

BOB KATTER

Katter's Australian Party

Federal Member for Kennedy



LETTER TO THE EDITOR

29 October 2018

Australia should not be at the mercy of drought

Dear Editor,

Last week I attended the National Drought Summit in Canberra at the invitation of the Prime Minister.

It astounds me that they hold these 'showcase' events to 'solve' the drought, when the answers are staring at them in the face, are simple, cheap and for forever.

For 105 years in Australia, drought and similar calamities (e.g. market collapse) were dealt with by debt reconstruction. It is very simple.

1. The Government borrows money at normally half the commercial interest rates – currently 3%
2. The Government purchases the bank's 'bad debt' and the mortgage "at a discounted price" – this becomes a tax write-off
3. The Government Reconstruction Fund does not require repayments until the drought ceases and the market recovers.

So where a farmer might be \$115,000 a year on the repayments for a \$1 million loan (about 5% interest), under 'Rural Reconstruction', they would be paying \$25,000 a year.

Secondly, if Nth Qld were its own country, we would be the wettest country on earth. Imagine a straight line drawn on the map of Australia from Tennant Creek, through Mount Isa to Townsville. Well every river and creek above that line floods each year.

If we are able to harness some of that water and use it for micro-irrigation projects such as that proposed under the HIPCo scheme (which provides a template for 15 other irrigation projects around Nth Qld), then we can grow grass and fatten Ox all year round.

Together, these solutions will ensure that the farmer survives, the breed herd stays intact year round, the industry remains enriched and when the market or drought finishes, and the farmer goes up onto commercial rates, the Government makes money.

It's a no-brainer.

God bless,

Hon Bob Katter

Federal Member for Kennedy

—ENDS—

(270 words)

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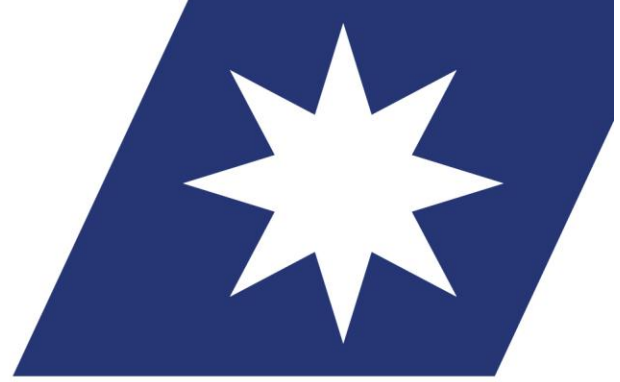
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