




Speech By  
**Ann Leahy**

**MEMBER FOR WARREGO**

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

 **Ms LEAHY** (Warrego—LNP) (12.04 am): I rise to speak on the cognate debate of the Farm Business Debt Mediation Bill and the Rural and Regional Adjustment (Development Assistance) Amendment Bill. I regularly ask the question when we are dealing with bills that relate to the agricultural industry: how will either of these bills increase agricultural profitability, either in my electorate or right across Queensland? I acknowledge that the Rural Debt and Drought Taskforce met in 13 regional towns, two of them in my electorate—Charleville and St George—and it heard from a variety of interested organisations and individuals. The Finance and Administration Committee has undertaken a very thorough examination of the Farm Business Debt Mediation Bill and the Rural and Regional Adjustment (Development Assistance) Amendment Bill, concluding with 22 well-reasoned recommendations.

I acknowledge that earlier speakers have outlined what both bills intend to achieve with respect to finance, debt mediation, reforms to QRAA and other amendments on viruses and cannabis. I note that in the committee report there is concern in relation to the lack of available data on the level of rural debt in Queensland. The committee report noted that QRAA had difficulty commissioning the debt survey since 2011 due to the reluctance of commercial lenders to participate in the 2013 and 2015 surveys. I think I still have some of the earlier reports that were done about 10 years ago from QRAA, and they are particularly interesting reading. QRAA indicated that the department is currently working with banks to pull together a rural debt survey and also noted that the Australian Bankers' Association is working with banks and the federal government to establish a national single data collection model to be undertaken by APRA. It does not really matter whether they do two surveys or one, but the reality is that they have to do those surveys. It does not matter who does it; it is important that this be done so that trends can be analysed and tracked, and I urge the finance sector to help make this survey happen. Without accurate debt data in rural industries everyone is at risk of making decisions, including the finance sector, which could have adverse outcomes.

I note that one of the bills in this debate seeks to set up a rural bank, and I acknowledge the passion from the member for Mount Isa in this regard. However, it is a very different finance environment at this time. I note there were also significant debt reconstruction schemes at a time when there were things like the Queensland Agricultural Bank, which operated through the 1970s, and some from the turn of the century. In 1971 the Australian government introduced the States Grants (Rural Reconstruction) Act in order to provide drought relief assistance to the states. This assistance was in the form of financial assistance in three categories: debt reconstruction, farm build-up and rehabilitation. The Woolgrowers' Assistance Fund was added to the scheme by a further amendment in December 1971. Applications for funding assistance from these funds were administered by the Queensland Rural Reconstruction Board. It should be noted that many of those farmers who were assisted by these debt reconstruction schemes in the 1970s are the farming families who are still successfully farming today.

A debt reconstruction focus like the one that has been outlined by the member for Burdekin, in combination with mediation provisions, would be a reasonable and far better outcome than just debt mediation, and it would be a good outcome if there were both a debt reconstruction focus and mediation.

There is also an issue in relation to interest rate subsidies that were delivered through the Exceptional Circumstances Interest Rate Subsidy Scheme. These subsidies helped manage rural debt at times of prolonged and severe drought, and the subsidies were one of the most transparent and accountable ways to provide assistance to farmers. Many landholders in my electorate are supporters of interest rate subsidies, and I wholeheartedly agree with them that this is a good mechanism to support family farmers with debt during times of severe drought.

The interest rate subsidies provided business support to farms that were viable in the long term but were finding themselves in financial difficulties due to an exceptional circumstance climatic event. I know many farming families in my electorate that were in receipt of those interest rate subsidies. They are still there today because the interest rate subsidies helped them through those difficult times of exceptional drought.

The interest rate subsidies did a lot more than just reduce interest rates; they also gave farmers a bit of breathing space and certainty with their debt. They were also able to pay some of their other accounts to other businesses in the towns and the community, and the money cycled through the whole community. This House will frequently hear the member for Gregory and me talking of the need to support small businesses in drought-affected areas, and I have no doubt that the reason those businesses are now doing it so tough is that there is no longer an interest rate subsidy program for farmers and they do not have that certainty. Unfortunately, the exceptional circumstances interest rate subsidies closed on 30 June 2012.

There is no doubt that the unprecedented drought conditions—all of my electorate is drought declared—have contributed to a very difficult financial climate for many farming families and enterprises across Queensland. The hostile behaviour of the federal Labor government that resulted in the 2011 live cattle export ban placed an enormous strain on cattle farmers—not just northern cattle producers. The impact was felt well into the south-west of the state, with about 30 per cent of the cattle coming through the Roma Saleyards from North Queensland. This depressed prices at a time when drought was continuing and did not seem like it was going to end. Producers were desperate to offload their stock and had to do so at those depressed prices. They also had to manage their farm debt at the same time and, unfortunately, many actually got a bill for the freight at the time they sent stock to the Roma Saleyards.

The increase in the stock numbers, the closure of the live trade and the depressed drought prices really hurt those producers. It is still hurting those producers in Southern Queensland. It really was not a farm debt; the closure of the live cattle export trade caused a government induced debt which was incredibly difficult for people to manage. Producers told that story at the Rural Debt and Drought Taskforce meetings in South-East Queensland. Producers can handle climatic seasonal variations, but they cannot sustain the hostile decisions of ill-informed governments at the same time.

I note that the committee report also mentions the work of the rural financial counsellors in Queensland. They have done an outstanding job of assisting farmers and helping them avoid mediation due to mortgagees accepting proposals. Resolving the problem by negotiation can also lead to an agreement between farmers and mortgagees without the expense of the physical travel, the time and the emotional distress of formal farm debt mediation.

The Rural Financial Counselling Service is a free and confidential service delivered through two service providers in Queensland, based in Longreach and Roma. The Rural Financial Counselling Service at Roma delivers services into Charleville and Roma in my electorate. I personally know the staff at both Roma and Charleville. They are extremely professional and constantly focused on—

**Madam DEPUTY SPEAKER** (Ms Farmer): Order! Can I ask members to take their seats, please, and keep their conversations to a minimum so we can hear the member for Warrego.

**Ms LEAHY:** Thank you, Madam Deputy Speaker. I notice the clock was not stopped. I personally know the staff of the Rural Financial Counselling Service at both Roma and Charleville. They are professional and constantly focused on good outcomes for their clients. They do an outstanding job with resolving the farm debt issues and they have done so for many years, in fact—since that service was originally set up. I would like to thank them for their tireless work for farming families right across Roma and Charleville. The Rural Financial Counselling Service at Roma does not deliver those services to only Roma and Charleville; there are about 11 other communities in which they provide those services.

There are some other amendments in the bill to facilitate the rollout of two viruses in 2017—one relating to the rabbit population and the other relating to the carp population. It might be of interest to the House to learn that the CSIRO has scientifically confirmed the first pest rabbit has already succumbed to the newly released calicivirus. The virus was released only two weeks ago at more than 600 sites across Australia. We better get busy in Queensland because that virus is coming fairly quickly.

The control of carp cannot come quick enough, as the fish are often described as the rabbits of the waterways. They have devastated native fish populations, particularly in the Condamine-Balonne region. Anything that can be done to remove, control or destroy those carp in the Condamine-Balonne system is an absolute success. We really look forward to that virus being distributed in Queensland.