

Good morning all.

Please excuse me if I read this today. Presenting information to a meeting such as this is something outside my comfort zone and being able to read will assist me to be able to do this.

My name is Sharon Maguire. My husband Kevin and I live in Central West NSW, and operate a diverse mixed farm between Forbes, West Wyalong and Condobolin. My husband is a 5th Generation farmer. I am a third generation farmer. Our property size is 2706H in size and we have 3 sons, aged 21, 19 and 15.

We have taken out Multi Peril Crop Insurance for the past 3 years, including this year. We have not had to claim in this time but suspect that if the wet weather we are experiencing does not let up then this year we may be submitting our first claim. Currently we are experiencing a flood in our area with the prediction that we will continue to experience above normal rainfall over the next 3 months. Our crops are very wet now, and are starting to show stress due to excess moisture.

Prior to taking out MPCl we had experienced essentially what was a 10 year drought followed by 2 very wet years. Whilst we had self insured for drought prior to this time with a diverse farm of both livestock and grain, with FMD, a large amount of livestock fodder stored on farm, and had the benefits of a private irrigation system, this period of time

severely depleted our best farm management practices, such as replenishing the soil with nitrogen and other minerals and sowing pastures. Most importantly, it drastically reduced our financial reserves and confidence in farming, as well as seriously affected the state of our emotional and mental well-being.

In those 12 years, we and our farm existed. Thanks to seriously increasing our debt and government assistance provided such as exceptional circumstance interest rate subsidies, farm household support payments and other measures at the time, we survived both physically, financially and emotionally. However, this period has taken its toll on our family and business, leaving us with a very large debt and a certain loss of resilience and confidence in the rural sector.

We have always taken out crop insurance for hail and fire – as we considered it one of our tools to mitigate risk. However choosing to take out MPCl was a huge decision for us. It is very expensive especially when you consider our debt level.

First we had to get our heads around the fact that we were purchasing a relatively new product, which we were uncertain about despite understanding the principle of it. We knew no one else who had tried and tested it in our region, so could not ask them about their experiences

Secondly, we then had to pay upfront the cost of preparing an application for insurance; which was not only costly but also very time consuming.

And this was all prior to meeting our premiums. This was all very difficult when we were struggling with money to start with.

However, we have been lucky – we are still intact (physically and emotionally). Financially we have been seriously dented but we are intact. We also have at least two very good driving forces to continue and to prosper – our two eldest sons genuinely love farming and want to return to the farm. Our third son is still young but is indicating that this is a possibility for him also.

And it is this point that I wish to bring to your attention – something that has not been discussed previously in your report – at no stage has the human aspect of farming families been discussed. Our farmers and their families are one of the most valuable resources that the rural sector has, and the cost of their well being has not been considered when evaluating the benefit of subsidising this form of insurance.

I consider ourselves to have been lucky! We personally have made it through many exceptionally stressful and difficult years. Our community is very lucky as it has not yet experienced a suicide; we have only had to deal with severe depression! I don't believe we are free from suicide in our district yet however.

In our immediate community we have recently had two farms sold. Both of the farmers were suffering depression due to the harshness of our climate and its affect on their

farms and families – they lost their resilience and could not cope any more with constantly fighting the volatility of our markets and the weather in an effort to make a living. One of these was my brother in law. Both were “good” farmers and undertook good management practices on their farms but neither could continue to function when placed under the ongoing stress brought upon by the variability of their income flows.

Another neighbour spent a number of months in hospital suffering a severe debilitating depression – he is improving but still struggles against the Black Dog.

We also have another neighbour who is suffering from depression but is hanging in there with extra support.

All of these neighbours are within a 5-20km radius from ourselves and are well known to us. Generally farmers are too proud to talk of emotional distress but with so many experiencing it within our district it has made our community very aware of the importance of good mental health in our district and the rural sector.

In previous years, when farmers truly flourished, there were stabilisation schemes in place for both food and fibre, such as the single desk for grain prices and wool floor prices. We no longer have these stabilising influences on which to hedge our income.

This lack of stability in the market place, the not always predictable weather patterns, and the mental health status of our farmers has created huge stress loads for our farmers. Is it no wonder that the average age of death is lower in regional Australia than in its city counterparts?

Regional Australia needs some stability. I think INCOME PROTECTION (that is how I prefer to think of MPCl) can provide some stability. I believe that it can inject the confidence in farmers to sow their crops without the fear of failure and continuous financial loss. I believe this can only benefit our farmers' physical and financial status of their farms and can more importantly improve their mental health and their capacity to make sound judgements.

I can only see positive attributes for the farming sector if they too can be persuaded to purchase MPCl. I believe that the biggest blocker for taking out MPCl is its extremely inhibitive cost. Providing incentives to farmers to undertake MPCl can only be a plus, provided the opportunity is accessible to all farmers.

I firmly believe that farmers would much prefer to be self-reliant, that is, they would prefer a hand up rather than a hand out.... Any decision the government makes must address ensuring the long term wellbeing of farmers, not solely focussing on economic benefits. This will ensure continued resilience of rural communities and rural families in the longer term.