DEFENCE (RE-ESTABLISHMENT) AMENDMENT BILL 1985

Date Introduced: 14 May 1985
House: House of Representatives
Presented by: Hon. G.G.D. Sholes, M.P., Minister Representing the Minister for Veterans' Affairs

Short Digest of Bill

Purpose

To terminate re-settlement loans, and guarantees of loans for veterans.

Background

Re-establishment loans and guarantees for veterans were introduced by the Defence (Re-Establishment) Act 1965 (the Principle Act). The loans, and guarantees, were available at concessional interest rates and were aimed at enabling veterans to re-establish themselves in civilian life. They provided finance to establish, resume or expand a business, including agriculture. The loans and guarantees were not automatic. The applicants needed to show that they had the necessary qualifications or expertise to engage in that business and that they were capable of repaying the loan.

The loans and guarantees were introduced to principally help national servicemen, who were compelled to leave civilian life. When introducing the scheme, the then Minister for Labour and National Service, Mr McMahon, stressed the role the loans would play for national servicemen returning to civilian life.[1] However, the abolition of national service removed this basis for the loans. They are still available to former regular servicemen/women. Approximately 200 loans were approved in both 1982[2] and 1983.[3]

Two categories of loans were available for agriculture and general business ventures. The maximum loans available were $10,000 for agriculture and $5,000 for general business. This had not changed since 1975. As noted in the Minister's Second Reading Speech, the loans are very costly to administer, with administrative costs approaching 20% of the value of loans made in the 1983/84 financial year.[4]
The abolition of further loans was announced by the Treasurer in his statement on Government Expenditure Savings, delivered on 14 May 1985.

**Main Provisions**

A new section 50A is to be inserted in the Principal Act to terminate the loan scheme. Applications received on or before 14 May 1985 will continue to be processed (clause 3).

For further information, if required, contact:

2 August 1985

**Defence Group**

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**References**