

ROBBIE KATTER

Member for Traeger



MEDIA RELEASE

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KAP UNVEILS LARGELY COST-FREE DROUGHT SOLUTIONS

A Rural Development Bank would be immediately established to rescue usually good-performing producers who have been ravaged by both drought and the traditional banking sector, under a plan released by Katter's Australian Party (KAP) in Townsville today.

The Rural Development Bank is the cornerstone of the KAP's new 10 Point Drought Policy, however the plan includes a raft of other drought solution measures that would be of little to no cost to governments.

Cost-free solutions including giving producers access to Mulga fodder to feed starving cattle, opening up government-owned land to grazing and re-directing water flows to farmers in dry times are also part of the policy.

The KAP has also called for an immediate moratorium on farm sales during the drought, in cases where the owner does not want to lose his land, as well as assistance for producers whose children need to attend boarding school and further reviews of the federal Farm Household Allowance.

Currently 66 per cent of Queensland and, shockingly, around 95 per cent of New South Wales is drought-declared.

State KAP Leader and Traeger MP said the KAP has focused largely on policies that would be of little financial imposition to taxpayers.

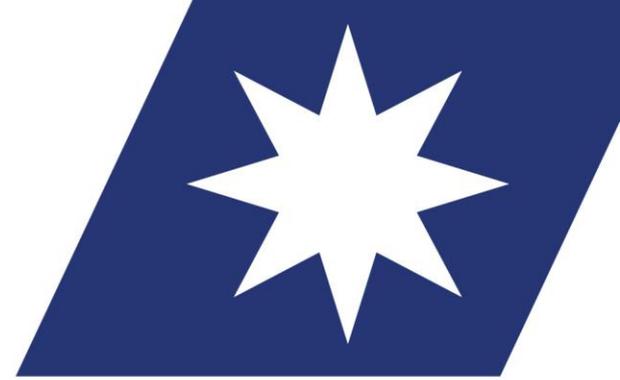
He said urgent action was required by governments at all levels to ensure the current drought did not permanently impact on the nation's agricultural sector.

"The current drought and its legacy is likely to destabilise the make-up of our agricultural industry if the appropriate action is not made swiftly from government," Mr Katter said.

"Primary production in this country relies on seasonal variations and also on the communities based around it, unlike normal commercial industries it isn't fluid, it's very fragile and therefore governments must take a longer term view in assistance.

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"If we lose these primary production businesses and then later they are reconfigured under a corporate model, then that is a terrible outcome for consumers, the economy and also the social fabrics of these rural towns.

"This means under the current dire circumstances a much greater response is required than is currently on offer.

"Some of the existing assistance is welcome and simply requires enhancing, however our recommendations provide the foundation for fundamental directional change that is much needed."

KAP's 10 Point Drought Policy

1. Establishment of a Government Reconstruction Board or Rural Development Bank

Immediately establish a government-backed lending facility to those primary producers that can prove they are a viable and competent business under normal circumstances. This is under conditions whereby these same producers do not fit into traditional lending criteria and are therefore penalised with high interest rates and cash inputs.

NB: This will ensure that farming families that are vital to both the social fabric of towns and the industry itself are not lost in favour of foreign corporations or large institutional owners. This solution has the ability to actually make money for the taxpayer rather than costing them. Existing loan facilities offered by the government are useless to most people that need them.

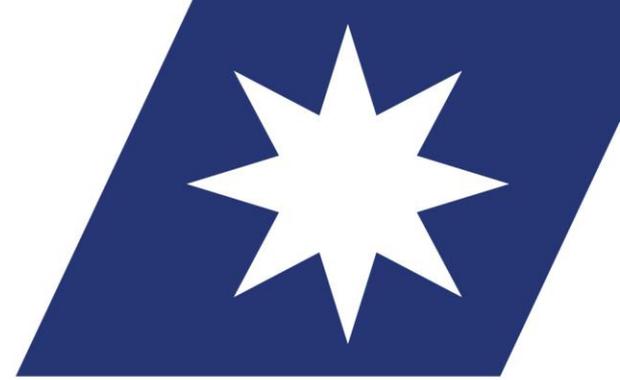
2. Immediate moratorium on farm sales during the drought

This should be imposed on banks for remainder of the drought, for situations where the producer is unwilling to sell.

NB: In the absence of a Reconstruction Board, many producers have been forced into untenable positions with the banks and forced sales have the ability to destabilise property values and thus risk an asset deflation cycle. This can have a contagion effect over regions and, in some cases, is against the interest of the banks but they can be forced in order to comply with the industry banking standards.

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3. Emergency access to Mulga fodder resources

State Government to immediately provide drought-declared properties in the Mulga lands approval for harvesting their Mulga for use as fodder to retain existing herds for the remainder of this drought.

NB: There is a free source of fodder immediately recognisable in the Mulga lands that regenerates fast and can help producers not only through this drought but enables them to start again once it breaks. Moreover, this was an asset purchased by most farmers down here. This is another solution that is completely cost-free to the taxpayer.

4. Emergency grazing access to government-owned lands, including National Parks, and Defence lands

Both levels of government to immediately audit inventory of larger tracts of government-owned land and offer grazing terms to producers within the region for the period of the drought.

NB: This is not a new initiative, already performed in the previous drought in Queensland. At this time the National Parks were going to burn precious grass fodder on ex-grazing properties adjacent to desperate producers who were seeking to access that same feed. Controlled grazing of some of these areas can have a similar effect to the burning. This has also been effectively applied to large tracts of Defence land. This is another cost-free solution for the taxpayer.

5. Give water to farmers before environment

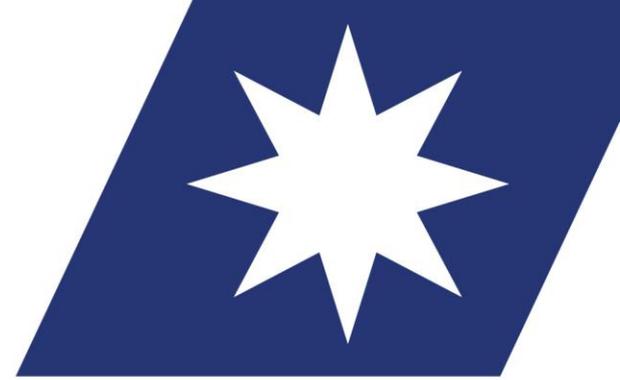
Government to declare, under emergency drought conditions, that all commitments to environmental flows be suspended in favour of supply to farmers.

NB: The science around the environmental flows is driven by politics and for the drought period only, there is no risk of any damage to river systems. This will be of no cost to the taxpayer.

6. Farm Household Allowance (7 years out of 10) maintained until 12 months post-drought

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This Federal assistance needs to continue to be available 12 months after the revocation of a region's drought declaration. Further it needs to be reviewed and commensurate with rising holding costs of property in terms of council rates, power and land rent/tax.

NB: This is essential not only to giving some producers support and hope but also keeps some money still circulating in the towns of these rural areas.

7. Review the accessibility and management of drought assistance programs

Many producers, by virtue of their business's operational structure, are ineligible for assistance due to rigid criteria. Examples of this include some smaller operators that work for off-farm income or those that have agistment cattle or leases. The inefficiencies in the current assistance offered need to be reviewed, and where necessary, rectified by governments.

8. Drought that lasts longer than two years are to be declared natural disasters

Droughts can have just as big an impact on regions, communities and individuals as flood damage but does not get the same recognition in terms of assistance – this needs to be acknowledged and rectified.

9. Emergency assistance for Education Costs

Many families during the period of a drought have to make difficult decisions with regards to children's education where their only option is boarding school. There should be short-term financial assistance made available to the state to ensure children's educational opportunities are not affected by drought.

10. Governments to facilitate uptake of Multi-Peril Insurance Scheme

Long-term assistance measure that requires backing by the government to establish and then will represent an industry-funded drought assistance measure into the future. Farmers will in the future then be able to insure against production losses.

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