

ADJOURNMENT OF THE HOUSE

Ordinary

HON KIM CHANCE (Agricultural - Leader of the House) [10.14 pm]: I move -

That the House do now adjourn.

Hon Dee Margetts, Suspension of Standing Orders - Adjournment Debate

Hon KIM CHANCE: I will respond to the matter raised by Hon Dee Margetts. The suspension of standing orders motion that altered the effect of Standing Order No 230(c) in respect of the amount of time the matter can be before the committee relates only to the first four Bills second read by the Minister for Racing and Gaming. The fifth Bill second read by the minister and the Agricultural and Veterinary Chemicals (Western Australia) Amendment Bill that I have just second read are subject to the normal conditions imposed by Standing Order No 230(c); that is, they will be required to sit on the Table of the House for 30 days. As a consequence, it is highly unlikely that these Bills will be able to go to the other place to be dealt with by 30 June. That is something of a difficulty for the Government. However, given the heavy workload we are imposing on the Legislation Committee with the first four Bills, it would be unreasonable to load it with that additional responsibility. If the committee can process the last two Bills and return them to this House by 19 June or thereabouts, obviously we will be extremely grateful.

Answers to Questions without Notice - Adjournment Debate

HON M.J. CRIDDLE (Agricultural) [10.16 pm]: I have some comments to make about answers I have received to questions asked in this House.

I refer to an answer from Hon Kim Chance about meetings I held with people from Serpentine-Jarrahdale. The inference in the answer was that I had not met with officers of the Shire of Serpentine-Jarrahdale or the people of that area. I met with those people twice. At one meeting in the shire chambers I had discussions with a planner and members of the community. Admittedly, that meeting did not involve many people, but we had consultations about B-doubles travelling on a particular road and I made it clear that the permits would be renewed. I subsequently met with them in my office in response to another move to withdraw the permits. The attendees at that meeting included members of the shire council, the community, the transport industry and officers of Main Roads WA and my department. I again made it clear that those B-double permits would be renewed. The inference in the answer provided by the minister is that I did not meet those people, and that is totally untrue. The minister has either been misled or there is a problem with the way in which he got that information.

Similarly, today Hon Graham Giffard provided a response about the southern transport corridor to Geraldton. He stated that I had made no provision to fund the rail component of the southern transport corridor and that I did not speak to the people in my electorate. I told the people in that area that the coalition had a funding mechanism in place to provide that rail component of the corridor and that the road funding budget also contained a mechanism to provide the road portion of the project.

Both of those answers are either misleading or a deliberate attempt to denigrate me in the public arena.

Hon Kim Chance: Are those mechanisms detailed in the budget?

Hon M.J. CRIDDLE: It was a government decision to fund the rail portion.

Hon Kim Chance: But it does not show up in the budget.

Hon M.J. CRIDDLE: The road component was in the budget; mention is made of \$34 million.

Hon Kim Chance: But not the rail component.

Hon M.J. CRIDDLE: The Minister for Agriculture also made some comments today about the National Rural Advisory Council decision and the second application, and he stated that it was not an ambit claim. Given what is in the executive summary of the NRAC report, I find it very difficult to understand how the minister came to that conclusion. I quote from the executive summary -

The National Rural Advisory Council (NRAC) has examined the application at the request of the Minister for Agriculture, Fisheries and Forestry, the Hon Warren Truss, MP. In the interest of a prompt assessment and in keeping with the wishes of farming representatives and the WA Government, NRAC did not conduct an inspection tour. However, NRAC has undertaken a thorough assessment of the EC application, which included information provided by the Western Australian Government. In addition, NRAC has utilised expert advice from the Australian Bureau of Agricultural and Resource Economics (ABARE) and the Bureau of Rural Sciences (BRS).

As a consequence of its assessment, NRAC recommends that the proposed extended area in south coast and south eastern wheat belt regions of Western Australia not be declared in Exceptional Circumstances.

NRAC notes that the submission covers a large region, with considerable spatial variation within individual events and considerable variation in production systems and management of production risks.

That sounds as if it was very close to an ambit claim. I continue -

NRAC is sympathetic to the general situation facing some farmers in the proposed extended area, who have practised appropriate risk management strategies. NRAC is aware that there are farmers outside the currently EC declared area who in a difficult financial situation due to seasonal conditions. However, NRAC finds that in aggregate a case does not exist for the proposed extended application area based on the combination of events including drought, frost and wet harvests from 1998 to 2000.

That is very close to an ambit claim. The summary later states -

NRAC notes that whilst the financial trends in the last few years are similar in both the proposed extended EC area and the currently EC declared area, farmers in the proposed extended EC area are overall in a better financial situation than farmers in the EC declared area. Farms in the proposed extended EC area have been more profitable over recent years, have less debt, higher farm equity and a greater debt servicing capacity.

NRAC considers that the Federal Government's *Agriculture - Advancing Australia* package provides a safety net for farmers who are unable to borrow further, in the form of *AAA - Farm Help*.

I hope the minister prepares another application based on the smaller areas in which individual farmers need to be declared as being in an exceptional circumstances area. I know that the criteria make it very difficult for Western Australian areas to win approval. I advise the minister that it would be advantageous for Western Australia if the criteria were changed to better suit Western Australian conditions.

HON KIM CHANCE (Agricultural - Minister for Agriculture) [10.22 pm]: Hon Murray Criddle raised some issues relating to answers he has received on transport matters. I will check to make sure he was provided with accurate answers.

I respond to the issues he raised about the exceptional circumstances application. He quoted from the executive summary of the National Rural Advisory Council report, which summary, as I clearly said in question time, is not justified by the text of the report. The findings of the report are not supported by the text of the report. However, even when the executive summary is taken at face value, the excerpts quoted by Hon Murray Criddle establish that there is as much cause for farmers in the second exceptional circumstances area to be given the opportunity to establish that they meet the guidelines as there is for farmers within the existing exceptional circumstances area.

Hon M.J. Criddle: You're missing the point.

Hon KIM CHANCE: If there is as much reason for farmers in the second exceptional circumstances area -

Hon M.J. Criddle: They don't fit the criteria.

Hon KIM CHANCE: Either there is as much cause or there is none at all. What are the criteria? It has been a source of immense frustration for me. It seems that Hon Murray Criddle and I agree on one important point; that is, that the guidelines were never established to take into account Western Australian conditions.

We are certainly in agreement on that, and the Government is doing something about that at this very minute. However, I must work within the guidelines that exist. That is what I inherited. In going through that inheritance, we found - we are trying to resolve this with federal minister Truss at this moment - a willingness to shift the ground every time we thought we understood where we were going. We were told that in the EC2 area we had to set the guidelines so that 70 per cent of the farmers within the guidelines met the criteria. That was a pretty tough call. I do not know why it was 70 per cent.

Hon M.J. Criddle: Nor do I.

Hon KIM CHANCE: We were then told that it was 50 per cent; and when I complained to Truss that the goalposts kept being moved, he said, "No, you are wrong on both counts; there is no percentage at all." I thought that was interesting, so I went back and read the guidelines, and Truss was right. Truss said there was no percentage; just a significant number - it might be five per cent, 10 per cent or 15 per cent. That is the difficulty. The problem is that we set the guidelines on what we understood to be the qualifying number; that is,

50 per cent qualifying and 50 per cent not qualifying. We thought that was a pretty fair stab at meeting the criteria. Truss now calls it an ambit claim, even though 50 per cent of the people within that area qualify. I make the point very clearly - and I have made it before in this House - that to bring those people inside an EC-defined boundary would be of no benefit to farmers unless they could demonstrate that in their individual case, they qualify. That means two out of three years of negative income; and negative income is defined as costs equalling 85 per cent of income.

The NRAC report discounted 1998, not solely because it did not regard it as a rare and unique event, but because some of those farmers had quite a good year in 1999 but then suffered from a drought in 2000. Therefore, although they qualified on the basis that they had had two years of negative income during the three years 1998 to 2000, those years of negative income were not consecutive. That is what we found in that report. No-one had told us that they must be consecutive years. The guidelines do not say they must be consecutive years. They just say they must have two out of three years of negative income. Every time we have turned around, we have found that the goalposts have been moved. Members wonder why I get a bit frustrated -

Hon M.J. Criddle: I found exactly the same thing in the eastern Gascoyne and also in Esperance -

Hon KIM CHANCE: They kept moving the goalposts.

Hon M.J. Criddle: No, they did not move the goalposts; we just could not fit the guidelines.

Hon KIM CHANCE: We have run into those two instances that I have just detailed, when they told us one thing and then shifted it around because too many Western Australians qualified. That is the rule. The one rule I have found in this business is that if too many Western Australians qualify, they just shift the rules around. It does not matter what is written down. Truss says everyone agreed on this in 1997. Okay, but what did they agree on? I read the guidelines, as Truss suggested I should do. That report does not fit the guidelines. That report dismisses the guidelines. I do not mind being done over like that, because every now and again we have a bad run. However, Truss says it was an ambit claim. It was not an ambit claim. If we had put five per cent of qualifying farmers in an area, I would call that an ambit claim. If we had put 20 per cent of farmers in an area, I might call that an ambit claim, although that is a bit tough on those 20 per cent of farmers; it is one in five. However, 50 per cent of the farmers inside those lines we drew qualified.

Members should look again at map 8 of our most recent submission, which colour-codes areas according to the highest degree of negative income effect in the years 1998 to 2000 compared with the previous decade. In a scale of eight colours, three areas rate in the second highest range of negativity. All of them are in that northern group, which is excluded. They will not even be included in the four areas on which we are about to make a separate submission.

Hon M.J. Criddle: You can go back to the east Gascoyne region in 1994 and compare figures. You will find they were in as tough a situation as anyone has ever been in.

Hon KIM CHANCE: Hon Murray Criddle is right. I was in the east Gascoyne at the same time, and I know the member and his committee did a great job there. The member was treated shamefully, as were those pastoralists.

The DEPUTY PRESIDENT (Hon George Cash): Would the Leader of the House address the Chair. I thought he was winding up.

Hon KIM CHANCE: I will shortly.

It is useful for me to tell members that, in consideration of what we have looked at over the past three or four days, we have decided to make another submission based on those four segmented areas. I intend, as a result of an invitation from Hon Warren Truss, the federal Minister for Agriculture, Fisheries and Forestry, to cover the whole exceptional circumstances 2 area again. We will draw lines around every farm within the EC2 boundaries that qualifies, so that we turn out a proposition which is 100 per cent complying. It will be a massive job

Hon M.J. Criddle: You do not have much time.

Hon KIM CHANCE: We do not, but if this is what we have to do, we will do it. I want to make sure that every farmer who can qualify under these guidelines has the right to prove that they qualify. That can include farmers in the mid west. Eventually, every farm that can prove it qualifies will go on that map. It will take a long time; however, every farmer who qualifies as a result of that will be able to go to the National Rural Advisory Council and ask it to prove that they do not qualify. I will be interested to see what Warren Truss's response to that will be. If anyone comes back after that process and says that it is an ambit claim, I will be really unhappy.

Question put and passed.

House adjourned at 10.32 pm

