




Speech By
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MEMBER FOR GREGORY

Record of Proceedings, 21 March 2017

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

 **Mr MILLAR** (Gregory—LNP) (10.36 pm): It is a privilege to follow the member for Condamine with regard to this bill because, like many on this side of the House involved in agriculture and farming—like the member for Callide, the member for Gympie and the member for Warrego—I have seen farm debt firsthand myself. It is a very emotional and difficult issue to talk about. As a person who comes from agriculture all his life I have seen this firsthand many a time. A lot of the speakers tonight have talked about the bill and parts of the bill, but I would like to talk about what has led us here certainly over the last couple of years.

In 2011 a few significant events occurred which had a huge impact on rural and regional Queensland: the decision by the then Labor federal government to ban the live cattle export trade to Indonesia; the Queensland Rural Adjustment Authority produced its last debt survey in 2011; and of course the start of the drought. Let me start with the ban on the live export trade, which had a significant impact on Western Queensland. The then federal Labor government's disastrous overnight decision to ban our live cattle trade to Indonesia was one of the worst decisions that any government has made in recent history. The impact was far-reaching and devastating for our beef industry not only in the north-west but right throughout our state and certainly the central west. As those cattle destined for the live cattle trade—which was a profitable trade for us and another avenue of export that we relied on so much in Western Queensland—were forced back into the paddocks or sale yards and down to the meatworks, it led to massive losses for our biggest agricultural industry: beef production.

It also led to an increase in farm debt pressure and farm overdrafts. It impacted on associated industries in the supply chain—from trucking companies which relied on the transport of live cattle to ports such as Darwin or Townsville, to local rural businesses such as stock and station agents and merchandise suppliers, right down to mechanics, newsagents and even local pubs. As highlighted in the committee report, the financial devastation caused by the then Labor agriculture minister, Bill Ludwig, can still be felt today. The flick of a keyboard stroke by animal activists mounted pressure on the then federal Labor government and sent our cattle industry on a course of heartbreak and absolute financial destruction. Jobs were lost, farm receiverships increased, farm debt increased and a thriving export market was stopped overnight in its tracks. The anger of that decision still resonates out my way today. The anger is still raw out my way today. From cattle producers to associated businesses in the supply chain, what happened is still having an effect.

I can say to the House tonight: it is not forgotten and that decision will never be forgiven. It had a huge impact on people in Western Queensland and throughout the state and that financial impact continues to be felt. People are still nervous and are still dealing with the financial problems that caused. Out my way, if you mention the live cattle trade and what happened in 2011 people get angry and teary. They certainly had their hearts broken by the kneejerk decision that was made.

The Queensland Rural Adjustment Authority produced its last rural debt survey in 2011. This was a regular survey which helped policymakers and departments to see what was happening in this vital sector. The survey ceased not due to government funding cuts but because the banks and the lenders refused to participate. They refused to share the relevant data. I found this unbelievable at the time and I still find it unbelievable. I leave it to people to draw their own conclusions about the motivation, but I will say that I have little time for the complaints of the Australian Bankers' Association in relation to this bill. Banks would not trust you or me without taking a good look at our books, yet they deny the government the figures we need to ensure we have the correct policy settings for a sustainable and productive agricultural sector right across the state. The banking sector has a key part to play in the health of our rural economy. As good corporate citizens they should want to ensure we have the best possible policy settings to support our farmers.

Australia's agricultural sector is based on the family farm model. Responsible governments must ensure there is always a place for the family farm in Australian agriculture. It is robust and innovative and has in-built redundancies that guard against disease, drought and floods. Not only do these farmers underwrite our own food security; they are also a key export industry for our state. We should never forget how important agriculture is to our state economy. Over the past 10 years we have seen a mining boom come and go. The mining boom played a significant role in the Queensland economy, but the unsung economic hero of Queensland's economy is agriculture.

This bill legislates a debt mediation process for Queensland primary producers similar to laws that already protect primary producers in New South Wales and Victoria. Members tonight have spoken a lot about that. When the banking sector stopped giving government its data for the rural debt survey in 2011, many of our graziers and farmers across Queensland were already in drought. We are still in the grip of that same drought today. The unseasonable rains this winter cruelly tempted some of our people to restock.

Let us talk about the drought and where it started. It started in around 2012 up in the Gulf Country. I remember that very well because I was up there when the drought started. The savannah country and the Gulf Country usually supply a very reliable wet season in the summer months, but it just did not come. When the savannah country does not get that moisture in the wet season, it is very hard to produce cattle off. Plenty of cattle producers up there missed out on a wet season in 2012. They had not seen a missed wet season for a long time. They always got something from the wet season to get them through—to get the pasture up there to get the cattle going in the right way and heading down south and finishing off in the north-west or the central and finishing off in the meatworks.

Unfortunately, in 2012 the drought did start. That was coupled with the devastating news of almost a year before when the then Labor government decided to put a ban on our live cattle trade. That was the perfect storm in the Gulf Country. Plenty of producers were looking to produce cattle for the right weight to take advantage of the live cattle export opportunities out of Darwin and Townsville, yet we had a drought on the back of the live cattle ban. That created the perfect storm for regional Queensland and we are seeing the results of it today.

When we had that rain over winter, people who had been walking the long paddock for years thought it was safe to come home. People who had not had an income for years thought at last they could stop spending their precious reserves paying for agistment to preserve some of their core breeding stock and their precious blood lines. Those blood lines are precious because our female herd has been decimated over the course of this drought. That has had a significant impact on restocking opportunities across regional Queensland. When we had that rain they thought they could bring them home. I have heard that some of those who would have been left completely bereft by this drought have had to borrow money to restock at very high prices.

Tragically, as we approach the last chance of a wet season as we head into autumn, it is clear that we must go through the trauma of destocking all over again in some areas. It is clear that there will be another iron hard year with little income. Winter rains are really just a booster for the central west plains. They refill the ring tanks and the billabongs, but they do not really help the native pastures regenerate. The pastures in Queensland's central west are legendary—the native Flinders and Mitchell grasses—but they need rain and warmth. They need the heat units in summer in order to produce the Mitchell grasses so they can seed and we start seeing more Mitchell grass come out.

The failure of the summer rains for the fifth season in a row is heartbreaking. Even without the banks' input of data for the debt survey, it is common knowledge that there are rural debt hotspots where the drought has been. Right through Western Queensland, from the southern gulf lands to the border of New South Wales, many highly respected operations are feeling the effects of drought.

I was a member of the committee that undertook a comprehensive investigation into both the Farm Business Debt Mediation Bill 2016 and the Rural and Regional Adjustment (Development Assistance) Amendment Bill. Both bills were also scrutinised by a large cross-section of rural industry stakeholders. I note the comments in the committee's report with regard to the private member's bill, the Rural and Regional Adjustment (Development Assistance) Amendment Bill. I say at the outset that I understand the passion of the member for Mount Isa with regard to this. He has been an advocate on this issue for a very long time. However, I am no less passionate on this issue. I am just as passionate as everybody else. As the son of a farmer and the grandson, great-grandson and great-great-grandson of a grazier, I have lived and breathed farm debt, drought, bad commodity prices and heartbreak all my life. I have sat in a machinery shed on a late summer afternoon and watched the clouds turn green with hail and wipe out a cotton crop, or in mid-autumn a wheat crop—the hail just comes over and wipes it out—and known that any profit for that financial year was out of the question.

Access to capital and refinancing makes my gut turn when lying in bed at midnight wondering, 'How do I make it work? How do I get through? Do I have enough in the tank to continue to have faith that the bank will continue to allow me to have the overdraft so I can continue to pay the wages, to pay the debts, to put fuel in the fuel tank, to buy the oil filters, to plant the next crop?' Farming is a gamble, but it is a great industry and it is worth pursuing.

The member for Mount Isa has pushed for a state agricultural and industry development bank to redress farm debt through loan writedowns and refinancing at low interest rates. That is particularly popular, certainly in the west and the north-west cattle industry, which was hit by the live cattle ban and drought, but we have to have something that works—that starts us on the process of making it work, to redress the debt situation in rural and regional Queensland.

I refer again to some of the comments made in the report. The private member's bill was the subject of comment by AgForce and the Queensland Farmers' Federation. AgForce said that there was a lack of detail in the bill and in the two pages of explanatory notes about how the rural industries and development bank would be structured and practically operate which makes it difficult to assess the proposal. In fact, I asked AgForce a simple question at a committee hearing. Given that AgForce is the peak broadacre lobby group for agriculture—we also had the Queensland Farmers' Federation there which represents horticulture, cotton and intensive cropping—my question to AgForce first was does it support a rural development bank? CEO Charles Burke said no. Then I asked the Queensland Farmers' Federation's Mr Perkins and he said—

No, we do not either. It is in our submissions.

Mr Burke then said—

It is in ours as well and it is in my opening statement. While we understand the intent, we think there are other options already available to us with some change and some finetuning to deliver the same sort of process. We do not support the bank as such.

The committee report states—

The Department noted that currently QRAA provides loans ... and can borrow funds, e.g. from the Commonwealth to administer the Commonwealth concessional loans ... However, the many regulatory and legal arrangements that apply to a bank would limit how prescriptive the Queensland Government could be with respect to its operation and on the basis upon which it could lend.

Banking is regulated by the Commonwealth, so the State has no capacity to override these requirements. The regulatory environment has changed significantly since the Global Financial Crisis and a State-owned bank today would be subject to significantly more controls and restrictions than was the case when the State owned Queensland Industry Development Corporation.

Tonight the member for Mount Isa said that he is not calling for a bank but for a way forward to address the reconstruction debt in Queensland. That is why I support amendments foreshadowed by the member for Burdekin and the shadow minister for agriculture amending this bill to establish a farm debt reconstruction office in QRIDA headed by a manager with three or four expert agricultural staff to undertake assessments for farms and farm businesses under stress and to personally consult with owners, accountants, financial advisers and lenders an overall personal situation—a way forward for the long-term farm business viability. If this is not possible, they should advise an exit strategy preserving as much capital as possible for our rural producers.

This is a start to looking at the reconstruction debt—looking at debt and making sure that we find ways forward as a government in Queensland to start looking at this issue seriously. It is not everything that everybody wanted. I understand that, but we are starting the process. We are starting with something. We are starting with something that can be something even more in the future. I believe the establishment of a farm debt reconstruction office headed by a manager with some expert staff is a way forward to getting this issue addressed—an issue that certainly is an issue in the area that I represent and in the areas represented by Robbie Katter, Andrew Cripps in the seat of Hinchinbrook, Dale Last

in the seat of Burdekin, Tony Perrett in the seat of Gympie, Ann Leahy in the seat of Warrego, Pat Weir in the seat of Condamine and many other areas. This is a way that we can start putting this issue front and centre.

The government has an obligation to make sure that we increase our agricultural production across the state, and a couple of things come to mind. We need support from those opposite in the Labor Party who are in government to get Rookwood Weir going. Rookwood Weir, which is east of Duaringa near Gogango just on the border of the seat of Gregory, has the potential to create \$1 billion worth of agricultural production and create 1,000 full-time permanent agricultural jobs in Central Queensland. We need to get this going. We have the support of the federal government. The federal coalition has said, 'Let's get on with this.' We need the Labor Party to get on with it. That is how we start increasing agricultural production.

I also want to make mention of the fact that the former minister for natural resources the member for Hinchinbrook, Andrew Cripps, started cluster fencing in south-west Queensland. That was a game-changer for Western Queensland. There have been lambing rates of 110 per cent in Blackall-Tambo because of cluster fencing. That was a significant investment from the government of the day to restart the wool industry in Western Queensland, and I am glad that cluster fencing has continued under the government. In the central west we are starting to see clusters going up everywhere and lambing rates increasing, which means more sheep, which means more shearers, which means more people in town, which means more money in town. That is what we need to do.

We also need support for the Yamala inland port. That is a significant project which will reshape grain handling in Central Queensland. That is what we need to get behind. We also need to continue the research and development that was started under the LNP such as the tropical pulse program at QUT. The tropical pulse program undertaken by QUT is looking at getting better drought-resistant varieties in chickpeas and mung beans with the possibility of us exporting to India. Of course, we also need the Labor government to never, ever, ever bring back those vegetation management laws that it wanted to introduce earlier in this term. It should never bring those back again because that is how you cut productivity here in Queensland. That is how you demonise farmers and take away profitability. I call on the Labor government to get behind research and development in those programs but not to bring back vegetation management.