

Drought crisis forces political change

Following decades of disastrous agricultural policies under successive Coalition and Labor governments, the crisis in rural Australia can no longer be ignored. New political alliances and divisions are in the making, such as Bob Katter MP and Senator Pauline Hanson's "drought tour" this week. Or the Queensland Liberal National Party's call to build the "New Bradfield Scheme", in the face of opposition from Federal Water Minister David Littleproud. Queensland Labor Premier Annastacia Palaszczuk is considering "a smaller version of the Bradfield Scheme".

The Nationals, traditionally the farmers' political representatives, have clearly failed rural Australia. They are now forced to at least consider policies that should have been obvious decades ago. The Bradfield Scheme, for example, has been on the table for 80 years, yet only now is the LNP calling for its construction. The Citizens Electoral Council (CEC) and Bob Katter have been demanding the Bradfield Scheme be built since at least the 1990s. Year after year Queensland floodwaters have flushed out to the Pacific Ocean and now it's finally dawning, on at least some politicians, that much of this water should be diverted to water inland Australia.

Real political solutions are starting to fill the vacuum. On 16 October Sen. Hanson introduced the Protecting Australian Dairy Bill 2019, which would institute a floor price for milk. This would in effect be a foot in the door for parity pricing for all agricultural products, a policy which the CEC has long championed. Hanson's bill amends the *Competition and Consumer Act 2010* to mandate the Australian Competition and Consumer Commission (ACCC) determine a fair base price for milk, taking into account milk production and sales costs; the long-term food security of Australia; the commercial viability of dairy farms, including small farms, in all States and Territories; and the commercial viability of milk processors in all States and Territories. Processors must not acquire milk for less than base price.

It's ironic that Hanson's dairy bill tasks the ACCC with determining a fair milk price, given the ACCC was established under National Competition Policy reforms that were directed top-down by the City of London banking establishment to smash the viability of family farms and other small and medium-sized businesses. Macquarie Bank, formerly a subsidiary of London's Hill Samuel Bank, ran the coup. Macquarie executive Fred Hilmer wrote the 1993 Hilmer Report which spelt out the principles by which so-called "competition" would be the excuse to root out and destroy every form of regulation and protection that supported small business and local production in key industries, and expose them to being taken over or simply flattened by large national and multinational corporations. Former Macquarie executive Graeme Samuel ran the National Competition Council, and later the ACCC. Samuel is notorious for once endorsing insider trading, on the grounds that it would make "markets" more efficient.

The National Farmers' Federation (NFF), which was always in league with financial interests, only represents big agribusiness. The NFF has always promoted "competition policy", so it's no surprise that it issued a 15 October statement hysterically opposing any dairy industry re-regulation. "Market intervention and regulation could potentially undermine global competitiveness", NFF President Fiona Simson wailed.

Talkback radio presenter Alan Jones, although usually cosy with the Liberal Party, took Prime Minister Scott Morrison to task on the drought crisis. "The Prime Minister today on radio with me has disappointed millions of Australians", he said on Sky News on 15 October. "I begged him to provide fodder, water and freight so farmers wouldn't have to send their breeding stock to slaughter. He just didn't understand. ... The Morrison government tonight has a massive political crisis on its hands. It can be solved, but it'd want to be solved in a hurry otherwise the political fallout will be terminal."

The Morrison government has yielded somewhat in easing restrictions on access to the Farm Household Allowance. Farmers will get an extra payment if their four years of FHA ends before 1 July 2020. Single farmers will get \$7,500 and couples will get \$6,500 each. But this is just a band-aid that won't save the long-term viability of agriculture. Only one long-term vision—infrastructure and a National Bank to fund it—will work.

Pauline Hanson and Bob Katter have put their past differences aside to fight for battling farmers in Queensland. Their four-day "drought tour" beginning 4 November is showing up the establishment parties, which merely engage in political stunts for photo opportunities, while Hanson and Katter genuinely want to address the farm crisis—Katter broke with the National Party over dairy market deregulation in 2000. There's a recent precedent for Katter and Hanson working together: at different times in the last two years both have introduced the CEC's Glass-Steagall Separation of Banks bill into Parliament. The two of them collaborating on policies to address the crisis in Australia's industries and financial system will help to smash the weakening neoliberal consensus that drove Australia into this mess.

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