

**COMMUNITY DEVELOPMENT AND JUSTICE
STANDING COMMITTEE**

**INQUIRY INTO WESTERN AUSTRALIA'S
NATURAL DISASTER RELIEF ARRANGEMENTS**

**TRANSCRIPT OF EVIDENCE TAKEN
AT LAKE GRACE
MONDAY, 6 NOVEMBER 2006**

SESSION TWO

Members

**Mr A.P. O’Gorman (Chairman)
Mr M.J. Cowper (Deputy Chairman)
Mr S.R. Hill
Ms K. Hodson-Thomas
Mrs J. Hughes**

Hearing commenced at 10.15 am**CROSSMAN, MR RODGER JOHN****Senior Policy Officer, Department of Agriculture and Food, examined:**

The CHAIRMAN: Thanks, Rodger, for coming in. The committee hearing is a proceeding of Parliament and warrants the same respect that proceedings in the house itself demand. Even though you are not required to give evidence on oath, any deliberate misleading of the committee may be regarded as a contempt of Parliament. Have you completed the "Details of Witness" form, and did you understand the notes attached to it?

Mr Crossman: Yes.

The CHAIRMAN: Did you receive and have you read an information for witnesses briefing sheet regarding giving evidence before parliamentary committees?

Mr Crossman: Yes, I have.

The CHAIRMAN: The committee has received a submission from the Department of Agriculture and Food. Would you like to add anything to that submission?

Mr Crossman: The only thing is a bit of background, in that in July 2005 the Department of Agriculture and FESA entered into an agreement for the department to take over the running of the agricultural section of the natural disaster relief arrangements. At that time it did not appear as though that was being handled particularly well. Up until that time, when there had been a natural disaster of some sort, there was seen to be confusion, in that the Department of Agriculture was running a separate assistance package to farmers. I think that stemmed back to the mid 1990s. Up until that time, the natural disaster relief arrangements in Western Australia for agriculture were run by the Rural Adjustment and Finance Corporation. In 1995 that was all transferred to FESA. However, FESA seemed to have difficulty in coming to grips with the running of that part of it. It was not until mid 2005, following the big storms in April through the great southern, that it was brought together so that the primary producer package was developed and run by the Department of Agriculture, on behalf of FESA. The way it operates now is that the Department of Agriculture receives applications from farmers and does the assessment. The grants are paid out of department funds and claimed back from FESA under the NDRA on an annual basis at the end of the year. The interest subsidy loans are recommended for approval by us at the department. FESA then does the approval, it is sent out, and the funding is provided directly from FESA to the applicant's bank.

The CHAIRMAN: Does FESA just rubber-stamp that on your recommendation?

Mr Crossman: Generally yes. Our recommendations are usually associated only with the loan arrangements, and FESA effectively rubber-stamps that. The rationale was that FESA really did not have the expertise to assess these sorts of things, whereas we had been doing it in the department. We have a section in the department that does that for drought as well as for other things. We had that in place, so it made sense to bring it all together in that way.

Mrs J. HUGHES: Just talking about those applications, I notice from the department's submission that the decision time for applications is usually within three days, but that is when complete information is provided. I know from talking to people in the past that to get complete information, with documentation and so forth, can often be a problem for people once they are in the middle of a disaster. Is there any way in which these people can still access assistance if they cannot provide the complete information, or are they stuck in a bureaucratic process?

[10.20 am]

Mr Crossman: The sort of support that is provided is, unfortunately, not time critical. There is only the professional advice grant, and the interest subsidy on loans. As for other measures that have been involved in the past, at the beginning of last year there was the seed potato producers in the Albany area where that was lost. Eighty-five per cent of the seed potato crop was lost as a result of the floods in Albany. Those producers received a refund from inspection fees on seed potato crops. That was paid out fairly quickly. When a natural disaster involves a fire, there is payment on the freight of livestock to agistment. A lot of those things are not time critical in terms of the freight to agistment; whenever that is done we accept that it has to be done. They do not have to apply for that beforehand. Generally there are no hassles with that all.

The CHAIRMAN: Are farmers generally aware of that?

Mr Crossman: Yes.

The CHAIRMAN: But it's only when there is a fire.

Mr Crossman: Yes. It is done on an animal welfare basis, as are the other animal stuff -

The CHAIRMAN: Why is not that measure extended to events such as floods? What are the reasons behind that policy?

Mr Crossman: There are many points of difference between a fire and a flood. A lot of points were not highlighted in the hearings in Albany. Most fire damage is covered by insurance. It is fairly clear cut. However, hardly anything that is damaged or lost during a flood is covered by insurance. That is where the confusion comes in. In terms of a fire, you have to get stock out of the way very quickly. During a flood, you have difficulty getting to things. You cannot shift stock until they have been accumulated. The other thing is that in areas such as Lake Grace there is just no way that you can move on any of the roads; there is no way that any trucks can move up until things dry out. That is the reality. You can be running down a road one day and the next day after it has been flooded nothing shifts, so you do not have the ability to get it in and out. The difference between a fire and a flood is that after a flood there is usually a flush of growth and the feed aspect of it is usually not as critical. It is purely and simply on an animal welfare basis that this transport to agistment is provided. The only other area not under NDRA, but it is an area in which transport to agistment is also provided, is under a drought situation. That is under a completely different arrangement under the state drought assistance scheme.

Mrs J. HUGHES: Is it the case that stock can be taken off for welfare reasons but that there is no funding to bring them back?

Mr Crossman: Yes. There are two or three different things there. Very often quite a proportion of the stock that has been taken off is sold from that agistment. Generally if they go to agistment they go to better feed, so they are going to be improved to an extent to which they can be sold. They are sold off from there. It is generally accepted that the only justification for providing transport for stock is welfare. Bringing them back is not a welfare situation. If it is a flood, there is no real reason to transport them because of the feed situation.

Mrs J. HUGHES: Can you give me an idea how long it takes before the subsidence of the waters after a flood?

Mr Crossman: That very much depends. In an event like we have had here at Lake Grace it took between three and five weeks before some roads could be used. It was much longer for others that were under water. Wherever you go around the state, it is different according to the soil types. The waters would subside much quicker in the sand plain areas. In fact, between here and Corrigin there is a strip of sand plain country. We could probably get into that country in a few days, probably even the next day. However, the bottom of the valley floor in Lake Grace comprises heavy clay soils that become saturated and it takes weeks to dry.

Mrs J. HUGHES: So some farmers' stock was not fed for four, six or eight weeks?

Mr Crossman: The Lake Grace flood was completely exceptional. Some farmers' stock was marooned on small islands. There are stories of farmers having to get in there and rescue a mob of sheep that were marooned on a small island. Firstly, they had to feed them, which they did with a boat, and then as soon as possible they removed them from the islands. There are quite a lot of folklore stories about people saving mobs of sheep from marooned islands. In those situations it is up to the ingenuity of the individual - it is not a matter of whether the money is available to do it - that saves stock.

The CHAIRMAN: This particular flood down here was caused by a rainfall event; it was not caused by a river overflowing and a rush of water into an area.

Mr Crossman: Yes.

The CHAIRMAN: A number of people have referred to the fact that WANDRA does not cover the replacement of fences.

Mr Crossman: Yes.

The CHAIRMAN: Were fences washed away because of the flood? Should there be relief, or is that covered by insurance? What is the idea behind not replacing fences?

Mr Crossman: Unfortunately, fences are not covered by the NDRA arrangements. The basis of NDRA is virtually Australia wide; the determinations have been made by the agreement between the commonwealth and the state. The first point is that it states that it is not a compensation scheme; it is not compensation for loss. Unfortunately, as it stands at the present time the arguments for providing funds for that do not fit in with the current NDRA determinations between the states and the commonwealth. We have attempted to get some sort of a grant in there to assist with the clean-up initially. That may well come. As I understand it, the states and the commonwealth are reviewing the NDRA arrangements; there is draft stuff out which indicates that could well be something in the future. We have attempted to get something done for this particular event down here; however, -

The CHAIRMAN: Government being governments, and slow moving.

Mr Crossman: Yes. Unfortunately, I am the one who usually has to front-up to groups of farmers. I was down here at a meeting on 20 or 21 January, a couple of weeks after the event, to explain what was available to farmers. The limitations became obvious very quickly. It is difficult explaining to people what is available. Unfortunately, when the politicians announce that they will declare it and make funding available, everything is lumped into one, including what might go to the local government. Everybody has great expectations that money will be made available, but when it comes to detail, it is not so palatable.

[10.30 am]

Mrs J. HUGHES: There was a small uptake by farmers here -

Mr Crossman: There is a small uptake usually. In the submission, we indicated the uptake of the most recent events. I just updated the uptake from this Lake Grace event the other day - we had a late one come through here. Usually, it is something in the order of 10 per cent of farmers in affected areas who apply.

Mrs J. HUGHES: Is that due to their asset and income testing or -

Mr Crossman: Not really. It has got to the stage at which most farmers will accept it, and unless they have really got a commitment, they say, "Why bother? What's the use, as there's not going to be much available?"

The CHAIRMAN: That is a comment that we have had heard quite a bit.

Mr Crossman: A response from Treasury the other day - this might sum it up - indicates that since April 2005, there have been between 1 300 and 1 400 farm businesses in areas declared under

NDRA. That is lumping the ones from the south and the north together. In that time, there have been 29 applications for assistance -

The CHAIRMAN: Is that out of 1 400 across the state?

Mr Crossman: Yes, across the whole state. Four have been declined. Of those, two were trying it on - they were nowhere near any area that was declared - and two were declined because they had sufficient resources within their business. Overall, that is an application rate of only about two per cent of farmers. Most farmers say, "Why bother? It would be better to have nothing, but politically we've got to have something for the politicians."

The CHAIRMAN: There are two major things farmers can access, beside the PHDG one and the other one you mentioned, the \$1 500 grant -

Mr Crossman: Up to \$1 500.

The CHAIRMAN: - it is not a straight \$1 500, and the four per cent interest relief on loans of up to \$150 000. Is that adequate? Is that why most farmers do not bother? Is \$1 500 a laughing matter?

Mr Crossman: For the farmers who that satisfies, that in itself is adequate. I guess the number who apply and get approved indicates how many it satisfies.

The CHAIRMAN: We have already heard this morning comments from farmers fed through to us that \$1 500 is just not worth it, and that you have to be on the bones of your bum to apply.

Mr Crossman: That is just not the case. Of the \$1 500, 23 of the 29 approved have taken professional advice assistance. They average \$1 300. The professional advice is not just financial advice; it can be technical advice, or in terms of flood areas, it can be engineering advice. It applies for a number of weeks afterwards. We usually allow for six months after the event, but we have been pretty generous in that regard. We have not cut it off after six months. We provided one for the Lake Grace one only last week. They asked whether they could still apply; we have still taken it.

Mrs J. HUGHES: That \$1 500 can also be consultancy in regard to how to use their land in the best way possible to mitigate some of their losses.

Mr Crossman: Yes.

Mrs J. HUGHES: Is that enough money to do that?

Mr Crossman: It is additional to what they might already receive and pay for. They might be paying their accountant, so they can get their accountant to give them additional time to look at the business implications of the affect of the disaster, and all of that. It is business advice, farm advice, financial advice, technical advice, engineering advice - all such things. We got that. Originally, it was purely and simply for financial advice, but during last year we applied to get it extended to all sorts of professional and technical advice. It was agreed by Treasury.

The CHAIRMAN: Moving away a little from the WANDRA funding itself, does the Department of Agriculture and Food provide any advice to farmers in flood areas who have been affected from the crops they can -

Mr Crossman: Regarding an event such as the flood itself, the technical advice is provided by the department to individuals. All they have to do is request it. A drainage expert from the department came down and assisted in looking at particular situations around the area. Work was taking place on the lake looking at the long-term effects. People involved in that also were involved in coming down and seeing it. Very little can be done at the time. Everybody is mobile. That was a category 1 event. That means that anybody from whatever area of the department they might be can be mobilised to this area. In terms of the flood event, it is important to get people there as quickly as possible to see what has happened, within the limits of being able to get there. They can see where

things are running and whether they are coming from a certain direction. They find that waters are flowing a different way from the way expected. When they get their levels and such things, they can discover the reasons for that situation. The technical expertise of the department is provided to any of these sorts of situations. It is the same as the fires. The veterinary staff of the department were on call virtually as much as required to see to stock.

Mrs J. HUGHES: It concerns me that such a low number of farmers are assessing any assistance. Is it due to the lack of real assistance as in real help on the ground or is it an onerous procedure? Do you have any indications as to why uptake is so low?

Mr Crossman: A lot of people ring us up. We have a talk to them, and they then make a decision from that as to whether they think it is worthwhile to go ahead.

Mrs J. HUGHES: How many calls would you get?

[10.39 am]

Mr Crossman: We did not tally them in the last one. We are on a 1800 number in Perth that is publicised. It handles droughts, disasters and all such things. It comes directly to our central area in Perth. From the Lake Grace flood in January this year, we probably would have handled maybe 50 or 60 calls from farmers. The biggest number of farms were affected - 1 200 - in the great southern event. That was the biggest number affected by that April event through the great southern, where 120 000 or 130 000 sheep were lost, and we had significant numbers of calls from that, probably 100 or 120-odd calls.

Mrs J. HUGHES: You talk to them and they decide whether it is worth their while to apply, and a lot of them are falling off the end.

Mr Crossman: They decide after they talk with us that, with what is currently available they will not bother, for whatever reason. There is also the fact that once again this comes back to the commonwealth determination, which is agreed between the commonwealth and the states. It is in the application form pretty much as it is written. They really have to have utilised all their own resources, or the resources are not available from within their business to handle the situation. We have also interpreted that fairly generously in that if somebody is up to the borrowing limits and those borrowing limits need to be extended because of the event, then that would be covered.

The CHAIRMAN: That is the \$150 000 loan over 10 years at four per cent?

Mr Crossman: Once again, up to \$150 000.

Mrs J. HUGHES: But they have to be basically maxed to access it.

Mr Crossman: Yes, because if they have something in place, they have funding organised for that and they have a limit. If as a result of the disaster event they then need an extra \$100 000, that would be provided. Of the two that were declined out of all those, one had a cash balance in his operating account. He had something like \$120 000 in farm management deposits, and from the budget he supplied us he still was not going to use the full amount of the cash resources that he already had in his account. He was not going to have to call on any of his farm management deposit. As a result of the disaster, I think he was looking for an extra \$40 000. From within his resources, he had stacks available.

The CHAIRMAN: This seems to have been a problem, because people are thinking they can access up to \$150 000 and therefore they can do various things around their farm to improve it, and the money is not actually there for that. Is that correct?

Mr Crossman: It is not to improve the farm; it is only to put things back to what they were, to repair the disaster.

The CHAIRMAN: This gentleman with the \$120 000 in his deposit - if that was all earmarked to do improvements and other projects on the farm and he was going to do that anyhow but because of

this event he now has another \$40 000 worth of work to do, if he includes that in his budget to be spent on certain things, like new farm sheds or whatever, can he still access that \$150 000 or does he have to put his other projects on hold, use that money and then build it up?

Mr Crossman: Once again, it comes back to what it is showing in his budget for the next year. We do not ask him anything further beyond that. But if he shows us his budget for this year and what is going to be used, we make the calculations on that.

The CHAIRMAN: There seems to be a great deal of misunderstanding out there.

Mr Crossman: That is only one. There are many people, many farmers, who actually do have significant reserves in other areas and if they have got those, then after talking to us they would probably decide it is not worth their while to apply.

The CHAIRMAN: This interest rebate or interest relief -

Mr Crossman: It is an interest subsidy paid directly. It is paid up front at the beginning of each year, so it is a bit better than four per cent really.

The CHAIRMAN: So you are paying that to the farmer's bank or lending institution -

Mr Crossman: Straight into the bank account. Of those 26 approved applications since the beginning of 2005, 16 took up the loan option, for an average of about \$116 000.

The CHAIRMAN: Can they use that to re-establish fences and those sorts of things?

Mr Crossman: They could do, yes.

The CHAIRMAN: Because of the event. Okay.

Mr Crossman: That is right. Maybe we can get on to that a bit later. To finish off on the loan, there were about 10 of those who took the maximum \$150 000. Of those, about three or four were potato growers at Albany, because they lost their total crop. In their situation they would have used their \$150 000 plus probably more to re-establish and put in the next crop. One of the others who got \$150 000 actually lost about 4 000 sheep in that storm. He put \$150 000 towards replacing some of those.

Mrs J. HUGHES: Obviously your farmers have been under a bit of pressure down here for quite some time. There has been quite a bit of press about the pressure on your farmers. Have you lost any of your farmers around the region -

Mr Crossman: Lost them?

Mrs J. HUGHES: Due to hardship.

The CHAIRMAN: Have they walked away?

Mrs J. HUGHES: As far as suicide on their farms - have you had those sorts of problems?

Mr Crossman: I have been working in this field since the mid 1980s, and that has happened all the time: in periods like this in an area like Lake Grace, which since 2004 has had frosts, which caused a heap of them to lose a crop, then a massive hail storm went through, then the floods and the drought and now the locusts. That is a cumulative thing and it is building tremendous pressure. Some of the smaller operations and some of the ones that are in financial strife are going to have great difficulty in continuing on from this. We are not aware that there are great numbers that have moved out. There is a massive difference between the mid to late 1980s and now. In the mid to late 1980s there were high interest rates and all that sort of thing, and quite significant numbers of farmers moved out at that time. For the last few years there has probably been a normal sort of drift of farmers out of agriculture.

The CHAIRMAN: In any of the disaster relief funding available, is there anything to assist farmers? With the forest industry, when the Gallop government came in, there was an assistance

package to exit the wood industry. Is there any package of advice or information for farmers leaving farming?

Mr Crossman: Yes, there is a federal package called Farm Help, which is operated through Centrelink. The current wording is that if farmers are not able to access additional funding, their banker has to supply evidence, or written confirmation, that no further funding is available. It is not that anything will be reduced, but they will not get any more funding over and above the limits that are now provided, which means that if they have got up to a \$400 000 limit and they are really needing another \$120 000 or \$150 000 to carry on for another year and the bank says, no, we are not prepared to provide that, they can go to the Farm Help scheme. This provides funding to access financial counselling or professional farm management counselling to really have a look at their situation to see how they might continue. It can also provide up to 12 months' living allowance - the equivalent of the unemployment benefit that is available to all the community. At the end, it can provide them with some sort of grant to leave agriculture, but it is graduated. To get that particular grant, they probably have to have no more than - I cannot think what it is off the top of my head - around \$50 000 of net assets, and they can then perhaps get up to a \$50 000 additional grant. They may be able to go out with \$100 000. Back in the late 1980s and early 1990s I was dealing with that particular program, and we had up to 10, 12 or 15 cases on the go at any one time. That program was taken over by Centrelink about five or six years ago, and probably not very many in Western Australia have taken that up. I was involved in providing information to a national review of that program, and I understand that in the past 12 months, 12 properties in the whole of Australia received some sort of grant or were leaving agriculture.

The CHAIRMAN: In an event like that in Lake Grace, with huge flooding, and six months afterwards the land still has not dried out, how do the farmers survive; how do they have income? They cannot apply to Centrelink for unemployment benefits, although they have no money coming in. They are virtually employed, but they have no money coming in. How does a farmer survive that, and his family more so?

Mr Crossman: It is hard to know until you have a look at the individual situation. I guess in each individual situation in my experience people interpret that according to their own experience. What we do not know is the person's experience that we are talking to. I talk to many people who think they are in a fairly bad situation, but when you look at their financial position and you talk them through it to the extent that you can put it into perspective, they find they are really not in as bad a financial position as they think they are.

Mrs J. HUGHES: Obviously there is a lot of emotional -

Mr Crossman: Very emotional.

Mrs J. HUGHES: So is there assistance to farmers and their families on that level?

Mr Crossman: Yes, there are family counsellors available throughout the area, and the rural financial counsellors are available throughout the area. I think we have only about four financial counsellors in Western Australia.

Mrs J. HUGHES: I am not talking about financial counsellors.

Mr Crossman: No, but associated with those there is a family counselling -

Mrs J. HUGHES: Is it being used?

Mr Crossman: I do not really know how heavily it has been used, but it is there and people are being referred to it on a regular basis.

The CHAIRMAN: We have had one witness before us who has given us evidence, or information, that to access Centrelink is next to impossible. Her view was that she has a family, she has to provide meals etc, the farm is under water, cannot sell stock, cannot sell crops, and will not have crops to sell this year, and her thoughts were that she should be able to access the Centrelink

payment under NDRA to get her through that period. That was when we were in Albany, which was a few weeks back. Is that the case - that they can access money that way? Is there a safety net for a farmer or a farming community?

Mr Crossman: I think there is probably not the safety - it is not as accessible as perhaps it could be. I guess, unfortunately, when you are talking about going to Centrelink, you are talking about federal control.

The CHAIRMAN: That is a difficulty for us, too.

Mr Crossman: We have had very good people in Centrelink, but in the last period there has been a change in the personnel, and I think the personnel -

The CHAIRMAN: They have a lack of understanding.

Mr Crossman: The rural part of Centrelink is based in Bunbury, and the previous people there did a lot of travelling around. As with most government departments, we have perhaps seen a little curtailment of that and they have not been able to get around as much.

The CHAIRMAN: In relation to state government departments, and federal as well, the Department of Agriculture and Food and your department, does that all work well? Is there good communication between them all? Was there a fall down in communications at any stage during this disaster in Lake Grace or generally across state disasters, as far as you know?

Mr Crossman: I think those of us who have been involved in these sorts of things think it has been getting better each time, because everybody knows each other now from within the different organisations. For the last 18 months we have had a fairly stable sort of period with similar personnel involved right through the time. In terms of the declarations for NDRA, it is pretty much almost instantaneous, if it is needed. I guess it is taking a step at a time, and the provision of direct support for people is beginning to show where it is not meeting farmers' expectations as to what might be available for individual farmers.

The CHAIRMAN: Is there a cross-agency committee that works on -

Mr Crossman: Yes.

The CHAIRMAN: And they meet regularly and have plans and notions of how to deal with different disasters in different areas?

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[10.59 am]

Mr Crossman: I understand. I am not involved in that. There is a cross-agency committee.

Mrs J. HUGHES: Are you aware whether farmers are also trying to mitigate their own losses, insuring their remaining risks, changing things, how they run their businesses? Do you know any farmers who are mitigating their risk as much as they possibly can?

Mr Crossman: It is improving all the time. When people started talking about risk management and all that sort of thing, it was a segment, but farmers in Western Australia are pretty well switched on. Risk management is just part of the whole thing; it is not separate; it is there all the time. We are in a different situation in Western Australia because our farms are bigger generally; we have bigger operations than in the eastern states. We do not have the same sort of seasonal fluctuations as the eastern states, regardless of what anybody might say. The people in the areas on the north-eastern wheatbelt, which have had a run of droughts, have adapted their businesses to that environment. It is quite dramatic. Some of the strongest farm businesses are in some of these so-called marginal areas. They have mitigated - insulated - their farm business against fluctuations of whatever it might be by having things elsewhere. In these areas down here in the great southern and down to the south coast, that has not occurred to the same extent. We still have numbers of smaller farms within these areas that are still taking a real battering each time something comes

along. Something like the Lake Grace flood could almost be the last straw, but not for big numbers. It is the small farms that do not have quite the scale -

Mrs J. HUGHES: So, God forbid more than one disaster a year. Can they access the fund as often as is required?

Mr Crossman: With the Farm Help scheme, they have that for 12 months and reckon they have got over their problems, but they cannot have another bite at it after that.

Mrs J. HUGHES: So it is a one-off?

Mr Crossman: It is a one-off.

Mrs J. HUGHES: Just one more question. Are insurance costs for farmers going up?

Mr Crossman: I am not sure overall. Insurance is dependent on their claims. Throughout the state different shires have different levels of insurance for hail, for example. That is the history. Flooding is a very grey area for insurance and it is not well covered at all. I am not sure how -

The CHAIRMAN: As it is for residential areas.

Mrs J. HUGHES: We can direct that to the farmers when they speak to us.

The CHAIRMAN: Rodger, have you anything final you would like to say that you think is important or that we might have missed?

Mr Crossman: I think we have covered it. There is one point that Judy raised about the seasonal effect on farmers of this flood. The fact is that that was completely out of season. Normally we do not expect to get rain then. The impact initially is that the rain would decrease the value of whatever dry feed was there, plus the flooding across it would destroy the dry feed. The other impact, which was not so evident in this event but was in the great southern event of April last year, was the effect of stock losses. Out-of-season rainfall events like this cause massive losses from hypothermia among newly shorn sheep - and not just newly shorn sheep but sheep that have been shorn for up to a few weeks. The temperature might not even need to drop. It is the fact of hypothermia caused by stock being wet, and the wind, and the body temperature goes and it knocks them off completely. The day before those events could have been high 30s or 40 degrees and probably the temperature during the event never got below 26 degrees, but it still has the effect of killing vast numbers of stock.

Mrs J. HUGHES: Are farmers covered for that?

Mr Crossman: No, insurance-wise they are not covered for that. They cannot be. Insurance covers only stock losses from fire. Stud stock can be covered but it is a very high premium rate.

The CHAIRMAN: Rodger, thanks for coming in this morning and for your contribution to the committee's inquiry. A transcript of the hearing will be forwarded to you for correction of typographical errors or errors of transcription or fact. New material cannot be introduced in the sense that the evidence cannot be altered. Should you wish to provide additional information or elaborate on particular points, you should submit a supplementary submission for the committee's consideration. If the transcript is not returned within 10 days of receipt, we will deem it to be correct. You get 10 days to have a look over it and send it back to us with any corrections.

Hearing concluded at 11.10 am
