

ADDRESS-IN-REPLY

Amendment to Motion

Resumed from 13 September after the following amendment had been moved by Hon George Cash -

That the following words be added to the motion -

but regret to inform Your Excellency that the Government has failed to adequately address a number of serious issues affecting Western Australia

HON M.J. CRIDDLE (Agricultural) [4.38 pm]: I thank Hon George Cash for moving his amendment, because a number of serious issues affecting Western Australia need to be addressed.

Yesterday, I drove from my residence in the country down the eastern wheatbelt through Kalannie, Bencubbin and Wyalkatchem right down through to Tammin and observed the condition of some of the crops and feed in that area. I must say that I am pretty concerned about the condition of the crops, particularly on the eastern side of that road driving from Mullewa, Morowa and Perenjori. I am pleased that the minister is here to hear me outline some of my concerns. The last couple of days have been very hot and have had a major impact on the crops, to the point that they are starting to deteriorate rapidly. Unless we get rain in the very near future, some of those crops will not make a reasonable profit and certainly some of them will not give a yield at all. Therefore, we need to recognise that people in that part of the wheatbelt are facing a very difficult future. That is so despite the fact that at present we have strong prices for grains. A lot of people would be aware that wheat prices are at a long-term high. Over the next couple of years futures stocks are maintaining that level, albeit we have witnessed the recent catastrophe in the United States, with our stock market being badly affected in the last couple of days, and the prices for futures have come back somewhat. Although the Australian dollar has dropped substantially, there will be some comfort from the price in the short term. However, the opportunity for using futures for long-term comfort will drop away if this sort of arrangement continues and the price drops away.

With regard to livestock, I do not think I have ever known in my time - something like 40 years in the agriculture area now - prices to be so strong across the board. Lamb prices are in the area of \$60 to perhaps \$70. Old-age ewes turned off are between \$35 to \$40 to the producer, which is very good to see. I do not think I have ever seen that return for mutton in my lifetime. Therefore, conditions are right, provided we get the rain to allow us to grow the product. Along with sheep prices, cattle prices have risen substantially recently.

Some time ago, the National Party released a country community action plan. I will enlighten the House on that plan and how some of the action can be put in place. The minister will correct me if I am not accurate, but I understand that since the Government has been in power, the only contribution of state funding to assist those people affected by drought has been \$4.6 million. I know that previously moneys were allocated, but I understand that there has been only \$4.6 million of additional funding since this Government has been in power.

Hon Kim Chance: That is correct - of new commitments.

Hon M.J. CRIDDLE: Yes, I am talking about new commitments.

Hon Kim Chance: In terms of paying out cash, there has been far more than that.

Hon M.J. CRIDDLE: There has been some activity through the Department of Agriculture and the like. However, the funds came as a result of a commitment that was made previously. I understand this Government has contributed \$4.6 million.

A number of matters could be considered. The minister will have seen the National Party's document. However, the House should understand some of the concerns in rural and regional Western Australia. Help is required for not only farmers but also small business. Although country towns rely heavily on the income of farmers being fed back into their local businesses, they must realise that the young people must be kept in those areas. To that end, a number of steps must be taken, in not only the short term but also the long term. I admit that some of these are federal, state or local government initiatives. I will deal with some of them.

We must get unemployment and other benefits to those people in drought-affected areas, who need them immediately, so that they can buy time and consider the possibilities of staying in the country. That would mean doing away with waiting periods and relaxing the job search requirements. One issue that arises, of course, is that people make an immediate decision to leave, rather than take time to consider their position for the long term. If people are forced to search for work that does not exist in the country, they will inevitably be forced to the city. Payments equivalent to the unemployment benefit must be provided to employers in drought-affected areas, who would otherwise be forced to lay off staff. The employer must be allowed to top up the amount in order to keep the people employed. Obviously, the alternative is that people will lose their jobs and go to the

city. That is the last thing we want, from the point of view of keeping country towns intact and keeping country folk on their farms.

Another issue is to abolish the asset testing of the Newstart eligibility for country-based contractors. I struck a situation in which a few of those people had run out of work. That was because of the effect of the drought on farmers and others. Obviously, those people had to declare their equipment and machinery as assets. That impacts directly on that asset test.

Case officers and advisers must be placed in areas where they are needed - certainly in drought-affected areas of the country. Many country people have not had to source welfare and other benefits before, and they should be more aware of the bureaucratic response process. In consultation with the State Government, the federal Government must replace the current system regarding exceptional circumstances. Hon Kim Chance knows about this. That system should target productivity and viability, rather than the situation under the previous arrangement, and provide greater flexibility and speedier relief for affected communities. We have had that discussion, and people understand the basis of that.

Hon Kim Chance: While we are on this subject - you may not like to respond straightaway - I would be interested to know your view of whether the State should respond positively to the Commonwealth's call for a 50-50 contribution from the States under the exceptional circumstances schemes of the future.

Hon M.J. CRIDDLE: It is interesting that Hon Kim Chance should say that, because probably in the longer term the federal Government benefits substantially from production in the form of taxation. I would need to see a lot of the detail of that. However, I would more than welcome the opportunity to have input into that. Perhaps I will run through some of the guidelines that might be a basis for what I am saying.

Hon Kim Chance: I took note of the document in forming my view, so your document has been helpful to me in that regard.

Hon M.J. CRIDDLE: Okay. Some of the guidelines that would be necessary are to target and recognise a farmer's long-term productivity and projected viability in any assessment of eligibility. We must understand that. Another guideline is to remove the lines on the map. Everybody understands that when lines are drawn on maps, it can create a difficult situation. When I was involved with the Gascoyne area, one difficult issue with which we had to deal was identifying which stations were badly affected. I do not think one can ever please people when lines are drawn on maps. It is difficult to judge the good and bad farmers, and the good and bad pastoralists. However, by the same token, as soon as a line is drawn, a difficulty is caused in that area. Planning and forward risk management should be rewarded. That should be taken into consideration. After the meeting that was held in Kondinin, I was lucky enough to talk to an older gentleman who had many years of experience on the land. He pointed out to me that although he was in a drought-affected area, he still had feed in his silo and his sheep were still in good condition. He could turn them off at a very good price. That was because of his management system. That goes back to the point about lines on maps that I raised earlier.

Another issue is to provide speedy relief. People sometimes anticipate, and this year could have been a typical example. In July we had very good rains in our area. I must say that I had given up hope on some of the feed, and we had all our sheep on agistment. However, we took them off our property and saw the response to rain over about a month. We have now reached the stage that the sheep have come back, and it is just remarkable how we can carry them. We could have made a speedy decision that we would not get a return, whereas we will get a pretty reasonable return this year. Therefore, in drought conditions, there is a danger in making a decision too early. However, employment benefits and the other issues about which I talked must be considered early, because people are inclined to put off their work force. Apprentices and the like are lost. I know that happened in some areas. If the situation comes good and people want to get back those apprentices, they are gone forever. Therefore, there is a difficulty in that area.

Hon Kim Chance: One of the things we are looking at for the future is to separate the welfare measures from the business support measures.

Hon M.J. CRIDDLE: I agree with that entirely. That is sensible. It does not matter whether support measures are in the country, in the city or anywhere, that amount must still be paid. Therefore, those people might as well be where they can service the clientele and be meaningfully employed. The last thing we want is people not keeping their hands busy, so to speak.

Another guideline is the aid recovery through business and community development. We must also retain the existing eligibility test based on the value of on-farm and off-farm assets relative to farm debt. In other words, if somebody has a house in a suburb in Perth that is worth a lot of money, obviously that person should borrow against that house, or perhaps sell it and use the money.

The federal Government must also assist country shires in a funding crisis caused by declining rates revenue, by bringing forward the Commonwealth's Roads to Recovery funding and making available money from the Commonwealth Grants Commission. The Government must bring forward major works planned in country areas so that local communities have the opportunity of being involved. I was strongly criticised for allowing local people to be involved in road construction works in my area. It also happened in other areas. It is a very good way of getting people in the community involved, and for them to recognise and be proud of what they achieve. Putting money into such infrastructure is a worthwhile way of spending money.

Hon Kim Chance: You also managed to have built 52 kilometres of road for \$2 million.

Hon M.J. CRIDDLE: We had built 82 kilometres of road for \$4 million, which was a substantially reduced price from that which it could have been.

Hon Kim Chance: I acknowledge that.

Hon M.J. CRIDDLE: People are now travelling on that road, which increases tourism and other business activity. If nine more kilometres of the road are built, it will complete the road from Tenindewa to the Great Northern Highway, cut travel time and save money in fuel. Those are some of the issues that the federal Government should look at when considering assistance for drought-affected areas.

The State Government could increase funding for the support package for adverse seasonal conditions. I spoke about that earlier. It could revise the Government's support package to reflect changing conditions, such as the diminishing availability of agistment. People took advantage of the available agistment this year. Assistance with transport would also be of benefit. In some cases road-train permits were not granted for transport over a short distance. I allowed road-train access across a shorter route when it would be used on an infrequent basis, to reduce the cost of transport. The Government should consider that in the future if a similar situation arises.

The Government needs to reconsider the grain freight rate formula. Hon Bruce Donaldson spoke about that earlier. If the production of grain fell below seven million tonnes, it would obviously put great pressure on the cost of grain freight for rail. The last thing we want is more grain freight on the roads. We want to keep as much as we possibly can on rail. I would certainly support any endeavour to keep grain freight on the rail system.

Hon Kim Chance: I am meeting with industry representatives and the Minister for Planning and Infrastructure tonight to discuss that matter.

Hon M.J. CRIDDLE: I hope there is enough grain for us not to have to do it. The grain crops from areas close to the coast are very good, but farther inland they fall off very quickly. I hope that enough grain will be produced so that support is not required.

I have spoken about bringing forward capital works programs for the country, such as road infrastructure and water projects. Local people are involved in a number of water projects, constructing pipelines around this State. That is working very well. A local content agreement should be attached to each project, so that local labour can be employed and local machinery and vehicles used. All areas affected by the drought should be declared water deficient; that would allow the Office of Water Regulation to provide emergency public water supplies. From what I can understand, there are some requirements in the south west. Hon Nick Griffiths might well know about them. If there is a hot summer, some of the farmers will be in dire straits as the year progresses because of the lack of water. We may well need to look at the issue if farmers have feed but no water.

Hon N.D. Griffiths: The matter is being monitored in consultation with Hon Kim Chance. The Department of Agriculture is the lead agency for those issues.

Hon M.J. CRIDDLE: As I said, I was relying on Hon Nick Griffiths' being aware of that. Water from standpipes might need to be supplied free of charge to farmers. I am sure Treasury officials would enjoy being involved in funding that community service obligation.

Hon Kim Chance: They are jumping out of their skins.

Hon M.J. CRIDDLE: I know Treasury very well. The Water Corporation should waive some of the annual service fees for unused water meters on farm properties.

The Department of Health and the Department for Community Development should provide health resources to assist with the additional need for professionally trained and qualified counsellors. Everybody knows of the stress on people when drought or any other difficult circumstances strike. That service obviously needs to be maintained. The procedures in the health service should be modified, so that doctors can refer people directly to counsellors rather than their having to go through a bureaucratic third party for approval. Aged care should receive increased resources. Hon Kim Chance has addressed the issue of additional demand for services, such as family and financial counselling. The Department of Education should provide assistance to those families under

pressure to withdraw children from residential colleges, particularly as there are no senior high schools and very few district high schools in country areas. We must make sure that education is available to younger country people, so that they may pursue their education to the highest possible level.

The Commissioner of State Revenue should provide a 100 per cent offset of stamp duty on refinancing arrangements for non-farm and farm businesses. If my memory serves me correctly, that has been looked at. A payroll tax rebate should be provided for small to medium-sized businesses in affected areas. Funding should be provided to increase the focus on small business retention in country Western Australia. Funding should be provided to country-based business enterprise centres in affected areas to allow the speedy organisation of consultants, workshops and advisory services that are targeted at the immediate needs of business retention. Those are some of the issues that the State Government could look at.

Professional people are quite often required to go to country areas. Local government could certainly help communities by providing opportunities to coordinate services and office accommodation. Some tremendous local government facilities are located in country areas. The opportunity to use such accommodation and facilities would be welcomed. Local government could assist in administering local work-for-the-dole projects. If the federal Government could be persuaded to make those payments available, local governments could administer those projects. Local governments should be allowed to borrow to offset budget deficits caused by forfeiture on the collection of rates in drought-affected areas. The interest component of the loan should be funded by the Commonwealth. Local government's requirement to contribute to Agcare funding could be waived and assistance provided through the State Government.

Those are a number of issues that would assist country people. The action plan could be used at any time if we got into a difficult situation, such as we have this year in some areas. Fortunately, the south eastern wheatbelt has had some rain, which will offset the requirements to some extent. It is looking pretty dire in the eastern wheatbelt at present. Some sort of arrangement such as those would be useful.

I also wish to touch on a couple of other issues, one of which is the HMAS *Sydney* memorial in Geraldton.

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