PARLIAMENT OF AUSTRALIA
DEPARTMENT OF THE PARLIAMENTARY LIBRARY

STATES AND NORTHERN TERRITORY GRANTS
(RURAL ADJUSTMENT) BILL 1979

Date Introduced: 8 November 1979
House: House of Representatives
Presented by: Hon. P.J. Nixon, M.P., Minister for Transport and Minister for Primary Industry

Short Digest of Bill

Purpose

To authorize the Government to enter into an agreement with the States and Northern Territory to amend the existing Rural Adjustment Agreement.

Background

The existing Rural Adjustment Scheme was established under the States Grants (Rural Adjustment) Act 1976 following a report by the Industries Assistance Commission (I.A.C., Rural Reconstruction, 1976). This scheme combined and expanded three previous schemes, the Rural Reconstruction Scheme, the Dairy Adjustment Program and the Beef Carry-on Loans Scheme.

Under the Rural Adjustment Scheme, four measures of assistance are available to farmers experiencing difficulties but assessed as being viable - debt reconstruction, farm build-up, farm improvement and carry-on finance. Two measures are available for farmers assessed as non-viable - rehabilitation and household support.

The Northern Territory became self-governing on 1 July 1978. Accordingly a Supplemental Agreement, which is the Schedule to the Bill, incorporates the Northern Territory into the Rural Adjustment Scheme. During the operation of the Rural Adjustment Scheme certain informal practices developed as required, eg transfers of funds between States where rural adjustment needs differed from estimates. The Supplemental Agreement formalizes such practices.

Main Provisions

"States" is defined to include the Northern Territory (clause 3 of the Bill) and the execution of an Agreement substantially in accordance with the Supplemental Agreement is approved (clause 4 of the Bill).
The Supplemental Agreement is set out in the Schedule to the Bill.

The Explanatory Memorandum circulated by the Minister contains detailed clause notes on the amendments contained in the Supplemental Agreement. The principal ones are:

The Minister may make additional funds available for Rural Adjustment (clause 3(1)) and funds may be transferred from a State with a surplus to one with a deficiency of funds (clause 3(2)). Provision is made for States to precommit funds which it is anticipated will be allocated in the following financial year in exceptional circumstances (clause 4).

Clause 5 extends the scheme to the agricultural industry and eases the eligibility test for Farm Improvement assistance. It extends the maximum period for which such assistance may be converted to a grant from 6 to 12 months and increases the maximum payment from $3,000 to $5,000.

20 November 1979

Finance, Industries, Trade & Development Group
LEGISLATIVE RESEARCH SERVICE