**RURAL INDUSTRY ASSISTANCE (SPECIAL PROVISIONS) BILL 1971**

**Legislative Assembly, 6 April 1971, pages 4777-88**

Second reading

His Excellency the Governor, by message, recommended to the House of Assembly the appropriation of such amounts of money as might be required for the purposes mentioned in the Bill.

**The Hon. J. D. CORCORAN (Minister of Works)** obtained leave and introduced a Bill for an Act to make special provision for carrying out and giving effect to an agreement for a scheme of assistance for rural industry and for other purposes. Read a first time.

The Hon. J. D. CORCORAN: I move:

That this Bill be now read a second time.

Members will be aware that for some time this State, conjointly with other States, has been negotiating with the Commonwealth Government with a view to setting up a scheme of assistance to rural industry, particularly the sheep and wheat-sheep sectors which have been affected by depressed wool prices and more recently by the imposition of quotas on wheat production. Both the Commonwealth and the States have agreed that it is essential that action be taken in these circumstances, and discussions and negotiations have proceeded between the parties for the past four months. A draft proposal was prepared but only recently the States, realizing the increasing difficulties facing farmers, had further discussions with the Commonwealth and this has had the effect of delaying the conclusion of a final agreement. It is clear that economic circumstances have deteriorated since this arrangement was first contemplated and it may well be that the provisions which were earlier considered may need to be further varied.

This State has made submissions to the Commonwealth for consideration so as to ensure that whatever scheme is finally decided upon will serve the purpose for which it is intended. This action has been taken as, from information available to us, it appears that the present proposals are likely to be found quite inadequate to meet existing circumstances and many farmers are likely to find that they would not qualify for assistance. Recent movements in wool prices have been contrary to the earlier forecasts upon which the arrangements were originally developed and this circumstance, in itself, has thrown serious doubts upon the likely effectiveness of the original proposals. It is now clear that agreement is unlikely to be reached until after the end of this session of Parliament, and the Government wishes to be able to proceed with the scheme as soon as agreement is reached and the Commonwealth legislates to bring it into operation.

The Government has therefore decided, in order to avoid any delay in making assistance available to farmers of this State, to bring down the present measure. This measure is essentially of a temporary nature and is designed only to cover the period between the execution of the agreement and the bringing down of such supporting legislation as may be found necessary. If this measure is enacted there needs to be no delay in bringing the scheme into operation, and the House may be assured that the Government will bring down a Bill to give full effect to this scheme and the arrangements together with all necessary machinery matters during the next session of Parliament. As no formal agreement can be made available to honourable members, I can do no better than describe in general terms the matters which have been discussed in the formulation of the provisional arrangements.

The financial arrangements proposed by the Commonwealth provide that a sum of $100,000,000 will be made available to the States over a period of four years. A sum of $75,000,000,000 will be—-

Mr. Nankivell: That should be $75,000,000.

The Hon. J. D. CORCORAN: Yes, $75,000,000, but I wish it were $75,000,000,000 because we would then have a chance to tackle the problem adequately. A sum of $75,000,000 will be loaned to the States over a period of 20 years at an interest rate of 6 per cent and $25,000,000 will be provided as a grant. The State would receive $12,000,000 as its share. The States will be required to repay to the Commonwealth a sum of $130,800,000, which represents principal and interest on the $75,000,000 loan. It is estimated that, if the scheme can be operated in the manner prescribed, the States would recover sufficient to meet these repayments with a small surplus.

It is intended that the scheme will operate in three parts. The first part will deal with the reconstruction of farmers’ affairs, the second part will deal with the build-up of rural properties into economic units, and the third part will deal with some form of rehabilitation for farmers. It appears that, in so far as reconstruction is concerned, this will basically be designed to assist farmers who, although having been denied credit from normal sources, can be adjudged as having sound prospects of future economic viability provided that some assistance can be provided to them. It appears that an economic assessment of each farmer’s application will be necessary to establish the likelihood of a successful outcome and, if an applicant qualifies, funds will be made available to assist with debt reconstruction and to provide carry-on finance. It is intended that funds under this heading will be made available at an interest rate of 4 per cent a year.

In so far as farm build-up is concerned, this will be available to farmers who are unable to obtain finance for this purpose from other sources and is generally designed to build-up properties which, whilst reasonably successful, are not considered economically viable units. It is intended by these means to build farms up into economic units in a manner which should enable them to be able to carry on in the present environment. Interest rates for the purposes of farm build-up have been determined at 6£ per cent a year. The third part of the agreement will be devoted to measures for the rehabilitation of farmers who may for various reasons have to leave their properties. Arrangements for this purpose have not as yet been reached an advanced stage and it is not possible to make comment on the likely provisions which will emerge. I regret that I am unable to give honourable members a great deal of information about this scheme, and I hope it will be understood that the only reason for this is the fact that we have not yet an agreement upon which to operate.

As I said earlier, this Bill is one which will enable the State to enter into and operate an agreement, and subsequently the Government will bring down further legislation. The present Bill incorporates a scheme of protection certificates to give certain farmers some immediate but temporary relief in cases where creditors are pressing. The intention of this section is to provide protection while an application is being considered and a scheme arranged. It is included only and will be used only for this purpose as it is clear that the wholesale granting of such certificates could seriously and adversely affect the availability of credit to rural industry. The Government seeks the full co-operation of the various private credit sources in the difficult situation in which sectors of primary industry find themselves. It is unfortunately necessary, for good legal reasons, that the provisions relating to protection certificates, clauses 11 to 24, constitute a large portion of this Bill, but I would once again stress that they must be regarded as being available only in the most limited circumstances.

I now deal with the clauses of the Bill. Clauses 1 to 3 are formal. Clause 4 sets out the definitions necessary for the purposes of this Act. I would draw honourable members’ attention to the definition of “farmer” which excludes persons eligible for assistance under the Marginal Dairy Fanns Reconstruction Scheme. Since an agreement in relation to dairy farm reconstruction was executed on April 2, 1971, it is now possible to bring down an appropriate Bill in this session. Clause 5 formally binds the Crown. Clause 6 authorizes the Government of the State to enter an agreement to provide for a scheme of assistance for rural industry and to do all things necessary to carry out the agreement.

Clause 7 constitutes a Minister to be the authority for the purposes of carrying out the agreement and the scheme. It is intended that this measure will be administered the Minister of Lands. Clause 8 is a formal financial provision. Clause 9 deals with the function of a committee which will be constituted by regulations under the Act. Subclause (2) provides that the Minister in his capacity as an authority will act on the advice of the committee. Clause 10 formally constitutes the fund in the Treasury and transfers to it the balance of the fund maintained under the Primary Producers Assistance Act, 1943. Clause 11 provides for the grant of protection certificates. Clause 12 is of great importance as it attempts to spell out and make clear that the grant of a protection certificate will be limited to circumstances of the greatest financial hardship when immediate relief is the only solution if the farmer is to have a chance of economic survival.

Clause 13 provides for the cancellation of the certificate if the farmer abandons his farm. Clause 14 provides for the keeping 0f lists of protection orders by the Master of the Supreme Court and the Clerk of the Local Court. Clause 15 sets out in some detail the types of protection afforded by the certificate, and subclause (4) provides for the Minister to lift the protection certificate in relation to particular land or chattels. Clause 16 provides in effect for a magistrate to allow claims to proceed notwithstanding the fact that a protection certificate has been issued. Clauses 17 and 18 provide for the cancellation of a protection certificate by the Minister. It might be mentioned in this connection that it is the firm policy of the Government that protection certificates will run for no longer period than is absolutely necessary.

Clause 19 provides that in computing the time for taking any proceedings no regard shall be paid to the time during which a protection certificate is in force. Clause 20 provides for the delivering up of a cancelled protection certificate. Clause 21, in effect, protects the rights of the creditors in relation to property that may be unlawfully dealt with. Clause 22 gives the Minister the right to supervise the operations of a protected farmer, particularly the right to limit the incurring of further debts. Clause 23 continues the application of the protection certificate in the circumstances mentioned in the clause.

Clause 24 exempts certain actions from the prohibition contained in the protection certifi­cate. Such actions may proceed to judgment only. Clause 25 permits the Minister to delegate his powers and functions under the Bill, other than the power of granting or cancelling a protection certificate. Clause 26 is a formal financial provision. Clause 27 provides for summary hearing of offences. Clause 28 provides a comparatively wide regulation-making power, wider perhaps than is usually granted by the Parliament, but I suggest no wider than is necessary adequately to provide for contingencies that may arise until appropriate further legislation is introduced. Any regulations which may be made are, of course, subject to the scrutiny of this House. The schedule to the Bill sets out the form of the protection certificate and the form of notice of cancellation of such certificate.

I trust that this Bill will be accepted by the House in this session and thereby enable a scheme of rural reconstruction, as envisaged, to be given effect to without delay. The Government regrets that it has not been possible to submit this measure to the House earlier but it should be understood that, in the absence of an agreement, this has not been possible. Nevertheless, the Government wishes to be in a position to give effect to any agreement which may be reached with the Commonwealth so that any benefits which may emanate from it can be made available to farmers. I seek the assistance of honourable members in a speedy passage of this measure.