**RURAL INDUSTRY ADJUSTMENT AND DEVELOPMENT BILL 1985**

**Legislative Council, 8 May 1985, pages 3961-2**

Second reading

The Hon. FRANK BLEVINS (Minister of Agriculture) obtained leave and introduced a Bill for an Act to establish the Rural Industry Adjustment and Development Fund; to amend the Rural Industry Assistance (Special Provisions) Act, 1971; and the Rural Industry Assistance Act, 1977; and for other purposes. Read a first time.

The Hon. FRANK BLEVINS: I move:

That this Bill be now read a second time.

In introducing this Bill to establish the Rural Industry Adjustment and Development Act the Government is again demonstrating its commitment to agriculture in South Australia. The Bill amends the Rural Industry Assistance (Special Provisions) Act, 1971, and the Rural Industry Adjustment Act, 1977, to allow for the establishment of the Rural Adjustment and Development Fund. These Acts have provided for the administration of Commonwealth and State funds to assist agriculture through loan and grant schemes since 1971 provided through Commonwealth-State rural assistance and adjustment agreements.

Operation of the schemes has resulted in the accumulation of State funds. The use by the State of these funds is severely restricted by conditions determined in Commonwealth-States agreements. The intention of the new Act is to allow State funds to be transferred to a rural adjustment and development fund. The use of this fund will be determined by the South Australian Government and represents the introduction of a State funded assistance scheme for agriculture. Amendments to existing legislation will allow for the transfer of State funds and the necessary amendments are provided for in the First and Second Schedules of the Bill.

It is intended to use the new fund for the following purposes. Loans to primary producers who are in need of Government assistance and who have good prospects for long term viability after being assisted. This general assistance is similar to that provided from the existing Rural Adjustment Scheme but with greater emphasis on assistance for specific industries and regions as the need for structural adjustment and redevelopment becomes necessary. It is anticipated that the need for assistance will persist with a continuing cost/price squeeze, including market pressures, forcing farmers to increase efficiency by the introduction of new technology, equipment and systems. These changes to farm operations often require a level of investment which cannot always be obtained from commercial credit sources. This type of assistance is intended to stimulate redevelopment in particular industries and regions which will both encourage individuals and benefit the South Australian economy. These arrangements will complement provisions of a new Commonwealth-States rural adjustment agreement which will be introduced on 1 July 1985. Funds will be provided under this agreement to assist farmers throughout the State without specific emphasis on industry or regional problems.

It is intended that the Minister of Agriculture allocate funds to assistance schemes from the Rural Industry Adjustment and Development Fund after receiving recommendations from a consultative committee. The committee will include members who encompass a range of rural expertise and will have representation from the United Farmers and Stockowners of South Australia Inc. and from the Department of Agriculture. As well as loans, the new Act will also allow funds to be used to finance projects which have the potential to provide direction for regional industry adjustment and redevelopment. This may include assistance to farmers who wish to develop new crops or farming systems, and projects with potential to assist adjustment and development in an industry or region.

The Rural Assistance Branch will be responsible for administering the new Act and moneys provided through the new Commonwealth/States rural adjustment agreement. It is intended that moneys from the new fund be used to meet annual administration costs for the branch. This pro vision will provide savings in the State Budget and as a consequence it will be possible to introduce important, State funded, new initiatives in the Department of Agriculture. These new initiatives will increase services to primary producers on Eyre Peninsula and in the Northern Region, increase State efforts in irrigation and salinity research on the Murray River, increase input into water use technology throughout the State, and commit funds to horticultural marketing development. These initiatives have high priority and have been selected according to their ability to increase farm returns significantly, with subsequent benefits to the South Australian economy.

In summary, the Bill recognises that agriculture remains a major influence on the South Australian economy. The main objective is to establish a State scheme which will assist farmers and rural industries in overcoming adjustment and development problems which will continue to arise in the future. Such adjustment and development assistance will facilitate the continuing economic contribution of rural industries to South Australia's economic future. I seek leave to have the detailed explanation of the clauses inserted in Hansard without my reading it.

Leave granted.