



Speech by

Hon. HENRY PALASZCZUK

MEMBER FOR INALA

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MINISTERIAL STATEMENT
Drought Industry Working Group

Hon. H. PALASZCZUK (Inala—ALP) (Minister for Primary Industries and Rural Communities) (10.13 a.m.): Last week I met with farm organisations to discuss the current drought situation. The meeting of the Drought Industry Working Group, which was established by the government earlier this year, raised a number of issues. A key issue was the need for financial institutions to be flexible and sympathetic in their dealings with their farm borrowers. In July I convened a meeting with representatives from the major rural lenders and officers of the DPI. Since that time, a number of industries have also held similar meetings. The overwhelming view of the Drought Industry Working Group on Friday was for another meeting to be convened. I am particularly interested to use that meeting to seek loan restructuring options for farm borrowers similar to the interest-only option being provided by the government's Queensland Rural Adjustment Authority. The DPI, through its farm financial counselling service, assists farmers in their dealings with their banks. The rural sector has some \$6.6 billion in borrowings and it is important that it has a good relationship with its lender.

Another major issue raised was the poor seasonal outlook and the likelihood of additional applications for exceptional circumstances assistance. I told the meeting that the Queensland government will provide a grant of \$2,500 to regions to help them prepare applications for assistance under the EC scheme. The Queensland government recognises the efforts industry organisations take in preparing EC applications and that is why we are providing the grant. The grant was a proposed reform discussed by the federal and state governments as a way of improving the EC scheme. Under the proposal, the state and federal governments would each provide a \$2,500 grant to communities developing an EC application. I would now urge the federal government to follow the Queensland government's lead to also provide a grant. The grant is in addition—

Opposition members interjected.

Mr PALASZCZUK: Those opposite do not even know how the scheme operates; that is their problem. If they want a briefing, I will organise a briefing for them! The DPI will be allocating additional staff to work in this area, particularly as conditions worsen and further EC applications are required. An application for EC assistance for producers in the Peak Downs region of central Queensland has been lodged by the Queensland government and by AgForce. Based on the assessment of the north-west New South Wales application lodged in September, I expect a preliminary determination from the federal government on the central Queensland application within days. Once the federal government makes this determination, those farming families on approximately 220 properties in the region will be immediately eligible for welfare assistance measures. That is the challenge to the federal government.
