



PARLIAMENT OF AUSTRALIA  
HOUSE OF REPRESENTATIVES

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# MEDIA RELEASE

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The following is the speech by Mr Windsor MP – Member for New England speaking to the “Matter of Public Importance” under his name selected by the Speaker of the House of Representatives.

## MATTERS OF PUBLIC IMPORTANCE Drought

**Mr WINDSOR** (New England) (3.22 p.m.)—It is appropriate for this issue to be addressed at this time of the parliamentary sitting, particularly given the circumstances of the government, with the cabinet considering drought aid to the farming community. This matter of public importance will give everybody in this parliament the opportunity to articulate the problems, as they see them, in rural Australia. Without a doubt, this is the most tragic drought that this nation has seen in living memory and it should be treated as such. This is a natural disaster of a magnitude that this country has not seen. It is impacting on an industry that traditionally has been, and hopefully will be into the future, a very important part of the Australian economy. It is also an issue, as I think was recognised by the Prime Minister late last week when he visited country Australia, that has much to do with the integrity of inland Australia.

A number of questions I think need to be raised in this matter of public importance debate. I am pleased that I was able to attend the drought rally in Parkes last week. The minister for agriculture was also there, as was the shadow minister and a number of other parliamentarians, including the member for Calare. At that meeting there was an outpouring of emotion and fact in relation to the particular circumstances and feelings of individuals in some parts of Australia—not in all parts of Australia, which I think is one of the things that the media particularly has difficulty with in coming to grips with this particular issue. Drought is not some sort of amorphous mass that occurs simultaneously in all areas. It occurs in smaller areas and then becomes greater. It occurs in some areas and does not occur in others. So there are different circumstances within the nation. However, I believe that there are certain areas, particularly in New South Wales but also in other states, where this is the worst drought in living memory.

I thought the meeting at Parkes was well organised and I congratulate the President of the New South Wales Farmers Association, Mal Peters, for the way that meeting was conducted. I would also thank Alan Jones, the noted broadcaster, and Jeff Kennett, the former Victorian Premier, for their contributions. However, it is a great shame that the Prime Minister, the Deputy Prime Minister and some members of the cabinet were not there to listen to what Mr Jones and Mr Kennett had to say—Mr Jones in terms of the drought and the impact on individuals, and Jeff Kennett particularly in relation to the mental trauma and impact that it is having on many individuals in the farm sector—and to individuals within the farm community who also made a contribution that day: real people sending real messages to government. I think it was a mistake for the Prime Minister and the Deputy Prime Minister not to attend. But, having said that, I should add that the Minister for Agriculture, Fisheries and Forestry was there, as was the shadow minister, and they both listened intently—although I think the minister for agriculture had to leave at lunchtime.

A number of issues were raised and I will run through them; I think they have been articulated in the press over the last week. One thing encapsulated by the meeting was that we have to determine what the objective of drought policy is, and I do not think that has been done well in recent years.

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Looking at what people say they want rather than getting into the specifics of it, the overall objective, as I measure it, is in a sense to freeze-frame the financial position in which primary producers are placed in areas where exceptional climatic events are responsible for circumstances where they cannot create any income. Their financial position should be freeze-framed so that, when the drought breaks, they—and I am not talking about all farmers—will emerge from it in circumstances that will enable them once again to enhance the Australian economy productively.

A number of things were intimated at the meeting regarding how to enable that to happen. One was that the Commonwealth should take over exceptional circumstances arrangements, or whatever it is called, into the future. I think we saw here again today the old state-Commonwealth debate. If you are in a state parliament, it is the Commonwealth that is on the wrong side of the fence; and if you are in this parliament it is 'blame the states' day. I do not think it does much good for the Minister for Agriculture, Fisheries and Forestry to come out with that debate again and again. To overcome that, the Commonwealth should take full control of exceptional circumstances arrangements. The Commonwealth can do that; it has the funding arrangements necessary for doing it. In a range of policy decisions in recent weeks, it has intimated that it can put certain conditions on the granting of moneys to the states. If the Commonwealth feels strongly enough about drought in this country—the worst drought in living memory—perhaps it is about time it started to put conditions on the release of other moneys, to make up for what it believes should be made available by the states for drought and to call a halt to the tennis match. I think the Commonwealth is more than happy for the tennis match to continue so that it can play its anti-Labor games, but I do not think the farm sector is particularly interested in the games that are played by people in this place.

Other initiatives people were looking at were cash grants, changes to the exceptional circumstances criteria and a re-evaluation of off-farm income in relation to exceptional circumstances arrangements. An anomaly at the moment with exceptional circumstances funding is the way weather factors are judged, and a change to weather station criteria is needed. There are a number of other issues that also need to be addressed. Depreciation for silos and storage for fodder and drought-proofing of properties is still running at five per cent. It is important that that be addressed, particularly in light of things that can be read in Productivity Commission reports about assistance to other industries.

Issues also need to be addressed other than those raised specifically at the Parkes meeting. One, which I think is the most important, is whether we want agriculture in Australia. Does this parliament want agriculture? Does this parliament want an inland Australia? If so, it is going to have to change the policy mix that has emanated from this place for probably 15 years. The policy mix coming out of this place is reflected in competition policy and various other policies coming through, not the least of which is the reluctance of the government to embrace ethanol and create productive jobs in country Australia. Those sorts of policies can have a real effect on employment and the wellbeing of country communities.

There has to be a decision made in this place: do we want agriculture? If you relate the principles of competition policy to food, as we have to natural resource management and natural resource issues, the answer is no. That is an appalling answer. Relating that theory to food production means that you can bring food into this country, even though it is coming from other markets and corrupt world markets, and that the food can come in more cheaply than we can produce it. I think that is an appalling situation not only for the farm community but for all other communities as well. We saw what happened with the sugar industry—investment and a change of policy could have preserved the sugar industry, not as a major competitor with Brazil on the corrupt world sugar market but as a real contributor to clean fuel by way of ethanol. A number of other policy initiatives need to be addressed in those circumstances.

The other issue I would like to touch on is that of industry support. The *Australian* has an editorial today entitled 'A drought of ideas on helping farmers', and it has another article quoting Senator elect Barnaby Joyce about tax reform. I note that the member for Parkes is the only National Party member in the chamber. The Deputy Prime Minister is not here. Drought, a key issue, was not mentioned in the budget; John Anderson issued two lines the next day in relation to drought. One National Party person is attending to this matter of public importance.

The argument from many, including some in the press, in relation to industry support is that the agriculture industry should be left to the market, that there has been too much support: 'If you

cannot compete, go away. We live in a global world and that is the way it is.' As to Peter Cullen's ultimate insult this morning on *AMI* thought, 'Well, some people in the western division are getting old, so they might just die and go away!'

This has been the worst drought in living memory. When you look at support and break down the figures, you see that—other than unemployment relief, which all Australians are entitled to if they are not earning an income—for this worst drought in history, for which people are assuming millions of dollars have gone to the farm sector, there has been \$237 million in the last three years in interest rate support. They are the figures I can obtain, and I stand to be corrected.

When the GST came out in 2001, the building industry said that the price of houses was going to go up by 10 per cent. There was an industry problem, and that was recognised by the government. Since then, the building industry has received \$5.2 billion in support—that is over \$1 billion annually—by way of the first home owners grant. I am not whingeing about the first home owners grant. But people should not come in here and say, and they should not say in the press, that the farmers of Australia are ripping the taxpayer off. Over \$2 billion in 2003-04 went to the car industry, and I am not whingeing about that at all. But with \$237 million over three years for the worst drought in history, with the farming community being put in a position where it is seen to be going to the begging bowl again, I think saying such things is a gross misrepresentation of the real facts. Look at unemployment benefits for one year—\$5.1 billion in helping people. I am not whingeing about that either. The Productivity Commission's report in December 2004, after talking about there being \$11 billion worth of support for other industries, says that 'measured assistance to agricultural industries remains low'. However, we have editorials such as that in the *Australian* this morning making some important points but leaving the message with the urban community that we are sick of putting millions and billions of dollars out to the farm sector. The hypocrisy of that is something that I do not adhere to.

We have seen a number of issues over recent years in relation to industry support. We have seen the debacle with improving Australia's water problems. Since 1995, when competition policy allowed for property rights to be recognised, we have had the handing-out of money to the states by this government, and every time it was saying that property rights, for instance, would be recognised and that there would be a properly constituted market for water. None of those things has happened. Now we have—what do they call it now?—the Living Murray initiative, the watering Australia initiative or whatever it is making all these grandiose promises once again that we have seen over the last decade.

There is a solution to this problem in the long term, in my view, and that is by way of a national natural disaster fund where a source of money is accumulated over a period of time and used under certain criteria, whether it be for city disasters such as the Wollongong mudslide, the earthquake in Newcastle or Cyclone Tracy or for a drought of this magnitude. You avoid the state-federal issue and you avoid the closeness of an election or the marginality of a seat. The mechanism is triggered and the money is released for those in need. When people say, 'You cannot afford to do that,' remind them of the \$237 million over three years we have spent. Just remember that.

A dollar a week from all Australians raises \$1 billion in a year. When you analyse all the disasters that have happened in Australia since 1974, only one cost \$1 billion in one year—the Newcastle earthquake. Normally disasters in Australia, whether city based or rural based, cost about \$100 million to \$200 million a year—10c to 20c a week. I think that is pretty good insurance for people when an unsuspected climatic event invades their privacy and upsets their potential not only to live but to be productive citizens for the future. They are the sorts of initiatives that I believe cabinet should be considering. There is enormous opportunity to look at those issues as well as the broader climate change issues of pollution in the air, and I referred to ethanol earlier. What we have to do—and I urge the parliament to bear this in mind—is to freeze-frame the economic position of agriculture to allow the farm sector to have the capacity to be productive when the drought breaks. *(Time expired)*