

REPORT OF PROCEEDINGS BEFORE

STANDING COMMITTEE ON STATE DEVELOPMENT

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

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**Public forum at Stephen Ward Rooms, Cootamundra Library, Cootamundra,
on Thursday 13 September 2007 at 5.00 p.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

ALSO PRESENT:

Rhonda Daly, Nevin Holland, David Pockley, Andrew Forrest

CHAIR: I welcome everyone to this public forum of the Standing Committee on State Development inquiring into aspects of agriculture in New South Wales. The inquiry will be examining the contribution of agriculture and agriculture-based products to the New South Wales economy, impediments to sustaining appropriate levels of production, capacity and growth in the agricultural industry and initiatives to address those impediments. This public forum is intended to allow members of the community to raise issues of interest to them. If you have not registered to speak but would like to, please see one of the staff members and they will add your name to the list.

When speaking please keep your comments brief and to the point to give everyone a chance to speak. Committee members may ask questions to follow up on a point. We would like to keep the contributions to about 10 minutes to enable everyone to be able to speak. Before commencing I acknowledge the presence of the Mayor of Cootamundra, Mr Paul Braybrooks, who appeared before the Committee this morning. Thank you once again for attending.

Rhonda Daly, YLAD Living Soils: I am the owner and managing director of YLAD Living Soils at Young. Mr Chairman and Committee members, I am truly honoured to be given the opportunity to address this standing committee on a subject about which I am very passionate—agriculture and the Australian people. Over the past 54 years of living on the land I have experienced the decline in soil health, animal health and human health and I have personally experienced a major illness due to environmental poisoning from arsenic.

Agriculture is the backbone of the economy of country New South Wales. Country New South Wales towns rely on farmers. The drought has had a devastating effect and we are seeing small communities diminishing because of it. The health of our soil is linked to the health of society. It is essential that farmers produce nutrient-dense food to feed the nation. That will occur only if our soils are nutritionally dense and microbially balanced. Over the past 60 years, mineral density of food has declined to less than half of former levels. Real medicine must start with the patient's diet and ultimately nutrition on the farm through a healthy soil. We need healthy soil, healthy plants, healthy animals and healthy people. We cannot ignore the fact that soils are the essential backbone of agriculture in Australia.

While sustainable agriculture has been defined in many ways, it is fundamentally a process of social learning, not being lead by a science that overemphasises production and neglects maintenance functions of ecosystems that are all linked to the environment. According to Mandy Stevenson of the Southern Rivers Catchment Management Authority, over the past 200 years it is estimated that we have lost 50 to 80 per cent of soil carbon. This trend has to be halted and reversed if agriculture is to become a sustainable industry in Australia. The impact of the drought due to the lack of carbon is having a greater impact because our soils do not hold the nutrients and water required to grow the plant. Dr Christine Jones is in the process of proving that if we were to reverse and increase soil carbon, agriculture could be providing the single biggest solution to environmental problems by sequestering carbon and reducing huge greenhouse gas emissions. At present the Federal Government is not recognising soils as having any impact on sequestering carbon. It is recognising trees but not soil, yet soil is one of the largest landmasses we have in Australia.

Dr Maarten Stapper, a former CSIRO scientist, openly states that current farming practices have seen an increase in the use of sulphate fertilisers, pesticides and other synthetic chemicals to address our agriculture production, but it has led to soil degradation, animal health problems and resistant insects, diseases and weeds. We have to ask why if current farming practices have worked do we have more diseases, weeds and pests than ever before in the history of agriculture. It has not worked.

Nutrients such as nitrates and phosphorus leaching into our rivers and waterways are a major environmental concern to the economy of Australia. This leaching is due to the over use of artificial fertilisers. Harsher chemicals and genetically modified crops are not the answer. We need to treat the cause of our problem, not the symptom. If we improved soil health and balanced it with humus and soil biology we would not have the health and environmental problems that we have today. In my opinion, if the science world had its way we would not be focusing on the quality of food we produce with chemicals that contain harmful chemicals that harm society. We would be constantly focusing on assisting multinationals to grow larger profits by using

new chemicals and GM crops rather than on the profitability of farmers. We need to get back to the farmers not the multinationals.

The chemical companies want Australia to lose its clean green image and to be like the United States. We would then not be able to compete with Europe. Japan has just imposed a 10-year ban on GM crops because they want to see what they are doing to the next generation. We are being totally driven by the chemical companies saying that this is the way to go. Australia will rue the day that we introduced GM crops and we will lose our clean green image and the health of our next generation.

Carbons and microbes are the key in both soil and human health. There is a genuine difference between the nutrition found in organic and conventionally grown crops. Improvements would be even greater if organic crops were actively managed with microbes and minerals. In March 2007 Dr Burdon of the CSIRO announced that he did not consider biological and organic farming to be a long-term viable strategy. I do not agree, because the way we are going is not viable.

The demand for organic food is growing at about 15 per cent a year globally. That puts the market at more than \$50 billion to the Australian economy if we can follow this lead. A delicate balance of humus, microbes, trace minerals and nutrients are essential to a healthy soil. Soils are not just a medium to hold up a plant and through which to feed it soluble fertilisers and chemicals. Soils are a living ecosystem and need to be fed and nurtured.

In October 2002, after recognising that the soils on our 4,000-acre farm were declining and a major health scare, my husband and I established YLAD Living Soils. A large and growing number of farmers were also unhappy with the direction that agriculture was taking. This is a farmer-led revolution; it is not coming from conventional agriculture or science. It is continually growing and every day people want answers.

YLAD Living Soils sought to provide a large range of biological fertilisers and humus compost to meet these needs. We have a customer base around Australia in broadacre horticulture, viticulture and vegetables. Young Shire Council is using our products on its ovals and roundabouts. So when your children fall over on ovals they are not falling over on chemicals in the soil that will impact their health. Finally shire councils are recognising that they must do something that will be better for the health of society. YLAD Living Soils provides humus, compost and biological fertiliser to improve soil fertility. A healthy soil is a living soil; it is self-regulating. The physical, chemical and biological components all need to be in balance. Our motto is "Putting life back into the land", which is what we are all about.

I do not know how much members know about biological agriculture, but if you improve the mineral density of the soil with soil microbes, the physical characteristics of the soil will improve. Members would have heard a lot about the lack of water and contaminated rivers. If we have a physical structure in our soil that will let water infiltrate and hold water we will not have problems. It will also reduce soil erosion because the glues from the bugs hold the soil together.

YLAD Living Soils provides a system that farmers can use to get their land healthy again and produce nutritious food. Much has been said about salinity and a great

deal of money has been thrown at it. We all know there is salt in Australian soils. Because of a lack of humus and soil biology, that soil is now percolating up to the top and we see this salt effect on top of the soils. If we get the humus back in the soils and the biology it will provide a buffer zone and that salt will not come to the top. That is not the product of a lack of chemicals or artificial fertilisers. Weeds, diseases and pests are seen as the reason plants are not healthy. Unhealthy humans pick up all the bugs and diseases going around. If you have a healthy immune system, you will not. The same happens with plants. Because of the way we are growing our plants they are very weak and nitrate filled, which makes them prone to disease and insect attack.

We import Aeromaster composters into Australia. We now have one at the Ord River that is being used in the production of rockmelons. There are also units in Perth, New Zealand, Wangaratta, and the Hunter Valley, and we have one on our property where we produce humus compost. Edwin Blosser, who runs a company called Midwest Bio-systems in America, manufactures the turners. When you sell a turner to a farmer you provide him with the knowledge to produce a high-quality compost. We are trying to get farmers to produce that compost. We all know that artificial fertilisers cost between \$800 and \$900 a tonne. We sell our product for \$120 a tonne. Farmers can take the waste residues from piggeries, feedlots, chickens, eggs and so on, plus their waste residues from councils or stubbles, and produce a fertiliser on their own property. There is no environmental impact and it is healthy to the environment. They also do not have to worry about freight and they are not shipping urea from overseas.

So we are producing humus compost as well as selling biological systems for agriculture within Australia. I refer, next, to education. YLAD Living Soils understands the complexity of the biological system. We spend a lot of our own money from the business educating farmers and industry leaders on the benefits of biological agriculture. Last year YLAD Living Soils, as a new business, grossed \$1.2 million. That shows you how in five years that business has just kept growing and growing. Each day it keeps growing. At the end of the day farmers are already doing it. Dr Arden Anderson says that those who say it cannot be done should get out of the road of those who are already doing it.

The Hon. MELINDA PAVEY: That was good briefing.

CHAIR: Thank you very much for that briefing. We now have it on record.

The Hon. CHRISTINE ROBERTSON: It fits in very well with some of the evidence we received during our hearings. If you have time to look at the website in the future you will see what we are talking about.

The Hon. MELINDA PAVEY: In relation to practicalities, you make it at your property at Young? Do you sell to other farmers in the district.

Ms DALY: Yes, everywhere.

The Hon. MELINDA PAVEY: And to council.

Ms DALY: And to council.

The Hon. MELINDA PAVEY: Do you supply Dinyah? We went and visited Peter and Monica McClintock's property today.

Ms DALY: No, we do not.

The Hon. MELINDA PAVEY: They were talking about it.

Ms DALY: We try to help people set up in other areas such as Ord River, Perth and everywhere to make their own compost and biological products. It is growing all the time. One thing I did not say is that conventional agriculture is fear based. The depression amongst farmers has been enormous. I have done a lot of psychology and I monitor my farmers and customers. Throughout the drought I have not had any customers who have had any depression. Biological agriculture gives hope. There is hope that if build your soils you will have a future. At the moment it is all fear based. "You have to do this or there will be disease."

I was really alerted when I heard that chemical companies' agronomists were going to become counsellors for the farmers because I believe that they were causing a lot of it. The whole chemical scene is causing a lot of the problems that we have. They were going to be there, supporting our depressed farmers, which alerted me. One thing that I would like to see come out of this forum would be establishing who is funding the research that the Commonwealth Scientific and Industrial Research Organisation is doing and the funds that are coming to the GRDC through grower money. I would like to see the GRDC as a farmer-based organisation for research. They are trying to get a strain of microbes, or whatever, of rhizobia, and commercialise it. But that money will then not go back to the farmers. I would really like so to see further investigation into the CSIRO and the role of the GRDC in agriculture in Australia.

Reverend the Hon. FRED NILE: You referred earlier to your own health. Was that from farm chemicals?

Ms DALY: Yes, arsenical sheep dips. Forty or 50 years ago there were no warnings on chemicals at all; it was just a free for all. The chronic health problems that we are seeing with cancer getting every second person is due to our lack of nutrition in our food, and the chemicals. There are 74,000 registered chemicals in society and our bodies basically are not coping with them. We need to eat more nutritious food, have cleaner air and cleaner water. The microbes filter all the toxins out of the water before it gets into the river, but if we do not have them there they cannot do it.

CHAIR: Thank you very much for your presentation.

(Ms Daly withdrew)

Mr NEVIN HOLLAND, farmer from Young: I have been farming all my life and I am a fourth-generation farmer. Thank you very much for the opportunity to address this Committee. It was a bit of surprise because I thought I had retired from all this sort of thing. Consequently, I have not done a lot of preparation but I thought that I would like to come and just talk to you about a few things that concern me. One of the things I am concerned about is the attitude of farmers in the rural sector. There is an enormous amount of depression throughout the rural industries. An indicator of that is the number of suicides. It is not surprising when you see the returns that farmers are getting on their investments.

Very often people are in a position where a farm has been handed down from several generations, and a young fellow who is trying to make a go of it finds that he just cannot, very often because of the lack of scale, and he feels that he is letting down the generations before him. This often leads to over-consumption of alcohol, which is a big problem throughout rural areas. I believe that a lot of farmers feel disfranchised in as much as they are such a small percentage of the population of the State and they have so little contact with decision makers. This is a perfect opportunity for them to come and talk to some people who have some influence.

I spoke to several young people who did not want to be bothered. That was of concern to me because they should be more interested in talking to you than I should. Their feeling was that they could not make a difference anyway. These Committee hearings come to nothing, nothing ever comes out of them and they are better off staying at home and doing some work. That is a pretty sad reflection. But it is feeling within the community that a lot of committees and inquiries are rigged and the decisions are made before the results ever come through. It is very sad that we are in that situation.

They also believe that there is a great lack of understanding of legislators and what is happening in the field and on the farm. These days they have a lot of fears. One of them is a fear of occupational health and safety [OH&S], a fear of being an employer and the things that can come back onto you. I know a number of people, but one fellow who was employing 12 people is now just employing himself. He will not employ anyone because he is afraid of the OH&S and WorkCover repercussions. Another fellow I know is running a shearing team. One of the staff had a punch up with another staff member, walked out of the shed, walked back to town and then went to the employer for an unfair dismissal. That required the employer to go court in Wagga on three occasions. When the employee did not turn up the judge threw the whole thing out and said that it should never have come to court in the first place. But the employer had all the costs associated with it, knocking off, losing a day's work, plus the cost of travelling and legal representation.

Those are the things that frighten employers and they are the things that people are living with constantly. In relation to WorkCover there is a pretty famous case at Young that Mr Veitch would be well aware of relating to a header. An employee was hurt on a header. WorkCover then sued not only the owner but also the person who sold the header and the people who manufactured it. That went on for something like two years. Everyone talked about it. Everyone wanted to know where it was up to, what was happening and what would be the repercussions because nearly every farmer owns

one of these harvesters. So there is a great cloud hanging over people, which affects the way they think and the way they feel.

The employer who was involved in this probably did not think he that he had done anything wrong. I do not know whether or not he did; I do not know the exact details. But I understand that the whole thing has been quashed with no outcome other than agreement for the manufacturing company to look at ways of making sure that some of the guards cannot be taken off. A couple of years ago there was a meeting at Wagga relating to WorkCover and farmers were told of the debt that WorkCover had. I think it was about \$2 billion at its peak. Someone said, "How will you ever to overcome this problem? How will you get that money back?" They said, "We will get it back all right; we will get it from you." So this is hanging over farmers' heads.

We have seen several instances of that where people, not only farmers but also rural people, believe that they have been unfairly dealt with on these issues. It is the same thing with chemicals. We are working with chemicals all the time. You can only do so much. We had an instance at Young where one farmer was prosecuted very heavily. I believe that he now has a criminal record for doing something that every one of us has done. That is a pretty sad state of affairs. The other problem in employing people is that the employer is always at fault. It does not matter what happens; it is the employer's fault and he is guilty until proven innocent. It does not matter whether the employee played football on Sunday or whether he went skiing on Sunday; whatever injuries he turns up with on Monday are the problem of the workplace. This is a fear that people have and that they are living with. They say, "We are afraid to employ people because of these reasons."

Over the last seven years the drought has been fairly tough. It has not all been drought. In our case we had a total wipe-out with frost in the year 2000. We have had one good year since then, 2005, when we had very low grain prices. So it has been a fairly tough seven years. That puts a lot of pressure on young people who have big mortgages, and especially those who are trying to rear and educate a family, if the family has to be sent away. So it is fine to try to blame somebody for all your problems. The Government is always a good mark to kick, and it is all its fault. But it is difficult to put your finger on any big thing for which you can blame the Government.

I have been to lots of seminars and field days, and people turn up looking for the magic bullet that will fix their problems, and there is no magic bullet. A lot of little things will make a difference. Similarly, our costs are rising all the time. That creates the problems that go along with rising costs and decreasing returns. The cost of insurance is one thing that has gone up dramatically in recent years. I have a quote from an insurance company in which the premium is \$11,896, the fire service levy is \$1,494, the GST is \$1,339, the stamp duty is \$1,082, the administration fee is \$25, the GST on that is \$2.50, and the total amount is \$15,840 from a start of \$11,896.

Each one of those things is only small, it is not big, but it all adds up to the total. We find that in so many things that we do. It is just that the costs are adding up continually. One of the things that this Committee may have some influence on is stamp duty and taxes. Registration on a vehicle that I looked at today was \$50 and \$100 tax. So the taxes have a big effect. If you buy a new vehicle or change a vehicle over, the tax is 3 per cent on the value of that vehicle. If you buy a vehicle this week and you decide next week that it is not the vehicle that you really wanted, or you can do a better deal,

you pay that tax again on the next one, which is quite an imposition. It adds up to be quite a bit.

Every time you sign a lease to purchase some more machinery to make your farm more efficient a tax is attached to that. If you have a mortgage there is a tax on that and if you sign a contract there is a tax on that. So all these taxes are adding up. Once again, any one of those items would not break you, but it all helps to weaken your position. The other area of concern is local government and the increasing costs that local government is bearing, which Mr Veitch knows all about. We have roads that were constructed 50 years ago and they have had very little done to them in that 50 years. Look at what has happened over the last 50 years. Look at how the air industry has changed in 50 years to what it is today. Look at the vehicles we are driving today compared with what we had 50 years ago. Look at the size of the trucks that are using those roads today compared with trucks 50 years ago. There is enormous change.

Local shires have not been able to keep up with the reconstruction that is necessary. Bridges that were built 100 years ago have fallen into disrepair because of the increased traffic on them and councils are unable to repair them. But all this cost us more money and it adds to the cost of our freight. Our shire rates are continuing to go up all the time. I had a stint on councils so I know the problems that they have. It is certainly not easy because they are being forced to carry increased costs all the time. Looking for areas of savings where some assistance might be able to come from, one of the things that was put to me by a young fellow yesterday was registration on new vehicles. You do not need to get an inspection for three years. If you buy a car you do not need to get a green slip for three years. Why do you have to go back every 12 months and reregister it? Why can you not just register it for three years and when the three years is up you go back again?

That would be quite a saving. It seems that some of these things have not been looked at. Public liability is an enormous burden on the community. This has affected many organisations, shows, societies and sporting organisations, which is breaking the back of small communities. It creates a feeling of being deserted. For instance, a local show that we have been involved in for 75 years where they have had trots there every year until the last couple of years, they cannot afford the insurance on the trots now so there are no trots. In all that time there has never been an accident but an enormous increase in the cost of insurance.

Farmers have lots of vehicles and they are getting more and more as time goes on. On our farm I think we have got about five trucks, only one of which is registered, and a number of tractors, most of which are registered. If you wish to take those across the road legally you can cross diagonally but not on an angle. If you want to do something on another block of ground you have to have that machine registered. In the case of trucks you have the same standard of registration. If we have a truck that we just want to use in the local area which will probably do only a couple of thousand kilometres a year, it has the same standard for inspection as a truck that is running to Melbourne every night. We have a poultry farm, and I believe you heard from a poultry farmer recently. We are shipping eggs from Young to Adelaide. The trucks that we use on the farm and to go to the farm across the road have got to be inspected to the same standard as those trucks that come and pick our eggs up, which seems to me to be quite unreasonable. I would not like to drive our trucks to Adelaide; you would never attempt it. It would be of big assistance to farmers if they can use them in the local area. They

do not need a truck of that standard. These are small costs that make a difference to the viability of farmers. That is all I would like to say.

Reverend the Hon. FRED NILE: That was a very good summary.

CHAIR: Thank you very much for your presentation.

Mr HOLLAND: Thank you very much for the opportunity. I am sure that the deliberations of this Committee will not be shelved but will go somewhere.

CHAIR: We will do our best.

(Mr Holland withdrew)

CHAIR: The next speaker is Mr Pockley.

Mr POCKLEY: Good evening, I am David Pockley and I am a farmer from Wallenbeen. Thank you for the opportunity to be here. I do not envy your task dealing with all these issues that have turned up. If you do solve all those you will deserve a medal. Some of you might already have one, but perhaps another one as well. The issue I have is something that the State Government does have some control over, although for many people it is probably not terribly important. It relates to local environmental plans that are slowly being reviewed and so on. If it does not change anything it is fine. But there is the chance with a new local environmental plan that a particular part or property can have its land use changed, what it is capable of doing. That can have quite an impact economically on the viability of a farm. At the moment my understanding is lines are drawn on maps and there is no real process of checks and balances to make sure that they have got it right on a specific small area of a farm. I think that could be fixed.

To give some examples of these things, there is a zone called environmental protection 7A which you cannot do much on and there is another one called environmentally sensitive land where you can do a bit more but you are still restricted. Another example is the minimum subdivision size. If you have got, for example, a hilly paddock or property or part thereof that is subject to erosion, it could have an environmental protection zone 7A applied to it. That would restrict you significantly about what you could do. But there is the possibility that you could treat the areas that are eroding or fence off the steep area or whatever it may be and then run the rest of the area in the normal manner. In relation to the subdivision size, quite a lot of people who farm are my age or older, poor fellows, and are thinking about their superannuation and retirement. Some of them are geographically located near towns and think to themselves, "The kids do not want to come home, it is too small or whatever, but at least I can subdivide it. I do not have any super because I have not been paying any. I am self-employed as are many smaller farms. That is going to be my superannuation. We can live in the house still, subdivide some blocks off and we are all happy." But if the local environmental plan says sorry, cannot do that any more, the minimum size of subdivision is the size of his farm or whatever it may be, that family's life is significantly changed with a stroke of a pen.

I think we should do something about those sorts of issues. My suggestion is that discussions take place with local government organisations and farmer organisations but with an outcome so that communication between all the parties involved is improved. The landowner would certainly get a written confirmation of what is happening to his farm and what is being applied to it. There should be an opportunity of having a site inspection and consultation about the particular area on the farm. I think also there should be some sort of right of appeal, which must work both ways, not only for the farmer but also for the powers that be who are initiating the thing. So the issue has the opportunity of being resolved in a sensible way and if it cannot be resolved or somebody feels they have been hardly done by there is a process to deal with that and have a fairer outcome rather than lines on maps and those sorts of things. That is about all I have got to say.

The Hon. MICHAEL VEITCH: Mr Pockley, I am in local government as well as this role and I have an interest in minimum allotment sizes. Is Cootamundra Shire Council in the process of reviewing their local environmental plans?

Mr POCKLEY: Paul might like to answer that question because he is the boss.

Mr BRAYBROOKS: I can answer that question. We are in the process. We have technically until 2011 to put in our new local environmental plan. Certainly we got very close and dare I say the State Government changed a lot of the regulations and we stopped for that reason. We went through public consultations, in fact, in this room. This room was full when we held a public consultation where we put forward proposed areas such as the 7A, which are the environmentally sensitive areas. We amended them and sent all the letters and comments we received at the public meeting off to Parliamentary Counsel. We obviously wanted at that stage to put forward our local environmental plan for approval. Certainly we have stopped at this stage because of the changes. We will be getting back to it. Obviously we are waiting to see what happens with the small lot size, the bottom answer of the small lot size. When we do we will go through public consultation again.

The Hon. MELINDA PAVEY: You were looking at 400 hectares?

Mr BRAYBROOKS: The original lot size under the standard local environmental plan was 400. We brought it down to 220 and got Parliamentary Counsel to agree to that.

The Hon. MICHAEL VEITCH: Mr Pockley, in our travels it has come up a couple of times about the minimum lot size. One of the terms used is the definition of prime agricultural land. Do you have a view about what is prime agricultural land?

Mr POCKLEY: The prime agricultural land that I can think of quickly runs kids' ponies down near Exeter and Robertson and places like that because they have become hobby farms, whereas once they grew fat cattle and lots of potatoes. I would have said that was highly productive land that has now had its land use changed to kids' ponies. That is a way of measuring productive land and whether that land-use should have been set aside. An awful lot of vegetables are grown down on the Cumberland Plain near Sydney but there is the pressure of lovely houses. Should the land be zoned to agriculture and tell them to go away and build their houses somewhere else? It is productive land, it is close to the market, all those good things. But is it productive land in the wrong place? It is an issue that different people would have a different view about.

The Hon. MELINDA PAVEY: Should you have a bit more flexibility if you do not have productive land in rocky areas for lifestyle?

Mr POCKLEY: I used to live over near Goulburn. There is country that you would run a racing possum on in a good year. Some people like to live there because they like racing goannas and racing possums and the environment all around them. They thought that was of great value. They did not want productive land because they did not want the grief. They may have the grief of weeds to look after.

CHAIR: Thank you very much, Mr Pockley.

(Mr Pockley withdrew)

CHAIR: Before calling the next speaker, I should inform you that the process of this inquiry is to meet with as many people as we possibly can, obtain as much evidence as we can and gather that information and make recommendations to Parliament in early November. Once it has gone to Parliament it will be made public. So anyone who has spoken at any of our forums or inquiries will receive a copy. That is the process. We hope to report some time in November and the Government will respond within six months. The next speaker is Mr Andy Forrest. Would you state your full name?

Mr FORREST: Andrew Forrest, I am a farmer from Young. I also own a business, a restaurant, in Young. I am also on the board of New South Wales Farmers and have a strong relationship with that organisation and with farming itself.

CHAIR: Would you continue with your presentation?

Mr FORREST: As a businessman and, as I said, farming and the restaurant business we run in and around the Young district, I feel that there is not much difference in the impediments that are placed on us in those types of businesses in regional New South Wales. The impediments put up against agriculture are unbelievable. Due to government not spending time and money in the country, the old thing we talk about is the sandstone curtain that is put up. I am sure you have heard that plenty of times before, but that is how we feel. We as citizens out here in regional Australia and as farmers hold about 79 per cent of the total land of New South Wales. We contribute about \$20 billion to the New South Wales economy, which certainly goes towards giving New South Wales plenty of its wealth and the lifestyle that we all have here in New South Wales. We have approximately 300,000 jobs out here in New South Wales, which is about 10 per cent of the work force over the whole of the State.

Why, with these staggering figures, do we have no plan of what is happening in regional New South Wales? I suggest that the biggest thing we need to do is to find out exactly what is not going on in regional New South Wales and the wealth we put into this State as agriculture.

I would also like to know why there is a massive divide between the State Government and local government. There seems to be a lot of waste and duplication. I am sure the mayor and others would totally agree. One solution—which you as members of the State Government will not like—is to remove one level of government. I am sure that has been raised before. I do not mean that we should get rid of your jobs instantly, but perhaps we should remove the States and keep the Federal and local government systems. That might be very sensible.

We do not seem to be getting very much money in regional New South Wales for infrastructure. It has probably been said earlier, but there is certainly a downturn in spending on roads, rail, medical services and education, just to name the big ones. This has a domino effect in regional New South Wales. Once those things start to happen, communities start to fall apart and we lose all the good and important things that have been happening in regional Australia. We need to keep people in regional Australia instead of moving to the larger cities. That is a big problem once we lose infrastructure. That certainly puts more pressure on the infrastructure in larger centres and the capital. Why not keep us here in regional Australia? We can survive out here very well, but just give us the infrastructure.

Another issue that annoys the hell out of farmers is red tape. This certainly causes a lot of disadvantages to us as farmers. There are systems in the other States that are totally different from what is happening in New South Wales. Our compliance with things like chemical training and occupational health and safety certainly put us as farmers at a massive disadvantage against other States and with what we export overseas. If these things are in place we must ensure that they are consistent when we are importing goods into this country and things happen consistently and exactly the same over the borders.

I refer now to chemical training courses and the cost that imposes on farmers. They are expensive, especially the occupation health and safety courses—they can cost up to \$1,000. We as farmers do not want to see our friends, relatives, workers or ourselves injured in the workplace, but we have the most draconian laws in New South Wales. We have a system that tends to take the big-stick approach, which I do not think is helping to get the message about safety on farms across to our farming communities and local people in the towns. An incentive approach would be better and I am sure the farming community would take that on much better than the big-stick approach that WorkCover and others have put in place.

Government must help us with research and development. We seem to have a fascination with getting rid of all our research facilities and running research into the ground. It is most important if we are to be competitive overseas and anywhere else that research and development maintained. It is very important that the Government back farming and the research and development companies and help them.

Another little pet peeve of mine is the stupidity of the Roads and Traffic Authority [RTA] rules and regulations. Loading of grain trucks and livestock is a major problem for farmers. We have no idea what a loaded truck will weigh. We are asking for simple things through the New South Wales Farmers Association. We want some movement either way on loading trucks. The other problem is that we have cross-border differences and, again, New South Wales seems to have stupid rules and regulations. Give us some tolerance, but fine the cowboys. If people are loading trucks up to 70 tonnes or 80 tonnes, knock them off the road. However, most farmers do not do that; they simply want to get their goods to the saleyards or the grain silos without being knocked off by the RTA.

Education is a massive problem in regional New South Wales. I was at Weethalle two nights ago and some of the fellows there said that their kids are on buses for one and a half hours or longer. They are also starting to lose their educational services in those smaller towns because of the domino effect I talked about. They are now moving their children further afield to places like West Wyalong or looking at boarding. As most of us know, boarding is probably out of the question because of the expense.

The Hon. MELINDA PAVEY: You are talking about primary schools?

Mr FORREST: Primary school generally.

The Hon. MELINDA PAVEY: That is the choice parents have?

Mr FORREST: Some of the larger operations—the services to education—are disappearing as well. The other thing that is happening is that people are unable to do certain courses and there is no sport, or you have to drive massive distances to participate. One suggestion was to adopt a school. That is something else we can do to get the message out to the city children that we feed them, and we provide the food cheaply and cleanly. Perhaps the Government can help us to promote that message to the cities, which would be very good so we do not have to import food. We do not know what has been put in it or what chemicals have been used.

The health system has also been run down. We now have to travel further to get medical services. The age of doctors is also a real problem. I know that is a Federal issue, but perhaps the State Government could help. There is a boom in medical equipment in the cities. We do not have all those flash machines in the country. In the city you can walk around the corner and there is everything you need. That does not happen in regional New South Wales. The administration of the medical system is bureaucratic and cumbersome. That certainly has not been improved by establishing enormous area health regions. We are at a serious disadvantage compared with the city. I suggest that we look at community ownership of the medical infrastructure. We should go back to the good old days when there was a hospital board and local people running the system instead of someone in Albury or Sydney running the whole show. Doctors are a big problem. In Young we have tried to attract doctors and we have been pretty successful. Our pilot scheme could be considered for many towns. The Australian National University has a new facility to train doctors on the spot designed to keep doctors in the rural area. That also applies to allied health professionals.

The drought is a big problem. I know the Government cannot do much about it, but it could certainly help by removing the red tape. There are enormous delays in getting money to people in dire need. At Weethalle the other day I could not believe the situation. Young and Cootamundra are in a good position, but not far away it is absolutely devastating. I cannot believe that they have survived all that time. They have been in drought since May 2002 and nothing much has changed. There is no water, no crops and no feed, and they have sheep on agistment. That is what we put up with out here sometimes. Like many farmers around here they have huge debts. We need the inspiration of a State Government to help keep things like the interest rate subsidy in place and to keep the Federal Government on track to help farmers with the financial side. They do not necessarily want any more talk; they simply need financial help. If the State Government could help, that would be great.

The big things I see that are not happening in regional Australia are health, education, transport and banking. There is also a lack of police, aged care and employment. Getting skilled people is certainly a big problem. The problem is that the average age of farmers is 55 and children are not coming home. They are getting stuck on the farm. Even if the children to come home, there is no out for them. That is a massive problem in rural Australia. We certainly need a plan or some way of looking at things. It is about time that the State Government looked at the contribution that regional areas and agriculture in New South Wales makes. I suggest that we have a survey into that to see how profitable we can be if we are given half a chance. Thank you.

The Hon. MICHAEL VEITCH: You spoke about interest rate and income support. What is your view about timing with regard to turning off the tap after the

drought? How long should they continue? Are the current arrangements satisfactory or should they be finetuned?

Mr FORREST: It should be finetuned. We sow a crop, generally in April and May, and we wait until December to get our money. If nothing has happened in between, we wait another year before that happens again. That next year could be a fabulous year for growing things, but there is a cash drought. So those things have to be refined. You cannot just turn it on and off. People need help. For every year we have been in drought, the debt is getting bigger. Even if we have a fabulous year, we will not get out of that situation for a long time. If Government can help, that is good.

The Hon. MICHAEL VEITCH: What about the turning on the tap? Do you have a view about when those things should kick in? Does it happen in a timely enough fashion, or is there a better way of doing it?

Mr FORREST: Once again, there seems to be a lot of red tape and a lot of problems getting those things up and running at the beginning, and making rural lands protection boards understand that is what is going on and the Department for Planning and Infrastructure carrying it on, then the State Government and the Federal Government. It is a long chain of events before those things kick in.

The Hon. CHRISTINE ROBERTSON: This question is more about whether it should kick in at all. We had evidence about the benefits or otherwise of exceptional circumstances. All of us have an understanding of the issues in relation to the definitions, but the issue is why it is good for farming to have exceptional circumstances.

Mr FORREST: The farmers at Weethalle have done everything right; they are very good farmers. However, they have had five years of things happening to them over which they have had no control. That has crucified them. They decided to put everything into this farming year to try to get out of their problems. They do not want the debt and handouts from Government. This is one of the few things that they look to to help them stay on the farm.

Unfortunately, it does prop up farmers who are not efficient. The majority of farmers are very good farmers who are working at the pointy edge of technology and everything and they need a bit of assistance at the moment to keep them on their farms for just that little bit longer.

The Hon. CHRISTINE ROBERTSON: One of the other issues that has been brought to us as a Committee relates to the degradation of the farm while you are in the hanging-on stage.

Mr FORREST: Most farmers would not like to do that. When you go into a drought like this you would use a paddock as a sacrifice paddock where you can put the stock and feed them in that one area or areas. Since 1984 I am sure that you have not seen massive dust storms. The reason for that is that our practices have changed completely. We have a better understanding of the environment. A lot of the good farmers have certainly done those sorts of things. They are using different practices on farming techniques so I would consider us, as farmers, to be much better environmentalists these days than what we were.

CHAIR: I should point out to you that every member of this Committee is from a country area.

The Hon. CHRISTINE ROBERTSON: Some of us from west of the stones.

Reverend the Hon. FRED NILE: You believe that the interest rate subsidy is important. Is that sufficient? What is the subsidy and does it vary?

Mr FORREST: I am not sure.

Reverend the Hon. FRED NILE: All the farmers we have talked have all had big debts, so that means that they had a big interest bill.

Mr FORREST: They have just been borrowing money year after year to plant crops, or buy livestock or fodder to keep their livestock alive. That is why the debts are there.

The Hon. MELINDA PAVEY: As a board member of the largest farming lobby group in New South Wales our terms of reference require us to look at the future of agriculture in New South Wales. Do you have a view about how we support our farmers into the future, coming out of this drought, knowing that it will be five or six years before the rains come? What are the practical measures that you as a lobby group want to see on the ground in support from the Government to help farmers come into the latest farm practices and farm management? I get a sense out there that we are reform fatigued. But to move ahead and for our farms to be sustainable and our farmers most importantly to be profitable, a lot of guidance is needed.

Mr FORREST: Yes.

The Hon. MELINDA PAVEY: What do you think the Government should be doing in the future to see our way through this dreadful situation?

Mr FORREST: I would certainly like Government to have a better understanding of regional New South Wales. I think New South Wales farmers, in their submission to your Committee, are asking for a survey to be done and money should be spent on infrastructure and the things that I brought up in employment. I think that list of things is exactly what New South Wales farmers need, with a few extra ones that were not on that list. I cannot remember exactly what they were.

The Hon. MELINDA PAVEY: What about practical day-to-day ways to help farmers farm better? Is that required?

Mr FORREST: It is in some places but most farmers are doing the right things at the moment. I do not think education is the great be all and end all of farming. Research and development is very important because that gives us an advantage. I suppose it is a type of education. But to go back to school and be taught those sorts of things—

The Hon. MELINDA PAVEY: I am talking about that; I am talking about one-on-one farm management plans or helping. A lot of the research that is taking place is industry led. Where that is happening there is success. I am not sure what you farm, but there has been talk that the grains industry is not leading the charge in research and development. If you have industry forcing government often that is a good way forward.

Mr FORREST: Okay. New South Wales farmers want to look at more research and development and helping farmers along those lines. So any help that we can get from the Government to force farmers to look at different practices will be good.

The Hon. MICHAEL VEITCH: My question leads on from what Melinda Pavey was saying. Because of the situation we are in right now and because farmers are focused on their current circumstances, which should take up most of their attention, post-drought business planning is required. How many farmers do you think have those in place or are looking at that level of planning? Do you think it will take lot of people a number of years to catch up before they can focus on the progressive growth of their enterprises?

Mr FORREST: I think you are right. It will take a long time for people to get over these droughts because of a lack of money and a lack of water. That is what I saw out at Weethalle. A lot of my friends are wondering whether they should not just put their farms on the market and disappear to Sydney. That is a big problem.

Reverend the Hon. FRED NILE: You are involved in small business. Are there any closures?

Mr FORREST: There are plenty of closures. Certainly businesses in Young are disappearing, but not big numbers of them. We live in a very lucky little town; there are no two ways about that. It seems to go against the tide, let us say, of what is happening in other rural towns. But I think that is probably to the detriment of some of the smaller towns around. But our business is up and down. It fluctuates a lot, much more so than it did six years ago when we first opened. So, certainly, the drought is starting to kick in.

CHAIR: Thank you very much, Mr Forrest, for your presentation tonight. No doubt you will have a keen interest in our recommendations. Thank you for your time.

(Mr Forrest withdrew)

CHAIR: I would like to thank everyone who has come here tonight to listen to the forum or to participate in it. I hope that you found it to be beneficial. I thank each and every one of you, in particular the Cootamundra community, for having us here today. Thank you again, Mr Braybrooks, for all your hospitality and the use of your facilities.

The Committee adjourned at 6.08 p.m.
