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 JOHN COBB (Calare) (9.08 pm)—I rise to speak on the Farm Household Support Amendment (Additional Drought Assistance Measures) Bill 2008. The coalition supports the bill and we recognise the fact that last September it was supported by the then opposition, the now government, and we appreciate the fact that the bill comes before the House obviously with their support now.

On 25 September last year the government announced the measures in this bill which were to ease the access to EC assistance, broaden the current small business support arrangements, provide enhanced exit assistance and additional community and social support, and provide support specifically for irrigators. These were announced in September of last year and this bill is to ensure that those payments that have been and are being made are done under legislative cover, and, as I have said already, I do appreciate that.

It was very much about lifting the off-farm assets to $750,000. It was very much about broadening ‘drought’ out to recognise the fact that it is not just a farm problem; it is a community problem—the smaller the community, the more the community is obviously affected by it. It also raised the amount of off-farm income that farmers or their spouses or members of their family could earn and still get the household support from $10,000 up to $20,000. It meant that any business in a designated area in a town of less than 10,000 people would qualify to apply for the provisions of the small business assistance, which in effect did not vary very much from that which farmers were able to access.

The farm household support, which I have just mentioned, had additional drought assistance measures. It did change eligibility criteria somewhat but it increased the maximum allowable income exemption and it did the same for small business. It allowed farmers to continue to receive EC if there was a legitimate reason for their being out of the country, which, from memory, was to bring it in line with the way Newstart operates. You can get Newstart if you are overseas for the correct reasons and so, as it is a very similar thing, it was extended to exceptional circumstances recipients as well.

It also had provisions in it to help the families who had mental health problems. It is one of the very unfortunate side issues—or it is very much to the fore, I suppose. When drought goes on for as long as this one has—there have been six years of drought or six years of designated drought, and I will get to that in a minute—it has an awful effect on families and communities. The truth is we men do not seem to handle it as well as women do. The women have to bear the mental issues that men seem to be more prey to than they are. I do not know why that is but it does seem to be a fact. The women are damn tough. They have a lot to deal with. We men seem to go about our work and bury our heads and quite often not want to face the issues. Somebody in the family has to and it always seems to be the mother or the wife in the family who does that. I think that in this drought more than any other that I have seen—and I have seen a few—the mental health issues have been recognised, and I am very happy to say that the publicity about mental health as an illness rather than a freakish thing has been a very good thing for country people. It has meant that we are much more likely to talk about it and far less likely to hide it and not want to deal with it. Country people are much more exposed than their city cousins. Quite often in the city your neighbour does not know what is happening but, in the bush, the town and everybody else know the situation. If you go broke or something is wrong or your family is in trouble, everybody knows. So you are very exposed and people are very affected by that.

I remember the first time I took the then Prime Minister, John Howard, and the then Deputy Prime Minister, John Anderson, at the start of drought in October 2002 out to Cobar. It was a time when the drought was really starting to bite. In fact the Bourke and Brewarrina rural lands protection boards areas, which were the first two parts of south-eastern Australia to be declared in the drought, were declared some month or so later in November 2002. I remember even then, when it looked as bad as it did just south of Cobar where we were that day, that the Prime Minister became very aware and subsequently—I think it was probably about October 2006 when the Prime Minister came to Forbes or it might have been later than that, 2007, before this new declaration in September of last year—some friends of mine met with the Prime Minister at Forbes and explained to him the instances of suicide and everything else that was happening at that time.
They told him personally of the issues in their own family and of their neighbours. They had lost a son; they had lost a neighbour who had not been able to cope with the issues that five years of drought had brought. The Prime Minister and the Deputy Prime Minister at the time were very affected by it and they extended the mental health provisions and extended the amount of aid that was available to individuals, families and communities. That and extending drought circumstances to a community rather than just to a farmer have been two of the big differences that the longest drought of my lifetime have brought forward from the Parliament of Australia, which obviously approved that and will, I am quite certain, do that again with this bill.

While we are dealing with this bill, I need to speak about where the drought has got to now. This bill will recognise the mental health issues, the physical issues, the family issues and the national issues. The previous Treasurer, the member for Higgins, Peter Costello, quite often mentioned the effect the drought was having on overall domestic production, particularly on exports.

In eastern Australia, as I mentioned earlier, the first two places where exceptional circumstances were declared were Bourke and Brewarrina. On 15 June—in less than two weeks—that comes to an end. While there has been some summer rain in that area there really has not been anything much since about January. While it might look better than it did 12 months ago, nobody has any money. Brewarrina has about a 55 per cent Indigenous population and is mostly a pretty happy community. The people in that community are very dependent not just on agriculture but on what agriculture does for them, be they mainstream, Indigenous or whatever. If they were to lose the interest rate subsidy and exceptional circumstances on 15 June it would be an incredibly drastic thing for them. It would set a precedent. Yes, as a government it is correct that in the past, particularly along the east coast of Australia or just inland, we did take areas out of EC from 2002, but they were areas that had not been in drought very long. Bourke and Brewarrina have been in solid drought for almost six years. They have not made money in almost six years. They have no money now. Those that may have feed now mostly have probably only 30 per cent of their stocking rate. They need to spend somewhere in the order of $40 to $90 for a ewe to get their stock back up. They need to spend in the order of $500 to $1,000 for a cow and calf. At the very least they are going to have to buy 100 cows or 1,000 ewes to make any difference. So we are talking about up to $100,000 just for 100 cows or 1,000 ewes, and that will probably not come anywhere near to bringing them up to 50 per cent of their stocking rate. As we have already talked about, it is not just about the effect on them individually but the effect on them and on the towns of Bourke, Brewarrina, Louth, Tilpa, Goodooga, Weilmoringle and all those communities that depend upon them so much.

I cannot put too strongly the fact that after six years this drought is a tragic drought in terms of production loss and in terms of the fact that not everyone has or will survive this drought. But it is also a tragic drought because it has caused loss of life, the break-up of families, the break-up of marriages and children leaving home. It has had enormous repercussions not just for those farm families but for the communities around them. As I said earlier, Bourke and Brewarrina have less than two weeks to go and they still do not know their fate. I use the word ‘fate’ not to be melodramatic but that is what it is. They need the interest rate subsidy to carry them forward.

I mention also that most of Queensland, most of the rest of New South Wales and every region in my electorate is under exceptional circumstances. I am quite sure that the rest of the western division, most of western New South Wales, still is. I am sure that the member next to me at the table, the member for Murray, whose electorate will also come up in September, I think, would see this as just as big an issue as I do. I am sure that most of her region will still qualify in the south of the state simply on the physical side of it.

What we are talking about here is the ability of a farmer, a family or a community to get out the other side of this drought. Even if they have had rain they are still destitute. The communities are struggling. When I became the member for what was then the electorate of Parkes, which in land region is not much different, I did not think many more people could leave the region. Agriculture, which is the main employer apart from mining, had got so efficient that it could not really lose many more people. In actual fact the drought has changed that. People just had to struggle on—a man, a wife, a single person or whatever. Their children could not afford to stay with them. Mostly they had to go and seek work. Thank heaven for the mines being around so that sometimes they did not have to go too far to do that. It is one hell of an issue. You talk to the agents, particularly in the west of New South Wales, and they will tell you that exceptional circumstances is keeping—and I repeat keeping—a lot of that community together, particularly out west. As we come further east you then strike the issue of the cost of farming.

As we speak, people are waiting, hoping that after the great summer start we had it will rain again. I am sure that in my region well over half the crop has not gone in and, in relation to that that has, people are looking
anxiously skyward. When super reaches $1,400 or $1,500 a tonne, when diesel reaches the $1.92 a litre I paid last week in my electorate, no longer do bulk buyers such as farmers really get a discount for diesel. It just does not happen. What we see at the bowsers is pretty much what they have to pay too. So when farmers, let alone graziers, are paying $1.90 for diesel and $1,400 or $1,500 for super then exceptional circumstances is certainly going to give the bank a lot of confidence when it makes a decision about whether it supports putting in this year’s crop. We are fast approaching a very critical stage. Yes, a lot of the crop has gone in, but there is a heck of a lot of it that has not, and that that probably needs a start.

Along with the minister, I commend the bill to the House. I appreciate the fact that his government has gone on with it. It is very necessary. But I must repeat that this drought is not at an end, and just because people have a bit of feed it does not mean they have any money and it does not mean that they or their communities can survive. The interest rate subsidy is probably all that stands between a lot of them not being there next year.