

RURAL BUSINESS DEVELOPMENT CORPORATION BILL 2000

Introduction and First Reading

Bill introduced, on motion by Mr House (Minister for Primary Industry), and read a first time.

Second Reading

MR HOUSE (Stirling - Minister for Primary Industry) [10.00 am]: I move -

That the Bill be now read a second time.

The Bill before the House provides for the operation of the Rural Business Development Corporation and for the administration of financial support to eligible rural businesses and persons. The object of the Act will be to provide for continuing a mechanism for the State to provide financial assistance as a means of fostering the development of rural businesses. This Bill replaces the Rural Adjustment and Finance Corporation Act, which commenced in 1971 with the introduction of the commonwealth rural reconstruction scheme. The 1971 Act gave effect to an agreement between the Commonwealth and the State and provided for the establishment and operation of a scheme of financial assistance to persons engaged in rural industry in Western Australia. There have been continuing Commonwealth and State agreements for financial support for rural industries since 1971 and these have been administered by the Rural Adjustment and Finance Corporation.

The Bill provides for the continuation of a corporate body known as the Rural Business Development Corporation. Previously this body has been called the Rural Adjustment and Finance Corporation and the Rural Reconstruction Authority. Over the years there have been various amendments to the Act associated with these name changes and the addition of commonwealth-state agreements. There has been a change in emphasis of Commonwealth schemes. These previously provided assistance to only farmers directly involved in agricultural production. Schemes may now additionally provide support for groups of rural producers and for regional initiatives. To allow for these changes, the Western Australian legislation needs amendment. New commonwealth-state agreements specify the eligibility criteria for a scheme. The state legislation for administering the scheme in Western Australia has made it difficult to assist those intended to be assisted by the agreements. The Act to be repealed by this Bill has not been upgraded and contains eligibility criteria as to whom the corporation may assist. This often conflicts with criteria set out in the schemes.

A further difficulty with the legislation to be repealed has been the requirement for new agreements to be scheduled to the Act. This means that legislative amendment has been needed each time a new or amended commonwealth scheme is implemented. Introduction of new schemes occurs regularly and the Act cannot be continually amended to keep up with changes.

The Bill provides for the corporation to operate “approved assistance schemes” and this approach overcomes previous anomalies. The Bill contains no definition of rural industry or farmer nor does it contain eligibility criteria as to who may receive assistance from the corporation. It will be clear that those to be assisted by a scheme are determined only by the eligibility criteria laid out in each scheme. All schemes to be operated by the corporation, whether established by the State or under an agreement between the Commonwealth and State, will be “approved assistance schemes”. “Approved assistance schemes” are schemes that state the purpose and nature of financial assistance that may be given under the scheme; identify the categories of persons eligible to be given financial assistance under the scheme; and are approved by the minister and the Treasurer.

The corporation under this Bill will have similar functions and powers to those of that under the Act to be repealed. These include the power to acquire and dispose of property for the purposes of approved assistance schemes. The Bill enables the corporation to direct funds to other agencies for approved assistance schemes administered by another agency. At present, the Act restricts the use of corporation funds to schemes administered by the corporation. There will be cross-agency participation with the widened focus of rural assistance schemes to include regional initiatives. The ability to provide funds to a scheme administered by another agency is included in this legislation.

The board of the corporation is to have five directors appointed by the minister. The directors are to have qualifications and experience in financial management relevant to the functions of the corporation or other qualifications relevant to those functions. A member of the repealed Act corporation will go out of office on the commencement of the new Act. Subject to the Bill, they are eligible to be appointed as a director of the new board. The creation of a single operating account for the corporation provides for the rationalisation of multiple funds that existed under the repealed Act. However, separation of funds is maintained. Under the Financial Administration and Audit Act, commonwealth and state moneys and the money for individual assistance schemes is managed separately within the corporation’s accounting system. A number of current standard forms of administration and ministerial relationships with the corporation have been adopted in this Bill. These include

the provisions for the use of the common seal, the minister's ability to give directions to the corporation, the minister's right to access to information and the handling of confidential information.

The ability to delegate the functions of the corporation, authorisation for sub delegation and provision for delegation of the chief executive officer's functions are included in the Bill. Review of the Act is to be carried out after five years of operation. There are extensive transitional provisions that cover the change of name of the corporation, the status of members, the transfer of funds, applications for assistance and the granting of assistance under the repealed Act.

The Rural Business Development Corporation Bill 2000 simplifies the legislation enabling the provision of financial assistance to rural industry. It provides flexibility to administer schemes for groups of businesses and for regional strategies. It overcomes previous shortcomings in which eligibility criteria in the legislation was out of step with eligibility criteria for schemes the corporation was required to administer. It brings the state legislation in line with changes to the commonwealth legislation and will assist in efficient and effective administration of commonwealth and state funds for the development of rural and regional industry. I commend the Bill to the House.

Debate adjourned, on motion by Mr Cunningham.