

Inquiry into Reserve Bank Amendment (Australian Reconstruction and Development Board) Bill 2013.

All my early life I wanted to be a farmer, I loved it. I came home from school in 2001. I was young and I had big dreams. By 2007, together with my family we grew our business from 15000 acres to 30000 acres. When I left school it was clear to me that if you worked hard in this industry you would be rewarded.

I remember sitting at the table with our bank at the time and telling them that we need to go slow and do it right. Our manager at the time said, why don't you borrow more money and get it done faster. It was a great idea, how good was it to have a bank that works with you, I thought. We developed one farm and they said borrow some more and buy another. We were growing our business together with the bank, it all made sense.

It was when a banker from another bank came to see us wanting our business. He said why don't you buy another farm and move across to us. He then told us it doesn't matter what your values are, we will make them as high as we need, as long as we get your business.

In 2008 the single desk was removed, the government of the time told us it was in our best interest. What they didn't tell us is that it would become extremely volatile, wheat was \$415 a tonne in 2008, it dropped to \$160 in 2011 and the whole time our input costs continued to rise. How is anyone supposed to manage his or her business with that volatility?

In 2010 we grew a massive crop, the best crop I had ever seen, it was brilliant. At harvest time it kept raining and raining and raining. Then it flooded. We estimated that the flood cost us some 7.5 million dollars.

All of a sudden our bank had a dramatic change of heart. The bank that was going to write our values as high as they needed, now wants us to magically disappear!

The industry has taken a hit. Land values have fallen. In 2011 we sold wheat for \$160 a tonne, which is the same price my dad was selling wheat for in the 70's. Could you imagine the bank earning what they did in the 70's? Or the government bureaucrats or our elected MP's getting paid what they were in the 70's? I think not. We are losing money and there's only the ARDB to help us.

From then until now our bank has controlled every dollar we spend. We haven't been able to manage our farm properly. Everything comes at a cost to the crop we grow, which damages our ability to repay the bank. All the time they shed themselves of any responsibility!

Farming for me has changed now. I'm scared when the phone rings, when a car comes down the driveway, and when I lie down at night, all I think of is, are they coming to get us. What will I do, I don't know anything else, where will I go and what's going to happen to my family and our family farm. Is the bank going to sell it to some shark that will make a fortune off the back of our hard work?

If the ARDB were to get started, we would be adjusted to make a profit again. You must remember that this number would be above what the bank will get by wrecking our lives, by wrecking my father's work and his father before him.

I'm in my early thirties, most of my friends are in agriculture and I can tell you that our story is repeated everywhere. We all wonder why Australia forgot about its farmers and while the first world (Europe, America) seems heavily committed to supporting their farmers.

In my local town when I left school there was a bank, a baker, and hairdresser, none are present anymore. Landmark, a farm merchandise company, has just closed its doors. Elders, their competitor, are just hanging on, I'm told. There is no Coal Seam Gas influence in the town. It would be safe to say that it lives and dies on the health of its farming community.

For some of you, it might be easy to say you got into bed with the banks, you knew what you were doing. I say to you, why wouldn't we have, when they gave the strong impression quite deliberately that they would stand by us through thick and thin.

In my opinion when thinking about the ARDB, you need to ask yourself only one question; do we want farmers in Australia? If the answer is no, then come out publicly and tell us all. If it's yes, get the ARDB up and running! This should be the first of many steps to get agriculture back to where it once was.

Robert Walton

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