HOUSE OF REPRESENTATIVES

FARM HOUSEHOLD SUPPORT AMENDMENT (ADDITIONAL DROUGHT ASSISTANCE MEASURES) BILL 2008

Second Reading

SPEECH

Tuesday, 3 June 2008

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES
Mr WINDSOR (New England) (8.48 pm)—It is with pleasure that I support the Farm Household Support Amendment (Additional Drought Assistance Measures) Bill 2008, not because I am a supporter of drought—in fact I oppose drought quite dramatically—but because I think it is appropriate that governments of all persuasions support those people, the farming community, who are suffering from drought. It is good to see the current government in the budget papers carrying on the assistance that the previous government put in place for drought affected farmers.

As I speak, in parts of Australia, particularly the grain-growing belt of the north-west and New England, rain is falling. Hopefully it will fall in many other areas so that the need for such assistance long term will be wiped out by some degree of prosperity in the farming community. This drought has been going on for many years and there has been a degree of support from various governments—household support such as we are looking at tonight. Exceptional circumstance and business assistance has also been in place. From time to time the government has used supposedly appropriate figures for exceptional circumstance and household assistance to display that there has been an enormous amount of assistance going to the farm community. In fact, if you look back through the figures for the last six to seven years of the drought, the assistance that has been given to the building industry comes to mind particularly because of the first home owners scheme, which was set up, as you would remember, Mr Deputy Speaker, in response to the impact of the goods and services tax on the building industry. Something like $7 billion has been expended in that time in assistance to the building industry via the first home owners scheme. I think many commentators would suggest that in a lot of ways that has not helped first home owners. It has probably inflated the value of the properties and houses that have been purchased. Nonetheless, from time to time, in the media at least, arguments are produced that there has been an enormous amount of money allocated to the farm community to support it during drought.

If people refer to the actual spending that has taken place over a period of years, they will see there have been quite small sums of money—some hundreds of millions of dollars on average. To other industry groups in Australia—the car industry; the building industry, as I mentioned; the oil industry; and many other industries—there is something like $12 billion to $15 billion annually of assistance. The amount of assistance to the farming community on average over that period has been $200 million to $300 million. That is for one of the most important industries in Australia—and I refer to the exceptional circumstance business assistance arrangements that have been put in place.

Many people, including the politicians in this place, like to refer to exceptional circumstances drought assistance as not only being business assistance. I am pleased to see the Minister for Agriculture, Fisheries and Forestry here because I think he is aware that the figures for exceptional circumstances drought assistance have on average, since the drought started, represented quite a small amount of money in total. It is some hundreds of millions of dollars annually, but compared to other industries—the car industry; the housing industry, through the first home owners scheme; the oil industry et cetera—it is a small amount of money.

What has happened in terms of the politics of drought assistance is that the exceptional circumstance household support has been bracketed in as being some sort of business support to agriculture. Technically, if you are unemployed in this country at the moment—and household support is the payment of an unemployment benefit to those who cannot work—you can apply for unemployment benefits. In the farm sector’s case, where they are not unemployed but they are not earning an income—so in that technical sense both an unemployed person and the farm sector, if they pass the criteria in relation to exceptional circumstances, are the same—they will be considered the same as the unemployed because they are not earning an income.

But some politicians tend to refer to the combination of both the household assistance—which is the unemployment benefit, Newstart—and the business assistance as being drought support. Drought support in my view is exceptional circumstances business assistance.
I have just had a message that it is raining at home as we speak. Being a practising farmer I am pleased to see it is raining at home and I am glad my wife called to tell me.

The DEPUTY SPEAKER (Hon. Peter Slipper)—I would like to congratulate the honourable member for New England but perhaps he should focus on the provisions of the bill before the chamber.

Mr WINDSOR—Yes, I am, Mr Deputy Speaker, because, if it does rain, there is less need for government support, such as household support. I am delighted to have had a call from my household because we live in a drought area.

A government member—Move to North Queensland.

Mr WINDSOR—I am not moving to North Queensland. I think it is most appropriate that, in a debate on drought, we are actually talking about rain, and the hope and promise that it gives. The mere fact that my wife has taken the time to ring expresses the attitude of many country Australians and the delight they have when rain actually falls. Mr Deputy Speaker, it gives hope for the future and I think we should all be very pleased to see it. I know that in your electorate there has been a degree of rain in recent days as well. No doubt you will be speaking about that at some future time.

I make those points in relation to drought assistance because, I think, one of the tragedies that have occurred in recent years is that a lot of farmers and their families—and I know the minister for agriculture would be aware of this—have felt that, through the treatment of the issue in the media, there has been this enormous expenditure of largesse imparted to them because of the drought. But as I said, household support is essentially an unemployment benefit for anybody who is not earning an income. In the farmers’ case they are not earning an income but they are still working. In that sense I believe they are entitled to household support as much as any other unemployed person who is not earning an income. But if you look at the business assistance exceptional circumstances arrangements and compare them with those for other industry groups, the assistance has been quite small.

I know that the previous government tried to make a great play out of this enormous amount of money, apparently, that they were expending on agriculture. All that did in a sense was make people feel as though they were being painted into a corner for a circumstance that they had absolutely no control over. The events of the last six or seven years have been absolutely exceptional. Whether they are combined with climate change and a whole range of other things is a debate that will happen at another time. But I think it is appropriate that during these periods we do support one of the biggest industry sectors that we have in Australia because it is quite impossible for any business to put in place arrangements that will see them weather a six- or seven-year storm in their financial situation.

The business component of the exceptional circumstances drought assistance is essentially about maintaining the farm sector in a physical and financial position ready to accelerate into productive activity when the drought breaks. Climate change and some other things have clouded the issue in terms of that productive capacity. So I support the legislation and I am sure most people will.

The other issue I would like to refer to in terms of this particular legislation is the review that will take place—I have got no doubt—about drought assistance for the future. There are a number of issues out there that really do need to be taken into account. If we are going to review drought assistance, some issues to consider are: how we regard it in the future; what role it plays in terms of climate change; and who funds the various arrangements, if in fact there are to be funding arrangements put in place.

One of the things that I have called for over many years, even prior to coming into this particular place, is the need for a natural disaster fund. Looking back at the various disasters that have occurred in Australia—the Newcastle earthquake, the Wollongong mud slide, the catastrophe at Coffs Harbour, the Darwin cyclone or more current events that have occurred around the nation—I think there have only been a couple of occurrences, when you include the cyclone that occurred on the Queensland coast last year, where the totality of disaster in Australia, and I include drought in this, has been over a billion dollars. A dollar a week from every Australian raises a billion dollars in a year. So the capacity to raise money is there, and governments have that opportunity through various levies et cetera. With reference to the Insurance Council in relation to the payouts for disasters et cetera, I think the average annually from 1974 through to the early 2000s was something like $250 million to $300 million in terms of a disaster, with the amount for the odd ones such as the Newcastle disaster obviously of much greater magnitude. But if it is averaging at $200 million, $300 million or $400 million, then in rough terms that is 20c, 30c or 40c a week for insurance against disaster.
I think drought, in very special circumstances, should be considered a natural disaster in a sense. There may be a movement at the margin in relation to people practising agriculture in marginal zones where maybe they should not be, and all those sorts of things can be discussed in forming policy. But I think there is a real possibility of being able to combine, in a national natural disaster fund, a nonpolitical way of addressing these things when there is money in a fund. We saw many circumstances under the previous government where various areas in various states and electorates would be treated differently in terms of whether they were in exceptional circumstances or not. Whether they were being treated on a political basis or not, it was left open to that interpretation by those who wanted to take a political point or make a political point. That might be all right for those of us in this building, but it is not necessarily good for those people who are out there suffering the stress of the particular pain that they are going through. I will just leave that proposition at this point as something to be considered, in terms of a fund that is available, not coming and going with the electoral cycle and reflecting where the drought is and the marginality of the seats at that particular time.

The minister for agriculture has heard me say some of these things before, but I think I will replay the record in a sense as it applies to drought. In any review of drought policy, and if we have some regard for climate change, we are really going to have to develop a policy mix that encourages a more productive technology in terms of soil health and moisture infiltration. There are a number of techniques out there. In the farm sector, for instance, no-till technology has revolutionised agriculture and has been the biggest adaptation to climate change that I have seen in my lifetime. What it essentially means, Mr Deputy Speaker Slipper, as I am sure you are well aware, in our better soils—our black soils of the Darling Downs, the Liverpool Plains, Emerald and those areas in Queensland—is essentially six to eight inches or 150 to 200 millimetres more rain or moisture available to the cropping system than would have happened under traditional agricultural practices. That is an enormous adaptation to change—so much so that in the lower part of my electorate this year, still in the worst drought in living memory, there have been record sorghum crop yields based on that sort of technology.

There are a few other benefits that that technology has, not the least of which is to do with the so-called carbon debate and the emissions-trading arrangements that we are looking to in the future. I think it relates to drought policy quite specifically. There are also holistic grazing techniques that are adapting our landscape to drought in a far more favourable way than some of the more traditional techniques of the past. And those sorts of techniques are also having an influence on carbon, or humus and organic matter build-up, in our soils because there is a nondisturbance of the mulch or previous crop residue on top of the soil. In some of the grazing systems there is a range of options that are actually encouraging the development of humus and organic matter. As I am sure you are aware, Mr Deputy Speaker, humus and organic matter in a soil are carbon. That is how soils are grown, that is the existence of carbon. There are many potential technologies out there. There are perennial grasses, some of which could be involved in the cellulosic ethanol area, for instance, and that could have a positive impact not only on soil health, the capacity for moisture infiltration of the soil and drought preparedness, but also on the build-up of soil carbon. I know the minister of agriculture is aware that there are some measurement problems with this, but it could have a positive impact on this holistic approach to trying to rein in carbon dioxide.

I mention that in particular because it might be climate change to some people, it might be carbon to others and it might be emissions trading to some others, but in terms of agriculture it could be drought proofing some of our landscape. I encourage the government to have a very close look at that—and I know there is money in the budget—particularly in terms of some of the soil carbon measurements that are out there. I have an interest in soil health. I have a block of land that has been operating under the no-till system for 31 years—probably one of the longest in Australia—and the microbial and earthworm microclimate in that particular block of land is something to behold, as obviously are the yields that have been coming off it over that period of time. I have not measured the carbon, but others have.

If we are serious about drought policy, climate change and all the interactive factors, whether it be feeding the starving millions or feeding ourselves, we really have to start to measure some of the soil carbon issues that are out there. We should not appoint someone to go and do it but get out there at the cutting edge now, Minister, where real people are actually doing it. There are real people in Western Australia, in Emerald, in Warren and on the Liverpool Plains who are actually measuring these things that are happening in their soils now under new techniques, not old techniques. They need government to go there and prove them wrong, if they are wrong. If they are snake oil salesmen, let us prove them wrong. But do not set up another department to spend the next 10 years proving what these people are doing on the ground now. It is a critical issue and it relates very specifically to drought policy as it does to climate change, and the two in my view are very much related.