

SE News
HD **Debt impasse set to continue**

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STRUGGLING grazing communities Australia-wide are set to remain in a limbo between opposing philosophies after the rural debt crisis summit in Winton last Friday.

One the one hand, federal Agricultural Minister Barnaby Joyce delivered a message of hope, predicated on rain and government policies to open up avenues to make money.

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On the other, Katter's Australian Party leader Bob Katter and his son Rob, the state member for Mount Isa, warned of looming structural economic collapse of whole communities unless an Australian reconstruction development **board** was put in place.

People came from as far away as Western Australia's grain region and representing the Australian Cane Farmers Association from the Burdekin to join the 220-strong crowd filling the Winton Shire Hall some to call attention to what they saw as deliberate moves by banks to secure land for their own purposes, and others to ensure the urban media spotlight shone more deeply on the plight of droughted communities.

They included Cate Stuart, whose forced departure from Mt Morris Station at Charleville has already been headline news, and who was facing up to watching the **property** being **sold** this Wednesday.

Radio presenter Alan Jones received a rousing reception when he called on the audience to "put their shoulders square and fight", and promised to deliver the message of desperation from the bush to the people in the cities and the politicians in Canberra.

While acknowledging that people were "doing it tough", Mr Joyce told attendees "not to scare the horses" with talk of agricultural collapse.

He reiterated figures released from research he had commissioned ABARES to undertake, showing that of 1258 bank clients in the northern Queensland region, 43 were more than 90 days in arrears and 28 of those were in mediation.

In north-west NSW, seven people were in mediation out of 630 bank clients, and 25 were more than 90 days in arrears with payments.

These were increases of 3.4 and 4 per cent, but Mr Joyce said negative talk would only reduce **property** values.

"I want people to be able to look forward to a good future," he said.

"The signs for beef prices aren't signs of collapse.

"The things government has been doing turning around the live cattle game, signing free trade agreements, getting cattle export protocols to **China** signed these are the things that will bring real dollars back."

He flatly turned down the meeting's call for an Australian reconstruction development **board** (ARDB), saying he had "Buckley's chance" of getting it through cabinet, and asking what it would achieve that was not already offered by government assistance.

"Our policies are forcing the banks to reduce their rates you'd have to agree that's a good thing."

Under further questioning, Mr Joyce added that the realities of the political system meant he could not act by himself to get things done.

However, Rob Katter has since described the government's concessional loans as "using a peashooter to attack a monster", and has called on Mr Joyce to cross the floor of parliament if necessary to support the ARDB proposal.

"He didn't comment on its virtues; instead he told everyone going broke his party job is more important than them," Mr Katter said.

"I'd like to see a bigger issue for a federal agriculture minister than the crisis we're facing if he doesn't support this idea, he's not having a real go."

Mr Katter said talk of good times ahead was pointless to communities such as Julia Creek or Richmond, where people had hardly any cattle left to take advantage of expected demand, and no more capacity to borrow to **buy** any.

"There's just no connection between what Barnaby is saying and what you see on the ground here.

"He must acknowledge the enormous scale of the problem and that it needs a different approach."

Mr Katter added that the reconstruction **board** proposal had been specifically designed to be politically palatable and would stand up to scrutiny.

He was backed up by QUT Business School senior lecturer Dr Mark McGovern, who told the summit there was an underlying malaise in the rural economy that was threatening to needlessly force producers off the land, and if allowed to continue, risked making agriculture an unsustainable industry for Australians.

The resolution to call on the Senate Economics Legislation Committee to proceed in its inquiry into the Reserve Bank of Australia Amendment (ARDB) Bill as a matter of urgency was easily passed, although some in the audience had reservations.

AgForce president Grant Maudsley believed the reconstruction **board** idea was worthy of more investigation, but questioned the call for a moratorium on banks foreclosing. He said it was easy to whip up a storm, but not easy to find a solution that did not have other impacts.

"A moratorium on foreclosures would just force the banks to charge higher interest on other clients."

Flinders Shire Council Deputy Mayor Ninian Stewart-Moore was another supporter of the ARDB, saying it would be a non-**commercial** source of funding and would give people confidence that record profits would not go out one side.

"It takes the emotion out of it all," he said.

Gulf Cattlemen's Association head Barry Hughes said he did not believe either the ARDB proposal or the call for a moratorium on foreclosures were the answer.

"**Commercial** reality will prevent those things from happening," he said.

Both he and fellow cattleman Rob Atkinson questioned Mr Joyce's claim that average equity in the worst droughted areas still remained at 80pc.

"I don't think that's right not from what I'm hearing," Mr Atkinson said. "I also think Barnaby has to be very careful quoting June 30 figures.

"A lot has happened since then people won't make interest payments and things will very quickly spiral."

Both men said the description of people's financial situations as a crisis was "spot on".

"This is a very serious situation," Mr Atkinson said.

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