

1982

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA  
HOUSE OF REPRESENTATIVES

Drought Assistance (Primary Producers) Bill 1982

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Primary  
Industry, the Hon. Peter Nixon, M.P.)



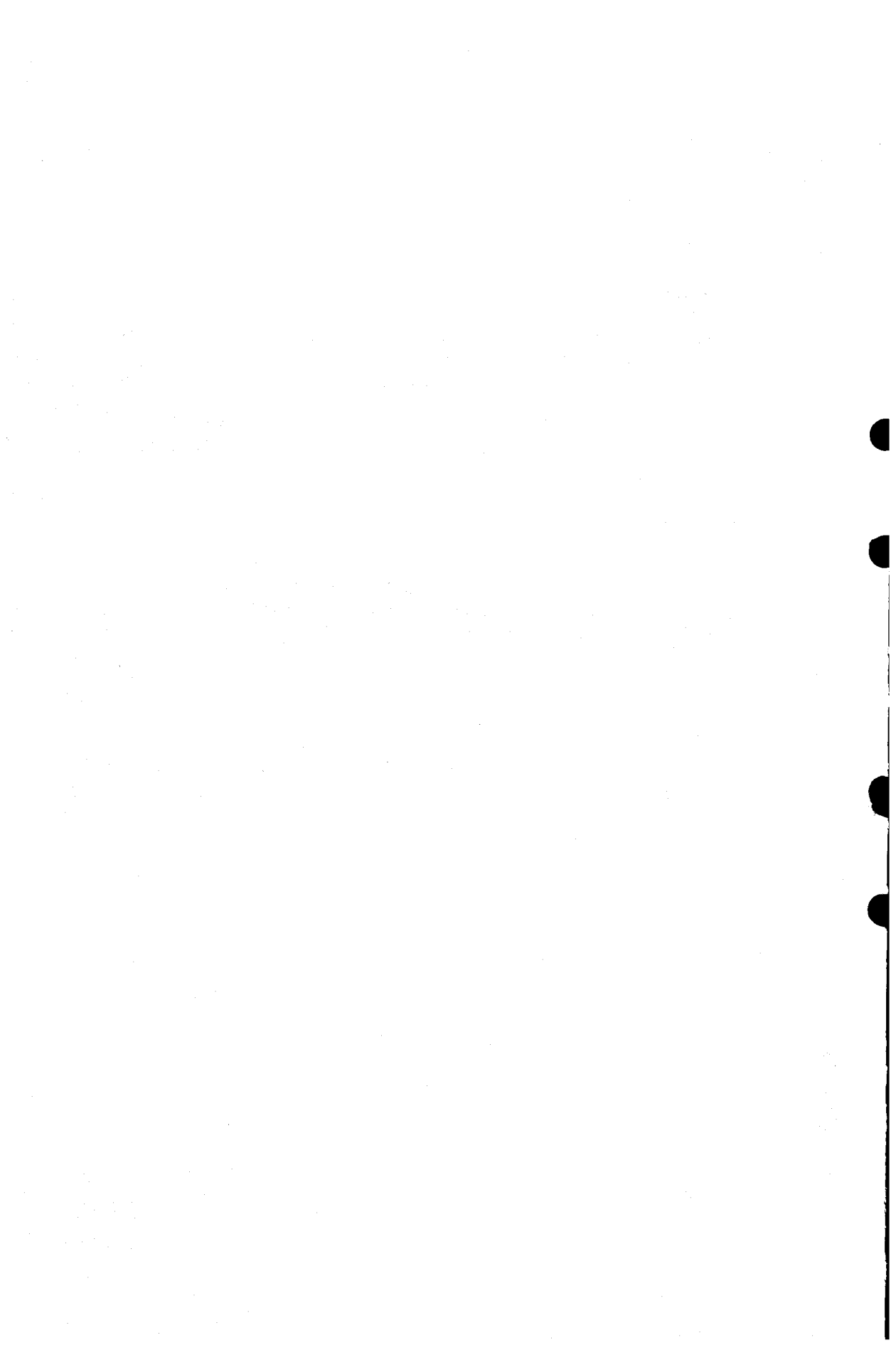
## OUTLINE

The purpose of the Bill is to give effect to the special Commonwealth drought assistance measures announced on 31 August 1982.

The two measures are

- . a subsidy on interest payments, under which the applicant will pay the first 12% of interest and the Commonwealth will pay the balance
- . a subsidy on fodder bought by a farmer to feed his own drought affected sheep and cattle. The subsidy will be, for wheat, 50% of the purchase price ex-source; for other feedstuffs, the subsidy will be calculated on the basis of its nutrient value relevant to wheat.

Both measures will operate from 1 September 1982. The Bill appropriates \$36m for interest rate subsidies and \$320m for fodder subsidies.



NO OF  
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EXPLANATION

PART I - PRELIMINARY

1. Short title

The short title of the Bill is the Drought Assistance (Primary Producers) Bill 1982.

2 Commencement

The date of commencement will be the date of Royal Assent.

PART II - INTEREST SUBSIDY

This part relates to the provision by the Commonwealth of an interest payment subsidy to drought affected primary producers.

3 Appropriation

Sub-clause 3(1) appropriates the Consolidated Revenue Fund to the extent of \$36 million for the purpose of making interest rate subsidy payments to eligible primary producers. A scheme for making the payments is to be administered by the Department of Primary Industry. The payments are intended to assist those primary producers who are so badly affected by the drought that they may have to leave their farms unless they receive financial assistance.

Sub-clause 3(2) provides for the Minister to determine who are to be eligible primary producers. This mechanism is necessary to ensure that fraudulently obtained payments may be recovered.

PART III - FODDER SUBSIDY

This part provides for the making of payments to the States and the NT to enable them to provide assistance to drought affected primary producers by subsidising their purchases of fodder for feeding to drought affected cattle or sheep.

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This clause defines some of the terms used in the Bill. They are for the most part self-explanatory, however, the following should be noted:

'fodder' has been drafted to ensure that it encompasses any matter that is suitable for feeding to cattle or sheep;

'prescribed period' limits the period during which assistance may be provided by the Commonwealth to the States and the NT. Fodder purchases after 1 September 1982 will qualify for subsidy, but only for the duration of the drought. The Minister will, by determination in the Gazette, specify, for the purposes of the Bill, the duration of the drought

(Note that the term 'States' is used in the remainder of this memorandum to refer to both the States and the NT.)

5. Arrangements with States

This clause empowers the Minister for Primary Industry to enter arrangements with the States for the purposes of making payments to the States. The arrangements will include the terms and conditions on which the payments will be made to the States, including, for example, the condition that a State will take all reasonable steps to ensure that any payments it makes are properly payable, including taking appropriate legal action against persons making fraudulent claims.

6. Grant of financial assistance

This clause provides the legal authority for the payment of amounts under the Bill to the States

NO OF  
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Evidence of expenditure

This clause empowers the Minister for Finance to require such evidence as is necessary to ensure that payments by the States have been properly made. In particular it imposes the requirement that the Auditor-General of a State must certify that amounts have been expended in accordance with the arrangements applying between the Commonwealth and the State.

8

Advances

This clause empowers the Minister for Finance to make advances to a State so that expenditure by that State does not have to be made from existing funds.

9.

Conditions

Sub-clause 9(1) provides that payments of amounts to the States under an arrangement are subject to any conditions in the arrangement.

Sub-clause 9(2) provides that the following additional conditions apply to payments:

- (a) a report, including such particulars as are specified by the Minister for Primary Industry, must be provided on request by a State;
- (b) if a condition in an arrangement is not complied with, or if the report or any of the specified particulars referred to in (a) above are not provided on request the State will repay any amount it has received, or such part of any such amount as the Minister specifies;
- (c) any amount required to be repaid may be deducted by the Minister for Finance from amounts payable, but not yet paid, to a State.

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9.(Cont) Sub-clause 9(3) provides:

- (a) that the Minister for Finance may demand, and the State will repay, any amount received by that State that was not properly payable; and
- (b) that any amount so repayable may be deducted by the Minister for Finance from further amounts which may be paid or become payable.

10. Payments to States to be made out of Consolidated Revenue Fund

This clause provides that amounts to be paid to the States are to be paid out of the Consolidated Revenue Fund, which is appropriated to the extent of \$320 million for that purpose.