**PRIMARY PRODUCERS EMERGENCY ASSISTANCE ACT AMENDMENT BILL1981**

**Legislative Council, 18 February 1981, page 2940**

Second reading

Received from the House of Assembly and read a first time.

The Hon. J. C. BURDETT (Minister of Community Welfare): I move:

That this Bill be now read a second time.

The amendments made by this Bill are necessary because of the Natural Disasters Agreement made between the State and the Commonwealth in 1977. The principal Act was enacted in 1967, and the proposed amendments will tie it into the structure created by the Natural Disasters Agreement.

The agreement provides that the Commonwealth will assist in the funding of disaster relief programmes on a $3 for $1 basis after the State has contributed the first $3 000 000. The moneys provided must be repaid. The Farmers Assistance Fund has adequate resources to repay these loans but at the moment there is no power under the principal Act to make repayments from the fund. The first repayment due under the agreement became due on 30 June 1980, and was paid from the State's General Revenue Account. The amendments proposed to section 4 of the principal Act will allow money to be paid from the fund directly to the Commonwealth in repayment of a loan or to the Treasurer to reimburse him for payments made by him in repayment of a loan.

Section 5 of the principal Act provides for the making of advances from the fund to primary producers. Subsection (2) (a) requires the advance to carry interest at the State Bank overdraft rate. However, after the first $3 000 000 which the State provides, Commonwealth moneys become involved, and the agreement requires that moneys advanced carry an interest rate of 4 per cent. This creates an anomalous situation, and to resolve it the Bill replaces subsection (2) (a) with a provision that enables the Minister having the administration of the principal Act to determine the appropriate interest rate. I seek leave to have the explanation of the clauses inserted in Hansard without my reading it.

Leave granted.

Explanation of Clauses

Clause 1 is formal. C lause 2 amends section 3 of the principal Act. Paragraph (a) ensures that both grants and advances by the Commonwealth are included. Paragraph (b) makes a consequential change, and paragraph (c) inserts a new subsection that allows the Treasurer to advance moneys to the Farmers Assistance Fund from moneys available for that purpose. This subsection justifies the payment made from General Revenue Account to repay moneys due to the Commonwealth under the agreement on 30 June 1980. Subclause (2) gives the provision retrospective operation.

Clause 3 amends section 4 of the principal Act. Paragraph (b) removes a reference to the Minister of Lands from section 4 (b) . From now on paragraph (b) will refer to "the Minister" which, by reason of the Acts Interpretation Act, 1915-1975, means the Minister for the time being administering the principal Act. Paragraph (c) adds two new paragraphs to section 4 which will allow moneys in the fund to be either repaid directly to the lender concerned or used to reimburse the Treasurer in respect of moneys paid by him, on behalf of the fund, in repayment of moneys lent to the fund.

Clause 4 amends section 5 of the principal Act. New subsection (2) (a), inserted by paragraph (b), will allow the Minister to determine the interest rate to be paid by a person receiving assistance from the fund. This will allow flexibility, which will ensure that the arrangements tie in with the terms on which Commonwealth moneys are advanced. Clause 5 makes a consequential amendment to section 8 of the principal Act.

The Hon. B. A. CHATTERTON secured the adjournment of the debate.