



from the

# PRESIDENT'S DESK



**Q.** When is insurance not really insurance?

**A.** When taxpayers have to pay the premiums.

I have been concerned that the emotional campaign for the introduction of Multi-Peril Crop Insurance subsidised by government as a solution to our present drought has been misleading as well as generating false hope.

Insurance is defined as the equitable transfer of the risk of a loss from one entity to another, in exchange for payment. By its very definition, insurance must be voluntary.

The advocates of an all-contingency, government-backed insurance product are really asking for a disguised subsidy. They want to shift the risk of losses onto someone else ... preferably the unsuspecting taxpayer.

Australia was founded by producers willing to take risks and solve problems – without a Government safety net. Yes, this year's drought is bad. But perhaps we should use these tough times to get back to our roots. How can we change what we do so that our own "insurance" funds support us in the next downturn, or so that we decrease risk in our businesses?

The PGA has a few ideas. Visit our website to download a copy of "Could Self-Insurance Be the Answer?" or email [pga@pgaofwa.org.au](mailto:pga@pgaofwa.org.au) or contact the office on 08 9479 4599 to arrange for a copy to be sent to you.

*Rob Gillam*

THE PGA REPRESENTS THE INTERESTS OF FARMERS AND PASTORALISTS FROM ALL AGRICULTURAL AREAS OF WA, FROM ESPERANCE TO THE KIMBERLEY. PGA MEMBERS ARE MAJOR PRODUCERS OF AGRICULTURAL EXPORT COMMODITIES – INCLUDING GRAIN, BEEF, SHEEP AND WOOL – AND BELIEVE IN FREE TRADE, OPEN MARKETS, PROPERTY RIGHTS AND PRIVATE ENTERPRISE.

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