WESTERN AUSTRALIA AGREEMENT (ORD RIVER IRRIGATION) BILL 1980

Date Introduced: 1 May 1980
House: House of Representatives
Presented by: Rt. Hon. J.D. Anthony, M.P., Minister for Trade and Resources

Short Digest of Bill

Purpose

To amend the agreement between the Commonwealth and Western Australia executed under the Western Australia Agreement (Ord River Irrigation) Act 1968, so that loan funds still available under that Act can also be used for handling and processing facilities for produce from the Ord Irrigation Area.

Background

A good deal of controversy has surrounded the Ord River project since its inception. Public expenditure on the Ord over the past 15 years has been nearly $100m but the project has met with little agricultural success.

In 1977 the Commonwealth Government appointed a joint Commonwealth-State committee to review the project and report on the future development of the area. The Report of the Committee was tabled by the Prime Minister in the Parliament on 27 February 1979. The Committee suggested that further time was needed to determine whether the combined results of research programmes and commercial farming experience were likely to provide a basis for profitable agriculture. It therefore recommended that the project should be supported by public funds for at least a further five years.

One of the more specific recommendations of the Report was that consideration be given to the use of funds still available under the Act for crop handling and processing facilities when justified by successful commercial farming. At present the agreement only provides for funds for two purposes: construction of the dam on the Ord River (which has now been completed) and construction of irrigation channels and other works for developing the irrigation area itself.

The Government accepted this recommendation. Western Australia has asked for assistance towards the cost
of an additional 3,000 tonne capacity rice storage and associated installations to cope with a projected expansion of the rice industry and accordingly the agreement is being amended to broaden the purposes for which the funds can be spent.

Loan funds still available under the Act total almost $24m. As at June 1979, $21.8m of the original $48.18m authorised in the Act had been spent on the construction of the Dam but only $2.5m has so far been spent on development of the Ord Irrigation Area.

Main Provisions

Clause 3 authorises the execution, on behalf of the Commonwealth, of an agreement between the Commonwealth and Western Australia as set out in the Schedule to the Bill.

The Schedule to the Bill is the draft of an agreement amending the original agreement as set out in the Schedule to the Act. In addition to a number of minor amendments (such as substitution of 'the Minister for Finance' for 'the Treasurer'), the main amendment proposed in the Schedule is the addition of a new Part, Part III, which provides that funds may now be used for "the construction of crop handling and processing facilities for produce from the Ord Irrigation Area" (clause 7 of amending agreement).

The terms and conditions attaching to funds made available for this purpose will be agreed between the Commonwealth and State Ministers (new clause 7A in amended agreement).

Clause 4 of the Bill authorises payments by the Commonwealth to Western Australia for the purposes of the amended agreement and appropriates these payments out of the Consolidated Revenue Fund.

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