

FARM FINANCE CONCESSIONAL LOANS SCHEME

**444. Hon DARREN WEST to the Minister for Agriculture and Food:**

- (1) What are the reasons for the state government not implementing the federal government's farm finance package?
- (2) When does the minister expect these reasons to be resolved?
- (3) When can Western Australian farmers expect these funds to be available?

**Hon KEN BASTON replied:**

I thank the honourable member for some notice of the question.

- (1) The state government is currently working to implement the federal government's farm finance concessional loans scheme. Commonwealth government representatives have been negotiating with each state and territory jurisdiction sequentially. Western Australia and the commonwealth are close to completing negotiations for the establishment of the scheme in WA. The main issues have largely been settled, particularly those relating to the payment of administration costs, farm business loans being for productivity improvement rather than debt reconstruction, and loans being for the five-year term of the concessional interest only.

Unlike previous schemes of assistance, the farm finance scheme was not established by an intergovernmental agreement. Without an IGA, Western Australia has not been prepared to sign any loan agreement before all agreements, policies and procedures are negotiated to the satisfaction of both parties.

Unlike Queensland and Victoria, which already have established commercial government banking facilities for schemes of assistance, Western Australia has had to develop all the systems, policies, procedures and infrastructure required to establish a lending facility from scratch. It has taken significant time for Western Australia and the commonwealth to ensure that all the systems, policies and procedures are in place to administer the scheme successfully.

- (2) Subject to commonwealth agreement, Western Australia is on track to sign the scheme agreements in September to enable the Rural Business Development Corporation to administer the scheme.
- (3) The agreements make provision for the commonwealth to advance funds to Western Australia within 30 days of the agreements being signed. The application period for 2013–14 will open as soon as the agreements are signed and I would expect funds to start flowing to Western Australian farm businesses in November 2013. However, it needs to be understood that the federal Labor government has played politics with this. If it had come to us on day one with a written package outlining administration cost sharing, interest rates and bad debt provision, this would have been finalised by now.