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## **NSW Drought Crisis Summit**

**Address by NFF President, Mr Peter Corish**

**Parkes, NSW**

**Tuesday, 17 May 2005**

- Thank you for the opportunity to speak at this important forum today and can I firstly commend Mal Peters and the NSW Farmers Association Council and staff for convening this event.
- This NSW summit will send an important message to politicians, policy makers and all Australians, that many areas of rural Australia remains under the grips of severe and unrelenting drought, and that if breaking rains do not come in the next month, things may reach a crisis point.
- The issue of ongoing drought is not just an issue for farmers, but for all Australians and the national economy.

### **NSW Farmers' Association involvement in NFF's drought policy development**

- NSWFA has been a strong supporter of NFF and has made a major contribution to NFF's Policy on National Drought Policy Reform.
- We have also shared frustration over the lack of progress by governments in resolving this critical issue.
- As NSWFA members, you are all NFF members and we are proud to take forward issues on your behalf at the national level.

### **Seasonal Outlook**

- As we have heard already this morning, things are clearly on a knives-edge across the majority of South-Eastern Australia.

- With the window for planting crops in many regions rapidly closing, and cooling soil conditions having a marked impact on autumn pasture growth, the fate of the majority of farmers in many regions Australia is dependent of decent autumn rains in the next 2-3 weeks.
- It is a similar story in other parts of Australia, with continuing drought affecting many areas of Queensland, much of Victoria and the Northern Territory.
- The continuing drought conditions are not only a NSW problem, but a national problem and on this basis I welcome the opportunity to provide an NFF perspective here today.
- Although last week's Federal Budget failed to acknowledge the potential impact of continuing drought on the national economy, the concerns expressed by the Deputy Prime Minister over the weekend, that ongoing drought may have the potential to knock 1 per cent off Australia's GDP for 2005-06, are in no way overstated.

### **The urgent and pressing need for National Drought Policy Reform**

- Clearly the situation we currently face across South-Eastern Australia can only be described as an exceptional circumstance, and given this it is now time for governments to recognise this severity and to deliver policies that truly assist farmers in overcoming the challenges of managing severe drought.
- NFF recognises that the Federal Government has delivered more than \$650 million in Exceptional Circumstances (EC) assistance to farmers over the last three years, and that this assistance has helped those farm businesses able to meet the eligibility criteria.
- NFF also recognises that commitment of some State Governments, including the NSW Government in providing meaningful drought assistance measures over recent years.
- While the general willingness of governments to provide drought assistance has been welcomed, in the many cases, restrictive eligibility criteria, unnecessary and complex declaration systems and discriminatory support measures, have hampered the delivery of these programs, resulting in more dollars finishing in bureaucracies, rather than farmers' pockets.
- The impact of these restrictive criteria was reflected in last week's Federal Budget, where despite a worsening seasonal outlook, the Federal Government reduced its forecast EC expenditure as a consequence of '*lower than expected demand*','
- From NFF's perspective the revised Budget forecast is no a case of reduced demand, but a direct reflection of the inability of farmer to access this much-needed assistance.
- EC is designed to support those farmers who have a prospect of long-term profitability and sustainability, to manage through, and recover from the short-term pressures of severe drought.

- Disappointingly, many of farmers who fall into this category and are genuinely suffering at the hand of this severe drought, continue to miss out on support under the current EC system;
- The problems with EC are widely recognised and clear options for EC reform are on the table, however despite drought dominating discussions at the **last eight Primary Industries Ministerial Council (PIMC) meetings**, there are few signs of Ministers willingness to put their differences aside and agree on the fundamental reforms required to deliver an effective National Drought Policy in this country.
- In the face of this dire seasonal outlook, ministers appear comfortable to continue to preside over an EC system that is failing to meet its policy objectives and in turn failing many Australian farmers.
- As late as last week, the Federal Government reaffirmed its view that any reforms to address the shortcomings of the EC system will only apply in future droughts.
- Unfortunately Minister (Truss), this longer-term approach does not address the problems and concerns that have motivated **1000** (*to be confirmed on the day*) farmers to attend this Drought Summit today.
- During today's Summit we will no doubt hear a range of perspectives on how governments can better assist farmers facing continuing drought, however I remain convinced the best thing the Federal Government could do is to take decisive action and assume full responsibility for EC system and immediately implement necessary drought reforms.
- The Federal Government's own six-point drought reform plan provides a basic blueprint on the way forward, and it is now time for Federal leadership in taking full responsibility for the EC system, and bedding down critical and immediate EC reforms once and for all.
- While Federal leadership is required to deliver meaningful EC reform now, NFF remains adamant that State Governments should not be let off the hook when it comes to their drought responsibilities.
- In this regard, NFF urges the Federal Government to consider alternate mechanisms to lock in future State Government commitments towards other meaningful elements of National Drought Policy.

## Conclusions

- Thank you for the opportunity to share an NFF perspective today.
- In considering a way forward from the Summit, it is critical that we develop strategies and assistance measures that provide meaningful support to all farmers facing continuing drought conditions across all industries and all regions.
- In my view, genuine, meaningful and immediate reforms to Australia's EC arrangements will offer us the best chance of meeting this goal.