

QUESTION TIME:

- THURSDAY 18TH JULY 2015

DROUGHT CONCESSIONAL LOANS

Mr PEDERICK (Hammond) (14:29): My question is to the Minister for Agriculture, Food and Fisheries. How many South Australian farmers have had a drought concessional loan approved? In Victoria, 90 per cent of assessed applications for drought concessional loans to date have been approved.

The Hon. L.W.K. BIGNELL (Mawson—Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Tourism, Minister for Recreation and Sport, Minister for Racing) (14:29): This was a matter that was raised at the ministerial forum just a few weeks ago in Sydney with the federal Minister for Agriculture, Barnaby Joyce, and other state and territory ministers who all share the concern that probably not enough people in any of the states are getting the sort of loans through that are being offered. There are a number of different reasons for that.

We are looking at other states and territories to see if there is anything that's being done differently here than in the other states. At this stage, it doesn't appear so, although Victoria does do one part of the process before a second stage, which is in reverse to what we and the other states and territories do.

We want as many people to get that funding as possible and so does the federal minister, so he is having his department have a look. It's the federal government that provides the money, it's the federal government that sets the rules of handing out that money, and it's up to the individual states and territories to administer that.

Minister Joyce and myself are keen to make sure that as many farmers as possible can get that money, but what we also know is that one of the things that you have to be able to do is prove that you have a business case where that money can be repaid, which involves you going to your banks. In many instances, we understand that, when the banks sit down with the farmers, they say, 'We can actually match the conditions and the interest rates that are being offered in the government concessional loan.' So, in many cases, people don't go on with their application, and they accept a deal put to them by their banks.

The banks are happy because they get to keep a farm customer, and the farmers are happy because they are getting exactly the same deal that would have been offered by the concessional loan scheme for the assistance. I think we are seeing some people who aren't entering into the drought loan assistance scheme because they are actually staying with their banks who are matching the deal that we put on offer.

The SPEAKER: A supplementary, member for Hammond.

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Mr PEDERICK (Hammond) (14:31): Are people getting frustrated with the government, minister, because there are stricter criteria and more forms to fill out for South Australian farmers to apply for this funding than for interstate farmers?

The Hon. L.W.K. BIGNELL (Mawson—Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Tourism, Minister for Recreation and Sport, Minister for Racing) (14:31): Thank you again to the member for Hammond for the question. There might be frustrations with the forms, but it's the same forms that you have to fill out in every state. As I mentioned before, in Victoria, you have to go and do your business case after you have been given the tick by the government. Here, you have to do that beforehand, so I guess there is some more work to be done before you go through the approvals process as set out by the federal government and as administered by the state government.

Mr Pederick: Sounds like a different process.

The Hon. L.W.K. BIGNELL: Slightly different. As I said in my first answer, every other state and territory, as South Australia does, puts that part of the process first; in Victoria, they put it second. Does that have an influence on how many people get the loans? I don't think it does. I have looked at the percentage of people who have applied for these loans and how many people have got them in each state and territory, and it seems to me that we are on around the average when you work out the number of applications we have had compared to the number of applications that have been approved.

The SPEAKER: A supplementary, member for Hammond

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Mr PEDERICK (Hammond) (14:33): Can the minister confirm that the criteria are quite different from the other states and that people who apply for this funding program have only 12 days to apply?

The Hon. L.W.K. BIGNELL (Mawson—Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Tourism, Minister for Recreation and Sport, Minister for Racing) (14:33): I haven't heard that 12-day figure before, but I am happy to look into it.

Ms Chapman interjecting:

The Hon. L.W.K. BIGNELL: I think the scheme was extended by the federal government through until the end of June, so these loans have been out there—

Members interjecting:

The Hon. L.W.K. BIGNELL: These loans have been out there for a number of months now. The federal government is the government that has extended it out to 30 June so—

Mr Knoll interjecting:

The Hon. L.W.K. BIGNELL: Okay. I don't think any farmer in this state who is in duress is getting anywhere by us sitting in here, arguing the point. What I have been saying—

Mr Pederick: They are not getting anywhere.

The Hon. L.W.K. BIGNELL: Well, we are helping them, but we have to do it in conjunction with the federal government. The federal minister and I have a very good working relationship and we are working on it. As I said, it's a situation that every state and territory finds itself in. The federal minister wants to put more money out there, and we all want to put more money in there. The federal minister assured us a few weeks ago in Sydney at our ministerial forum that he will get his officers to go through and have a review and see what needs to be tweaked. We all want to get more money out there, and I think—

Ms Chapman: Victoria is doing it pretty well.

The Hon. L.W.K. BIGNELL: It is not doing it any better than South Australia is. We are hearing the same thing from all of the states and territories who are around the table. I was at the forum and every minister said that they would like to get more money out to the people in their states and territories, so the federal government is having a look at the process of how these approvals are being handled at this stage. We are quite happy. We are having a look at it from a state level to see if there is any way we can improve it as well.

We know that people have an issue and we are trying to get to the bottom of it to see if we can make it any better, but it is federally funded. The rules about who gets the money and how they get the money are set

out by the federal government and then we administer that. We cannot go and give out money that is not in compliance with the rules that the federal government have given us or we, as a state, are then liable to pay that money back to the federal government, and that is not something that we want to do with the scarce resources and taxpayer money that we have in our state. We want to help every possible farmer we can, but we have to do it in the proper way.

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Mr PEDERICK (Hammond) (14:35): Supplementary: with the minister's answer that South Australian farmers actually have to make a business case and do a lot more work to get approved for this funding, will he give them three months extra to apply to the federal government for this funding? If the federal funding is not allocated, will the minister be required to pay that back to the federal Treasury?

The Hon. L.W.K. BIGNELL (Mawson—Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Tourism, Minister for Recreation and Sport, Minister for Racing) (14:36): I thank the member for Hammond. You have actually misquoted me. I did not say there was more work and more forms to be filled out by South Australians. At some stage, whether you are in Victoria or South Australia, to get these federal funds you have to prove your business case. You have to be able to convince the people who are handing out the money, which is the federal government, that you have the capability of paying back the money. One thing that Minister Joyce has made clear is that, if people do not have the capacity to pay back a loan, then it is not a loan, it is a handout, and he is not interested in giving out handouts.

As I said, we are working on this issue with the federal government. They are taking a look at the scheme at a national level. We are taking a look at it at a state level and we welcome any contributions that you can make in feeding in some background about people who may have missed out because we want to get them the money. Minister Joyce wants to give them the money, so if you have any details at all, I encourage anyone over there—

Mr Pederick interjecting:

The Hon. L.W.K. BIGNELL: I would like to get—

Mr Pederick interjecting:

The Hon. L.W.K. BIGNELL: It is not our money. We are just administering the scheme.

Mr Pederick: No, it's unused federal money.

The Hon. L.W.K. BIGNELL: We do not get the money. We administer the scheme. It is federal money that then goes to the farmers. If anyone over there has any examples of people—

Ms Chapman: Ring up Victoria and get it right.

The Hon. L.W.K. BIGNELL: Mr Speaker, can I please ask you to stop the deputy leader from interrupting. This is a serious matter that deserves more than the interjections of the opposition.

The SPEAKER: I call the deputy leader to order.

The Hon. L.W.K. BIGNELL: Thank you very much for your protection because this is a really important issue. What I am asking is for anyone on that side of the house who can bring me examples of farmers who have applied and who have missed out—I would love for us to be able to case manage each of those. We want to get the money out there. Minister Joyce wants to get the money out there. This is a serious issue for South Australians, but we are not going to solve it and we are not going to help a single farmer by playing politics with it in here.