



## Too Whom It May Concern

I would like to formally add a submission regarding the lending that has been provided to the graziers in the Mulga lands based on their carrying capacity and their ability to carry stock through the drought, based on the amount of Mulga on their properties.

Loans approved by all financiers have consistently used Mulga as a mitigation strategy for drought affected graziers in the Mulga lands. This has ensured that the land remains sustainably managed whilst the grazier is still ensured an income for the next 12-24 months without reliance drought assistance.

Furthermore, land values will devalue for Mulga type country, and landholders that already have this mortgaged to their financiers lose equity immediately, making it harder to negotiate with the banks and putting their businesses at risk even further on a cash flow and equity position basis.

Lending in these areas have loan approvals for up to 15 years and the new regulations put all of this lending at risk at no fault of the graziers, or the lending financial institutions. Whilst all producers know that there are many risks in their sector that they cannot control – climate, interest rates, Government regulations - this is disastrous for a lot of producers that are going through upward of 3-4 years of drought.

A lot of these producers, in conjunction with government bodies, have borrowed funds to erect the fences to keep the pests out to protect the land within the fence and now they are not able to use it in the manner that they have budgeted for in their submissions for subsidised government loans and grant schemes.

These two points have not been addressed at all in any of the proposed laws that the State Government are wanting to bring in. The question I ask is who is responsible when these loan conditions have been breached for policy that was introduced after their lending has been approved? What is the Government going to do to address these serious issues that affect not only the landholders but the financial institutions?

Regards

Lisa Lonsdale  
Agribusiness Specialist  
Phone