



Speech by

Liz Cunningham

MEMBER FOR GLADSTONE

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RURAL ADJUSTMENT AUTHORITY AMENDMENT BILL

Mrs LIZ CUNNINGHAM (Gladstone—Ind) (4.24 p.m.): I rise to speak to the Rural Adjustment Authority Amendment Bill. I note that the amendments before us are the result of a review of the Rural Adjustment Authority Act, which specifies that only rural producers are eligible for assistance through QRAA schemes. This implicitly excludes some primary industries that farm existing resources as well as other industries to which QRAA could potentially provide a service. One of the examples that has already been discussed is the commercial fishing industry, which farms existing fish stocks rather than working the land to produce food and fibre products. However, it does not come under the normal and accepted meaning of 'rural'. Therefore, QRAA has been excluded from providing services to the fishing industry, which has been going through quite significant change over the last number of years.

Additionally, the current legislation imposed a potential constraint to enabling QRAA to broaden its scope from rural adjustment schemes to providing services to primary producers and small businesses in rural and regional communities. It is not just the primary producers who are affected in our communities when things are tough. Small rural communities and small rural businesses are also affected when droughts are in full swing and when there are other pressures on primary producers which limit their disposable income. So rural businesses are also equally affected in those periods of stress.

In the 2003 Queensland Rural Debt Survey it was shown that 18,609 farm businesses in Queensland shared a total of \$7.7 billion in borrowings. This equates to an average debt of \$414,146 per rural borrower. It has to be remembered, though, that that is averaged. So some would be significantly higher than that and others lower. Many people accepted debt with the dairy industry restructure and now the sugar industry restructure, where the word was that people could either get big or get out. So there were farmers who assumed quite significant debt with an expectation of a return from that, but the industry has not stabilised in the way that they expected.

Debt has increased by \$1.043 billion or 16 per cent from the 2001 survey, which was the last survey that was conducted. In my region—the central region—the total number of borrowers in 2003 was 1,986, up about 400 borrowers from 2001. The percentage of total rural debt in Queensland in 2003 in the central region was 13.7 per cent, and the central region debt increased by \$667 million over the period 1994 to 2003. The increase was mainly attributable to beef.

It has to be borne in mind that central Queensland—in fact, most of Queensland—has been in prolonged drought. Even when in February we received a decent rainfall—23 inches—it occurred over two or three days. There was no aquifer replenishment and no recharge at all. Whilst it created some green pick, it gave no substance to farmers in the long term, particularly as there was no aquifer water. It replenished dams but, with the heat and the continued dry, most of those are now down to minimal levels.

The new legislation is directed at providing assistance to primary producers in a broad category whose businesses show long-term viability, but QRAA also allows for assistance for producers to exit the industry. Whilst I think it is essential to give some farming families the option of moving away from what has probably been their traditional income base, it has to be remembered that every family that leaves this

primary industry is a loss to our Queensland independence. We have over many generations provided much of our own primary product, and this is being undermined because of these changes.

My question to the minister is whether, by significantly increasing the range of services and the range of industries to which QRAA will be able to respond—and there is no objection to that—there will be a commensurate increase in the resources available to QRAA, both in staffing and in other moneys, to be able to support those expanded services.

QRAA plays and has played a vital role in rural communities. I have raised concerns in the past in relation to QRAA's involvement with its drought funding, particularly the way that the QRAA has been abused by banks in the past. Prior to QRAA drought moneys being made available to farmers banks are required to sign off on the viability of the farm. Many banks have designated a farm not viable and, therefore, the farmer is ineligible for QRAA, yet subsequently those same banks have been prepared to loan money to the farm owner. There has been one specific illustration in my electorate, which I have raised before, where the bank deemed the farmer not viable and, therefore, ineligible for QRAA, yet that bank subsequently ruled that the farmer could borrow \$30,000, and the indications were that the bank was confident of his ability to repay. Indeed, the farmer did repay it without missing any instalments. QRAA also has to be very guarded in ensuring that the information it gets is consistent in terms of its administration of government money to farmers who are eligible for that assistance.

The Scrutiny of Legislation Committee's report on the Rural Adjustment Authority Amendment Bill made a couple of comments. The second comment was in relation to the insertion of provisions providing a formal system of appeal by way of internal review of decisions related to the provision of financial assistance. The report states that the explanatory notes argue that the system of internal appeal is an adequate appeal process in the circumstances. Whilst it is encouraging that a formal appeal process is being put in place, I would ask the minister: if that appeal process proves to be inadequate or the subject of concern by applicants to QRAA, would he be prepared to consider external review as a mechanism to ensure an objective overview of the processes put in place by QRAA and the application process by the rural entity—whether that is farming, fishing or any of the new industries currently to be covered by this legislation—if the circumstances warranted. I support the bill.