




Speech By
Andrew Cripps

MEMBER FOR HINCHINBROOK

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**FARM BUSINESS DEBT MEDIATION BILL; RURAL AND REGIONAL
ADJUSTMENT (DEVELOPMENT ASSISTANCE) AMENDMENT BILL**

 **Mr CRIPPS** (Hinchinbrook—LNP) (11.25 pm): I rise to make a contribution to the cognate debate on these two bills. The objectives of the bill introduced by the government, the Farm Business Debt Mediation Bill, are to establish a new Farm Business Debt Mediation Act, which will provide a process for the efficient and equitable resolution of farm business debt matters between mortgagees and farmers; replace the Queensland Rural Adjustment Authority with the Queensland Rural and Industry Development Authority and expand its functions; provide more appropriately for the use of viruses as biological control agents; provide for third-party biosecurity accreditation systems as an alternative to government accreditation of certifiers or government certification for animals, animal products, plants, plant products or other biosecurity risk items; and enable lawful growers of cannabis in Queensland to supply seed to be used for the cultivation of medicinal cannabis under a Commonwealth licensing system.

The LNP is supportive of the establishment of a process that aims to assist primary producers to engage in a fairer, lower cost dispute resolution process with banks or other financial institutions. Certainly there is often an imbalance between the resources available to and capacity of farming families and the resources available to and capacity of mortgagees when they are engaged in negotiations concerning farm businesses. The explanatory notes accompanying the bill state that dynamic climate conditions, market prices, rural credit policy, government policy and globalisation can adversely affect the economic returns of rural enterprises.

That is certainly true in the Hinchinbrook electorate in relation to floods and cyclones, exchange rates, the trade policies of other nations and periodic risks posed by biosecurity incidents and the potentially serious productivity impacts of pests and diseases. The vagaries of government policy are also a threat for primary producers in the Hinchinbrook electorate, and Labor governments, in particular, are major threats to the productivity and viability of farm businesses in North Queensland, with everything from vegetation management and water legislation to reef regulations and pinching land for national parks being imposed on us under the Beattie, Bligh and Palaszczuk governments. Having access to a mediation process may well provide farmers with another option to resolve complex financial matters in the face of these natural or Labor-made disasters.

While the primary producers in the Hinchinbrook electorate rarely need to gain access to drought support measures, they all too regularly find themselves with a need to interact with the programs associated with the natural disaster relief and recovery arrangements that have been previously administered by the Queensland Rural Adjustment Authority. How those programs provide family farms with the opportunity to re-establish, adjust, transition or restructure is important for the agricultural sector in high-value cropping industries such as sugar cane and horticulture as much as it is important for graziers running cattle or sheep to access drought support. It will be important that the new QRIDA entity has skills and knowledge to provide advice to farmers in those circumstances, in addition to farmers and graziers experiencing drought conditions.

I want to briefly refer to the amendment that will allow for lawful growers of cannabis in Queensland to supply seed to be used for the cultivation of medicinal cannabis under a Commonwealth licensing system. There has been a lot of speculation about the anticipated benefits of establishing a framework for the use of medicinal cannabis in Queensland in relation to the establishment of a new industry to supply the product used in such treatments. I think the potential for economic benefits to be secured is somewhat overstated.

I cannot imagine that the actual volume of cannabis material required to meet the needs of those Queenslanders who genuinely need to access medicinal cannabis will be particularly significant. I note the existence of the heavily regulated poppy industry in Tasmania which produces the raw ingredients for a range of opiates. It shows that an industry can be viable when strictly controlled to supply a particular community need.

Having said that, a marijuana production led recovery of the regional Queensland economy through the establishment of a widespread medicinal cannabis supply chain and processing sector is, I think, very unlikely. However, I would make the observation that if Queensland is going to provide a pathway for accessing medicinal cannabis it seems absurd to me that the produce itself should not be produced in Queensland under appropriate regulation and supervision and therefore the amendments in this bill appear to be sensible.

I turn now to the Rural and Regional Adjustment (Development Assistance) Amendment Bill introduced by the Katter party. I note that the Finance and Administration Committee report recommends that the bill not be passed. The stated objective of this bill is to amend the Rural and Regional Adjustment Act 1994 to include a capacity to raise money to provide financial assistance that will foster development of a more stable, productive and sustainable rural and regional sector in Queensland.

The bill seeks to establish a new rural and industries development bank to be able to offer suitably tailored rural loans to business in the agricultural supply chain, foster industry development and provide a commercial lending ability, including recapitalising for restocking and replanting. This bill has come forward from the Katter party following the report of the Queensland government's Rural Debt and Drought Taskforce.

I attended the public meetings of this task force in Innisfail and Ingham. I cannot say that they struck me as very productive meetings. They lacked a bit of structure and they did not really consult those who attended the meetings on specific proposals. People did have a say at those meetings—there is no doubt about that—but the topics were disconnected and some were unrelated to the issue of rural debt and rural finance which meant that the process of consultation was not very effective.

I would note that the Katter party made a choice to establish that task force by cooperating with the Palaszczuk government rather than establishing a select committee of the Queensland parliament, with all of the powers of the parliament to investigate the issue of rural debt and issues around rural finance—a proposition that was put forward by the LNP opposition. That debate was held in this House in November 2015.

I have looked at the Finance and Administration Committee report and some of the submissions that were made to it. I note that neither the Queensland Farmers' Federation nor AgForce Queensland made submissions or gave evidence to the committee which provided support for the Rural and Regional Adjustment (Development Assistance) Amendment Bill. It is true that they commended the member for Mount Isa on the sentiment and acknowledged his concerns, but they did not support the proposal in his bill to re-establish a rural bank.

The Queensland Farmers' Federation describes itself as the united voice of intensive agriculture in Queensland. It is a federation that represents the interests of 17 of Queensland's peak rural industry organisations which in turn collectively represent more than 13,000 primary producers across the state.

AgForce describes itself as the peak rural group representing the majority of beef, sheep and wool and grain producers in Queensland—industries that generated about \$5 billion in gross farmgate value of production in 2013-14, forecasted to be \$5.5 billion in 2015-16. Between them, I do not think it is wrong to say that they represent the majority of primary producers in Queensland.

If the representatives of the farmers themselves are not providing public support for the concept of a state owned rural bank, we have to assume that they are accurately reflecting and representing the views of their members—namely, the farmers and graziers of Queensland—and we should respect that. The LNP will be supporting the bill introduced by the government which did attract the support of organisations such as the Queensland Farmers' Federation and AgForce during the committee's consideration of that bill.

The LNP has considered the bill carefully and noted the extensive recommendations made by the committee. I want to express my support for the amendments that have been foreshadowed by the shadow minister for agriculture, the member for Burdekin. These amendments seek to enhance the government's bill and achieve the best possible outcomes for Queensland's primary producers.