



Speech by

Hon. RUSSELL COOPER

MEMBER FOR CROWS NEST

Hansard 11 March 1999

RURAL QUEENSLAND

Hon. T. R. COOPER (Crows Nest—NPA) (5.53 p.m.): I move—

"That this Parliament moves to protect and promote the future of rural Queensland, its industries and its jobs by:

- (a) immediately abolishing stamp duty on crop insurance and loan re-financing;
- (b) providing fair compensation to irrigators who have their existing water licence reduced or varied as a result of the Water Allocation Management Plan (WAMP) process;
- (c) opposing any further restrictions on existing tree clearing guidelines on leasehold land, and opposing any mandatory restrictions on tree clearing for freehold land; and
- (d) committing to the future of an economically sustainable native timber industry and the preservation of all existing jobs in the timber industry."

This motion is about regional development, it is about job creation and it is about boosting the productivity and viability of Queensland's primary industries. It is also about restoring confidence and certainty for our primary producers in the hundreds of communities, towns and cities that depend on them.

Whilst I welcome the opportunity to move such a positive motion, members know that the need for all of the actions this motion calls for has come about only through the failings of the Beattie Labor Government in its blind pursuit of policies which are destroying confidence in the bush, stifling regional development and destroying jobs. Under the former Borbidge Government these issues were never in question.

We scrapped the punitive stamp duty on crop insurance and loan refinancing in our 1998-99 Budget. Those on the other side of the House put it back. We set about building water infrastructure around the State to provide reliable water supplies to open up areas all over Queensland for irrigation, mining and industrial development. The Labor Party froze that work.

We guaranteed fair compensation to irrigators in the event of any variation to their water licence made as a result of the water allocation management plan—WAMP— process. We introduced sensible and environmentally responsible tree clearing guidelines for leasehold land in partnership with rural industry. We committed to the future of the timber industry in native and plantation forests, for the jobs of timber industry workers and for the future of timber towns. But in the nine short months since this Labor Government took office we have already seen that good work undone on a massive scale. In those nine short months the Beattie Government has managed to send fear, uncertainty and anger resounding around the bush on a scale that would be giving Wayne Goss an inferiority complex.

If those opposite want proof they should go out and listen to the people in the bush and have a look at the country papers. In fact, today's Country Life devoted its entire front page to the uncertainty created by the Beattie Government's mishandling of the regional forest agreement. We have a one-page story on the division and uncertainty created by the Government's freeze of the Nathan dam. The editorial refers to the Natural Resources Minister's "apparent contempt for rural producers". The editorial contains some very good advice for the Premier. It says—

"... it is high time the Premier Beattie called in Mr Welford to remind him about Labor's much vaunted commitment to caring for all Queenslanders—including cash strapped primary

producers ... if that can't happen, the Labor Cabinet needs a new set of trousers in the Natural Resources chair."

Despite all the rhetoric, this Labor Government is no different from any other Labor Government. To those on the other side of the House, rural industry is nothing more than a milking cow to fund election promises and a bargaining chip to trade off for the preferences of the Government's minority group mates.

The first part of this motion calls for the abolition of stamp duty on crop insurance and loan refinancing. Stamp duty on crop insurance and loan refinancing is one of the most punitive taxes operating in this State. It is a disincentive to good business. Over the past 12 months we have seen a dreadful run of natural disasters which have knocked more than \$600m off Queensland's earnings for regional and rural communities which rely on those industries. North Queensland has suffered three cyclones in three successive years. The cyclones have destroyed entire crops such as bananas and pawpaws, and battered sugarcane crops. The grain industry had an awful winter crop as a result of the huge quantities of unseasonal rain and subsequent pest and disease outbreaks. Most recently, south-east Queensland has copped some enormous flooding.

In each instance, the Minister for Primary Industries has invited producers to apply for low interest loans to the Queensland Rural Adjustment Authority as some sort of panacea. The vast majority of those farmers will find that they simply do not meet the eligibility criteria and will not receive any assistance. Many of those farmers who have lost three successive crops and three successive years of income will find themselves looking down the barrel of a severe cash flow drought and a pretty bleak year next year.

A lot of those farmers have sought to take responsible actions, hedge their risks and insure their crops. That insurance does not come cheap, but it does provide some ability to bounce back after a setback. As an example of those costs, a banana farmer insuring a 45-hectare crop pays a premium of about \$30,000. To this we have to add the Beattie Government's 8.5% stamp duty. The farmer is slugged with another Bill for \$2,550.

Some members opposite have scoffed at that, but that is a lot of money and it is a major disincentive for someone who is doing the right thing in shoring up their investment and income. The application of stamp duty on loan refinancing is simply taxing viability. Unlike the Beattie Government, the Opposition believes that the Government should be encouraging viability, encouraging investment and encouraging the job creation that follows. The Borbidge Government's decision to scrap stamp duty was made for that very reason. Although interest rates have slipped, they still remain higher than the rate generally available to other industries, businesses and home buyers. Meanwhile, bank fees and charges continue to skyrocket along with their super profits. It is small wonder that producers are increasingly looking to refinance their loans to improve their viability.

As we know, the big four banks are closing country branches. In the 1996-97 year, about 86 closed. Building societies and credit unions are taking their place, and we welcome that. However, under the Beattie Government's stamp duty impost, when people transfer their finances to those institutions, they will get slugged through no fault of their own.

The second part of this motion calls for what anyone this place would expect if they were denied their capacity to earn a living or had their assets devalued by a Government decision. I want to make it clear that this is not about money. If the Government cares to listen to people throughout the bush, it will hear that. Water is the lifeblood of the bush. Producers want access to reliable and adequate and secure water supplies. The Beattie Government's water compensation principles fail to recognise the importance of water and fail to recognise that reliable water access is intrinsic to the viability and value of thousands of farms around this State. The Opposition is calling on this Parliament to support the recognition of the importance of water and the provision of fair compensation for any loss in accordance with the principles set down by the Borbidge Government and widely supported by industry.

The third part of this motion calls for the maintenance of sensible tree-clearing guidelines. The Borbidge Government established sensible tree-clearing guidelines for leasehold land in partnership with industry and was working with them to develop sensible guidelines for freehold. I commend the member for Maryborough, Dr John Kingston, who has extensive knowledge and experience in this area. The people of his electorate are also keenly aware of the fact that the industry must, can and will work to come up with its own guidelines with its own code of conduct. It is far better for the industry to do it and do it responsibly than have something foisted upon them by a Government that lacks that experience.

Another worry that we have is that with the rumour, innuendo and uncertainty that people that have, there is a lot of panic tree clearing going on. That is the last thing that we want to see. At this stage, there are no clear guidelines and there is no clear direction, yet that is exactly what is needed. The difference between our approach and this Government's approach is that we worked with industry,

whereas this Government is following the Goss path and trying to force restrictive, unreasonable and unjustified requirements on industry from the top down.

The final part of this motion calls for a commitment to the future of the Queensland timber industry and a commitment to timber industry jobs. I want to emphasise that the Queensland timber industry includes plantation timber and native timber. There is a very great fear in timber towns that the Beattie Government does not share the Opposition's commitment to the future of a sustainable native timber industry. The timber industry provides 1,000 jobs directly in south-east Queensland alone. Those jobs underpin dozens of towns and communities. Without the native timber industry, those jobs, towns and communities will go.

In conclusion, I emphasise again that this motion is calling for a positive commitment from the Parliament to reasonable development, to jobs and to the productivity of this State. I urge all honourable members to support it.
