

Rural and Regional Adjustment (Development Assistance) Amendment Bill 2016

Explanatory Notes

Short Title

The short title of the Bill is Rural and Regional Adjustment (Development Assistance) Amendment Bill 2016.

Policy Objectives

The objective of the amendments are to amend the Rural and Regional Adjustment Act 1994 to include a capacity to raise money to provide financial assistance that will foster development of a more stable, productive and sustainable rural and regional sector in Queensland.

The new Rural and Industries Development Bank is intended to be able to; offer suitably tailored rural loans to business along the supply chain, industry development, a commercial lending ability including recapitalising for restocking and replanting.

With a view to maximising the potential of the state of Queensland the authors have limited the prescription of assistance measures and allowed the Board significant autonomy in crafting regulations matching industry needs.

The Bill also changes the name of the organisation from the Queensland Rural Adjustment Authority to the Rural and Industries Development Bank.

Achievement of policy objective

To achieve its policy objective the Bill will set in place the capacity for the Rural and Industries Development Bank to enter into arrangements to borrow and on lend wholesale finance from various sources.

Not only will the Bill allow the restructuring of debts but also provides for the consideration of the development of state of the art manufacturing of agricultural production. Particular infrastructure projects which may enhance productivity and efficiency of the state are also included.

Alternative ways of achieving policy objectives

The reason for the need to restructure debt is that many industry participants find themselves operating within circumstances where debt restructure is required as a result of exceptional seasonal conditions, flawed government policy and a deflation of capital values with subsequent tightening of available capital to provide industry needs. Their financial circumstances are untenable.

No market exists for producers and others who fall outside tight financial guidelines but who can still present a case for a viable future. There is no alternative but for the provision of a mechanism as provided for in these amendments so the policy objectives may be achieved.

Estimated cost for Government implementation

The cost to Government is minimal. Some funds will be needed in the preliminary set up, however it is intended that profit will be made from the operation of the Rural and Industries Development Bank. It is intended to have little effect on overall government exposure.

Consistency with fundamental legislative principals

The Amendments have been drafted with a view to being consistent with the fundamental Legislative principal.

Consultation

The Government established a multi-party Taskforce which took months to travel around Queensland attending 13 regional towns from Normanton to St George and Mareeba to Bundaberg, and finally met in Brisbane.

Overall, 109 written submissions were received and 400 attendees presented to the Taskforce.

As a result, the now public Taskforce Report, records the very first and most important recommendation; that the Government of Queensland establishes a Rural and Industries Development Bank.

A wider opportunity to consult could not have been provided for the people of Rural Queensland, and as a result of this extensive consultation, the Bill is now presented to begin to make the arrangements recommended.