BRIEN: I doubt that that position would be accepted or that New South Wales would back it.

Reverend the Hon. FRED NILE: We have been asking this question in all different centres: Are there any particular issues or problems relating to the Native Vegetation Act 2003 and the property vegetation plans in this region?

Mr O'BRIEN: The vast majority of the experience of the Murrumbidgee Catchment Management Authority with the property vegetations plans has been associated with the delivery of incentives. The latest native vegetation situation report I have in my possession, dated 24 August, indicates that 477 property vegetation plans have been approved in New South Wales. That includes not only for clearing but also for incentives and continuing use, remembering that there are three types of property vegetation plans. Of those 477 plans, 272 are in the Murrumbidgee catchment area. That is because we have been particularly proactive in delivering incentives using the property vegetation plan as the vehicle for the contract. That ties the incentive funding to the land and not to the individual. That way, if the land changes hands, the agreements about managing the land for particular outcomes must go with the title and they are registered on the 149 certificate.

We have not done that easily. It has taken an effort to be able to deliver that. But we have done so and we believe it is very good. We are starting to get a lot of positive feedback from farmers saying that they think it is right because we are using public money on personal land and the landholders are getting a personal benefit along with the public benefit. This way we know that they are locked in to delivering what they said they would deliver. Some people say that they will not participate because they do not like it. But property vegetation plans are not compulsory; they are entirely voluntary, whether it be clearing, incentive or continuing use. As I said, out of the 270-odd, only about 20 are for clearing or continuing use. The clearing involves clearing a very small number of trees, usually scattered paddock trees, to enable something like a centre pivot irrigator or a lateral move irrigator to be installed.

Reverend the Hon. FRED NILE: That means that the unhappy farmers may not be participating in the plan if it is voluntary.

Mr O'BRIEN: That could be the case.

Reverend the Hon. FRED NILE: All the happy people are sharing.

Mr O'BRIEN: The majority of the farmers who are unhappy about the property vegetation plans are in the north west. They appear in the western and central west CMAs.

The Hon. MELINDA PAVEY: Farming here is very traditional and longstanding.

Mr O'BRIEN: A large section of this CMA is in the sheep-wheat belt, which is largely cleared. There is only about 4 per cent of extant vegetation. It is in the western areas that we have some invasive native species, but not a high proportion. There would undoubtedly be farmers who do not like the idea of the Native Vegetation Act and who would like to see it gone. However, the Government made a decision and passed legislation to end broadscale land clearing, and that is where we are. In tune with our obligation, we are trying to deliver benefits for landholders. If they cannot clear, we are offering stewardship payments for them to better manage that native vegetation. We are trying to get the win-win situation.

The Hon. CHRISTINE ROBERTSON: How many staff does the CMA have?

Mr O'BRIEN: The CMA has a permanent staff of 26, and then it has a range of contract staff employed to roll out various projects. Off the top of my head I cannot provide the exact number, but there would be 65 or 70 staff. Some are employed on totally externally funded contracts. Different organisations have asked the authority to auspice those positions.

The Hon. CHRISTINE ROBERTSON: What is the geographic spread of staff across the region?

Mr O'BRIEN: Our catchment goes from Cooma in the east to Balranald in the west and from Temora to Henty in the south. It covers 84,000 square kilometres and we have three main official offices. The Wagga office is the head office and there is a satellite office in Queanbeyan and another one in Hay. However, we also have nine other points—

The Hon. CHRISTINE ROBERTSON: It is a big region.

Mr O'BRIEN: —of presence in the catchment. We are maintaining a presence. We also have one catchment officer in Cootamundra.

The Hon. CHRISTINE ROBERTSON: Is access high for the farmers?

Mr O'BRIEN: I would say yes, because I would doubt that there are many farmers in the catchment who would be any more than one hour's drive from their nearest CMA office, and most are much closer.

The Hon. CHRISTINE ROBERTSON: Does the agricultural community have a handle on the existence of the CMA?

Mr O'BRIEN: To varying degrees, but it is increasing because of our activities. For instance, in the 12 points of presence around the catchment, through another program that is funded through the National Landcare Program, we have been running focus farms. In each area different farmers have a desire to understand something a bit better. In some areas that might be better management of cereal stubble so it does not have to be burnt. In other areas it might be about better irrigation practices to achieve better pasture production, particularly in the western region, which is outside the land water management plan area in the two irrigation districts. There are various things that farmers want to do. We auspice that under this funding program. We do that in partnership with the Department of Primary Industries [DPI] and some of the industry groups around, such as FarmLink.

The Hon. CHRISTINE ROBERTSON: Do you have a process to alert you to emerging issues, or is it more informal, like staff or committees raising issues? Is there a formal or set process to pick up on emerging or innovative issues?

Mr O'BRIEN: We review our program annually to ensure we are keeping abreast of emerging issues. We also have regular meetings with landholders through the focus farm groups and with the DPI staff. Indeed, I sit on the E. H. Graham Centre for Agricultural Innovation, which is a consortia—

The Hon. MELINDA PAVEY: We had evidence about that last week.

Mr O'BRIEN: That is the way it works. I get a connection into the CMA for that. Landholders are not backward in coming forward. We have good connection with them in every area. They certainly tap us on the shoulder and tell us that they need something done.

The Hon. CHRISTINE ROBERTSON: So it is a mixture of informal and formal processes.

Mr O'BRIEN: Absolutely. If we cannot legitimately provide funding because of the criteria relating to our funding streams—which are the National Action Plan for Salinity and Water Quality and the Natural Heritage Trust—we look elsewhere. They have been the two main funding streams that have provided funds for the CMAs.

Reverend the Hon. FRED NILE: So you are funded by Federal money.

Mr O'BRIEN: And State money.

Reverend the Hon. FRED NILE: They are both Federal.

Mr O'BRIEN: It is a partnership. The Commonwealth insists on cost-sharing arrangements. It is currently negotiating the bilaterals for the next round of Natural Heritage Trust funding. The next round will involve only the Natural Heritage Trust and they are currently debating the cost-sharing arrangements. Some of the New South Wales contribution is in-kind and some is cash. I do not know the exact splits. However, that information could probably be obtained from the Department of the Premier and Cabinet. One of that department's operatives is a key negotiator in the bilaterals.

CHAIR: Do you have a view about cloud seeding for harvesting water?

Mr O'BRIEN: I have not been close enough to it. I understand that Snowy Hydro Limited and the CSIRO are conducting trials. I have not been privy to a lot of the detail. I guess it is a case of finding out how feasible it is. Is it delivering increased water? If it is, and it does not have a negative environmental impact, it may be the way to go. However, I would be cautious. Increased water from increased snow falls in the Snowy Mountains can amount to not very much at all. If there is warm weather, it could melt the snow and evaporate the water on the spot and it would not find its way into the system. I do not think it is a panacea, but it is probably worthy of further investigation. If it delivers, I would suggest that it could be part of suite of measures. However, we need to be aware that the risks to our water supplies are many.

The Murray Darling Basin Commission has identified six risks to shared water resources. They are: The impact of climate change; the impact of bushfires in the high recharge country—once the regrowth comes back it depletes the infiltration of water; the reduced return flows from increased irrigation efficiency—the conundrum that more efficiency leads to less water finding its way into the groundwater system or the river; the increased groundwater extractions and the surface water/groundwater interaction; the increased size and number of farm dams; and increased forestation. They are the risks to our shared water resources. If we do not address those risks, what small amount we achieve from cloud seeding will not cut the mustard.

We need to be very aware that, regardless of whether we are in a natural climate variation dry spell or a dry spell induced by man's activity, we are in an extraordinarily dry period. The current inflows into the Murray-Darling Basin system, particularly in the southern connector basin, are quite

dire. The inflows in August were about 470 gegalitres. That compares quite favourably to August of last year, when the inflows were about 150 or 170 gegalitres, which is three times as much.

But compare that to the average of 1,190 gegalitres. So we are receiving a little over one-third of our long-term average inflows. When you take into account that we started out this water year with 2,000 gegalitres of water less in storage than we had at about the same time last year, we are 2,000 gegalitres behind the eight ball. So this year, even though we have had higher inflows, it looks like it will be a far worse year for water. It is quite dire.

CHAIR: Mr O'Brien, we may have further questions for you, which we will put to you in writing. Would you try to get them back to us by 28 September?

Mr O'BRIEN: I will do my best.

CHAIR: Thank you for your presentation today and for your submission. It was very informative. I know you have a very big job and we wish you well with that. But thank you for appearing before the Committee today.

(The witness withdrew)

GAY ELIZABETH COMMENS, Farmer, Coorumbene, Junee, New South Wales, sworn and examined:

CHAIR: Mrs Commens, thank you for appearing before the Committee today and for your submission. In what capacity are you appearing before the Committee today?

Mrs COMMENS: As a Country Women's Association representative.

CHAIR: Mrs Commens, would you like to start off with a brief opening statement?

Mrs COMMENS: The aims and objectives of the Country Women's Association are to help women and children, so that is families. One of the ways to do that is to keep biting at the ankles of parliamentarians. So any chance we get like this to have an input or a say, we embrace with open arms.

CHAIR: Thank you for doing so. Would you like to add anything to your submission or you would prefer us to go straight to questions?

Mrs COMMENS: The questions that I think you will be asking me are also questions that are really dear to our hearts as members of the Country Women's Association [CWA], and they are also dear to me.

The Hon. CHRISTINE ROBERTSON: Could you talk about the role of the Country Women's Association in this community?

Mrs COMMENS: This area or the State as a whole?

The Hon. CHRISTINE ROBERTSON: You are the only CWA person who is visiting us, so if you want to give a statewide profile that would be very useful.

Mrs COMMENS: It is the same type of thing throughout the State really.

The Hon. CHRISTINE ROBERTSON: Thank you.

Mrs COMMENS: At the moment the drought naturally is of major concern to everybody. It is not just the farming community; it is also the townspeople. It is really starting to impact on businesses, in particular, small businesses in town, and quite a few around here are closing and putting off staff left, right and centre. So it is not just the farming community that is affected. The CWA has been running drought barbeques and support type things. We have had pamper days for women. They are only band-aids; they are not doing anything but they are showing people that we care. We are giving thousands of dollars away. You probably know that the Federal Government has given us millions of dollars, and that is just about gone.

But on top of that our members have an emergency fund and they are contributing to that all the time. We are giving money away to people on top of the Federal Government's money. Just here in my group, which runs from the other side of West Wyalong up to Batlow and up the other side of Tumut, we are sending a lot of money now to people in West Wyalong to pay their electricity and phone bills or so that they can buy a pair of shoes for a child to go to school—things like that for which they just do not have the funds. I think you are really meeting in the wrong place. You should have been out to West Wyalong or out further west. I do not know whether you might have been out there or whether you are going.

The Hon. CHRISTINE ROBERTSON: We have been to Narrabri, Tamworth, Leeton and here.

Mrs COMMENS: It is looking good here at the moment but we still need rain. We need rain where I am. In a fortnight, if our crops have not had rain, we will not have crops again this year.

The Hon. CHRISTINE ROBERTSON: We went to Leeton yesterday and we saw some problems just like that.

Mrs COMMENS: Yesterday we had a group meeting, so we had somebody from each of our branches. I said to the women just before lunch, "If you have any really pressing issues other than normal, come and see me at lunchtime." That opened up the floodgates. Women from Kikoira and Tallimba burst into tears when they started talking to me. I had to take out one woman in particular and really comfort her. She was not coming yesterday but her husband said, "It is no good staying at home; you cannot do anything." Yesterday they put their stock onto the last of what was left of their crops, but there was no water in those paddocks that they put the stock into, so as soon as he did that he had to go to town and start carting water to feed the stock.

They have had no rain at all. They had a little at the beginning of March I think it was and they put crops in on that. That was to be the break, this was to be the year and it has not come through our way. We have had little showers here and there, 20 or 30 millimetres, though we have not had anything for two months now either. But we have had enough to get green up and we have crops that are looking okay. But out there, there is nothing and the further west you go that is the story that you get. It is just heartbreaking. What can you do? So we are helping however we can in monetary ways but, again, our funds are lower than they normally are because all of us in drought cannot raise the money either to help.

But that is where our city branches and members come in and people on the coast. They have been fantastic. They have sent funds and they have sent money to help. They have sent care parcels by the truckload. Canberra has also helped in that way. Some churches in Sydney have sent care parcels for us, Rotary came on board and gave us money just for people in my area who are carting domestic water. A lot of them are doing that as they have run out of water. So Rotary gave us \$2,500 to help with domestic water costs. About this time last year, in conjunction with the National Gallery in Canberra and the women volunteers who work there, they funded a bus and we organised women, again mainly from Kikoira, West Wyalong and Tallimba and we took them on a bus trip to Floriade in Canberra for the day.

They fed them, showed them through the gallery, took them for a cruise on the lake, they went to Floriade and they brought them back home. Those women had a ball, so much so that one woman got a call on her mobile when she was going home. Her husband, who was on the phone, said, "How far away are you?" She said, "I think we are near Temora." He said, "Thank God for that." She said, "Why, what has happened?" One of the children had fallen out of a tree and broken an arm, just in the day. She said, "Well, I do not care. You deal with it. I have had a fantastic day." She went home to that.

We are in the process of doing that again with the National Gallery, but they cannot get the funding to put the bus there this year so we are trying to get the money to take some women again. These are not our members; they are just women in need. We are doing that for them. We have given way more scholarships and grants this year than we probably ever have before. That is for schoolchildren, for books and fees and what have you.

The Hon. CHRISTINE ROBERTSON: I know about the Federal program and the CWA's administrators et cetera, but how do you do evaluations and assessments of the need for those funds?

Mrs COMMENS: With the money came the guidelines and the criteria. We do not set that.

The Hon. CHRISTINE ROBERTSON: I know that you do not have any specific figures. Perhaps you could take that question on notice.

Mrs COMMENS: Whoever is applying has to send in the accounts. We do not just send money to them. We pay the bills for whatever they send in to a maximum of \$2,000 per family.

Reverend the Hon. FRED NILE: For electricity and things like that?

Mrs COMMENS: Yes.

The Hon. CHRISTINE ROBERTSON: Do you do an assessment of who needs it? How does that message get through? Do they just contact you and you refer them to the process?

Mrs COMMENS: It is all through head office in Sydney.

The Hon. CHRISTINE ROBERTSON: Through the CWA head office?

Mrs COMMENS: Yes. What we do around here we have done ourselves out of our group funds, but again we have had to send some to Sydney because we have not had the funds.

The Hon. CHRISTINE ROBERTSON: So you refer them on?

Mrs COMMENS: We refer them on when we cannot keep doing it ourselves. But I might add that that funding has just about gone.

The Hon. CHRISTINE ROBERTSON: Was it one-off funding?

Mrs COMMENS: This is the second lot. We had \$3 million 18 months or two years ago and then this lot. But that again is divided between all the States. The majority of it came to New South Wales both times because we have a high number of drought people and a bigger population.

The Hon. CHRISTINE ROBERTSON: Could you take on notice my question to ask your head office for a copy of the process for the assessment of need for that funding?

Mrs COMMENS: Yes.

The Hon. CHRISTINE ROBERTSON: It is nothing to do with chasing an issue; it is about getting a handle on how you assess need.

Mrs COMMENS: Again, it has to be done on the basis of honesty. We can only go on what people send in to us; we do not interview people. So we have to take people at their word.

CHAIR: We might be able to get that through the secretariat.

Mrs COMMENS: I have the form at home but I did not bring it with me.

Reverend the Hon. FRED NILE: You mentioned that some of those farmers' wives were stressed. Have some of them been forced off their properties? We heard that a number of homes in Leeton are now for sale, in particular in the town.

Mrs COMMENS: Through my network I have not heard of anybody yet, but I think if this year does not come in—and it is not looking good—the banks will not keep topping up. I think the banks have held off up until now pretty well because there have just been too many. Everybody cannot just walk off. Where are they going to go? I do not think the banks could sell all the farms that are in trouble, unless many foreigners are coming in, and that is a terrifying thought. How long will the banks hold off? How far do you get into debt—I am talking personally as well—before you say, "That is enough. We have to call it quits and leave." It will take years, even if it rains and we get a crop this year. It will still take two or three years at least with follow-up good crops, stock prices and everything else, before we get back on our feet.

The Hon. MICHAEL VEITCH: One of the terms of reference of this Committee is to look at innovative practices to sustain or grow agriculture. What you are talking about raises issues about the farming community's current capacity to affect or undertake new innovative practices. How long do you think it will take for the farming community to be in a position to look at new innovations or funding those?

Mrs COMMENS: Funding is the thing. You look at them and read about things but to put it into practice, I do not know, three, five years. Individuals have got individual debts. Some were in debt before this started. Some will never be out of debt. I do not know. Personally we are looking at probably five years. That is with the next five years coming in as whatever is normal anymore,

because we have never had it like this around here, not like it has been. That has brought me to another thing—which is something I do not think you can help with, but maybe you can chew at somebody else's ankles—and that is interest rates. They are going up all the time. There are taxes and the shires are putting the rates up for people in bad times. You are just bleeding and bleeding and bleeding. There must be some way that they can be capped or stopped or held off, or maybe the Government can reimburse councils so that they do not have to put the rates up.

Another problem we have is attracting and keeping young people in rural areas and on farms. There is no incentive there for them. A lot of young ones from around here and all over Australia are heading to the mine in droves because that is where the big money is. They get a car and a house and their travel to come home every so often. Farmers cannot compete with that sort of thing. Thirty years ago every farmer, no matter how small, had a workman and the bigger you got the more workmen you had. Most of those had a house and free electricity and you gave them a sheep a month and they milked a cow. Today that just does not happen. It is only the very big ones who have still got workers and they might only have one worker.

The Hon. CHRISTINE ROBERTSON: And they do not get a free sheep anymore.

Mrs COMMENS: No sheep, no house, nothing. Now, too, a lot of women are working off farm. If it is not the women working off farm, some of the men are working off farm and the woman is staying home and working the place. That is scary. Another problem is the red tape and paperwork that you have got to go through. You are out working 12½ hours a day and then you are in half the night for the next two or three hours doing the paperwork.

The Hon. MICHAEL VEITCH: Can you give us an example of some of the forms?

Mrs COMMENS: Supposedly every time you move stock now from one paddock to another or they leave your place and you sell them to somebody else you have got all that stuff to fill out. Occupational health and safety is a pain in the butt and insurances are crippling the country. That is not just for the farming community; that is for everybody but particularly the farming industry. Shearing is a beauty. Their workers compensation is at least 25 per cent and, of course, that gets passed on to the farmer. Every time they have an accident or if one of the shearers has a mishap it goes up again. You cannot say "I do not want you" because you need them back again next year to shear your sheep. There is occupational health and safety and taxes. Another thing is insurance levies. I am the secretary of our hall at home and it is \$700 for insurance but it costs \$1,260 for the actual policy by the time you put your fire levies on. Why cannot fire levies go on every ratepayer? Why do they only go onto people who actually insure for things? There is your stamp duty and all those things that go on and they double everything. Again, that is not just for farming communities; that is for everybody who insures.

The Hon. CHRISTINE ROBERTSON: What sort of service gaps are there for farmers in this region?

Mrs COMMENS: We are concerned about health, the lack of health services and the deterioration of all the services for health in the country. That is a big concern there. Mental health is a big issue and a worry. Again with the drought, two inches of rain would help a lot with the mental worries in the farming community. Suicide is a really big problem in the country, and depression. There is IPTAAS travel. I do not know whether that is State or Federal.

The Hon. CHRISTINE ROBERTSON: It is State but it is mixed with the distances.

Mrs COMMENS: Other States will pay on lesser distances. There is education, teachers, the lack of training for smaller areas. If you are in a big centre or close to Wagga Wagga that is fine, but there are a lot of country areas that have not got that, particularly now with the problems with the drought. With the rise of petrol prices people cannot travel long distances to attend tech colleges, if there are tech colleges around. Aged care is a real problem. As I said, we are concerned with everything to do with families, with people. It does not matter what it is, the Country Women's Association takes it on board.

The Hon. CHRISTINE ROBERTSON: Another issue that has come up during this inquiry relates to drought assistance workers and rural financial assistance workers. We have had a great deal of evidence about how important they are.

Mrs COMMENS: They are and you are pulling the plug on them at the end of this year.

The Hon. CHRISTINE ROBERTSON: We have also had evidence about there being massive changes in the farming community not just related to drought. Money was provided for the drought support people because of the emotive issues and problems that people were able to reinforce to get that money. They are called drought support workers. What do you think about a proposal to have agricultural support workers? We have not thought of a title. Do you think those positions would be useful and used or turn into a little clique's special helper?

Mrs COMMENS: No, they would be used.

The Hon. CHRISTINE ROBERTSON: Could you give us an overview of that?

Mrs COMMENS: I have notes that I put together about six o'clock this morning and they are all over the place. There are two now: you have got the rural financial counsellors who have been funded for five years. Before they were only being funded for 9 and 10 months along the way and you lost a lot of good people because they were going off to a permanent job, and you could not blame them. Then you have got the drought support workers. They have to stay. You cannot knock them off in November or whenever it is this year. They are overworked.

The Hon. CHRISTINE ROBERTSON: Recognising they are there because of the drought, as a Committee we are looking to the future and the type of support structure for the agricultural community in the long term. Although it is silly to tell you to forget about the drought because you are in the middle of it, do you have any idea as to how that position could be constructively implemented for the long term in New South Wales for agricultural industries?

Mrs COMMENS: I think so. Perhaps you would need a different type person in five years than you need now. As I said, if it rains tomorrow it will still take years to catch up. So they will still need somebody to support those farmers along the way. Going back to your question, you have two types of farmers out there as well. You have got the big companies that usually have got a manager and they are straight out of university. They have got their degrees and they can keep abreast of things. Then you have got your family farms. A lot of those people are not as well educated and with all the new things coming in, the paperwork, the new machinery that is all press button stuff, a lot of those farmers cannot keep up. So they need educating and they need help with a lot of the things that they have to do. There is a need there for somebody to help that type of farmer.

The Hon. CHRISTINE ROBERTSON: They are two different positions. A financial adviser has to do that.

The Hon. MELINDA PAVEY: It is different from a drought support worker.

Mrs COMMENS: You can send out all the paperwork in the world and the farmers have not got time to read it.

The Hon. MELINDA PAVEY: Is it a community development officer or an agronomist that gives personalised service?

Mrs COMMENS: The agronomists are there now.

The Hon. MELINDA PAVEY: Are there enough?

Mrs COMMENS: Most produce stores have got an agronomist today and most of your stock and station agents have got an agronomist today.

Reverend the Hon. FRED NILE: You strongly recommend that the drought support worker remain?

Mrs COMMENS: I strongly recommend that the drought support worker stay.

Reverend the Hon. FRED NILE: That position should continue on from November.

Mrs COMMENS: Definitely.

The Hon. CHRISTINE ROBERTSON: The name should be changed.

Mrs COMMENS: Farm support worker, whatever.

The Hon. MICHAEL VEITCH: During yesterday's presentation at Leeton reform fatigue was identified as an issue. There has been a lot of reform and industry adjustment going on within the agricultural sector for a period of time now and that has been exacerbated by the drought. People are saying they have had enough and they cannot change processes anymore. Do you think that is a valid point?

Mrs COMMENS: I think it is a valid position. Perhaps down that way it is different. They are more intense irrigation, when they have the water to irrigate. I would have liked to have sat in on the whole evidence of the fellow before me. I have not heard of it in my area but I could understand it, yes.

CHAIR: Thank you for coming here this morning. We may have further questions for you. If so, we will send them to you and ask that you respond by 28 September.

Mrs COMMENS: I will be away for a fortnight at the end of next week. If I receive it in the next week I will.

CHAIR: There may not be further questions, but if so we will send them to you. Once again thank you for coming here this morning and your submission.

The Hon. MELINDA PAVEY: Thank you for the work you are doing.

Mrs COMMENS: It is not just the Christian Women's Association. It is all voluntary organisations and workers.

CHAIR: Your organisation is doing a fantastic job.

Mrs COMMENS: Thank you, we will continue to do it.

(The witness retired)

(The Committee adjourned at 12.45 p.m.)