

RURAL ADJUSTMENT AND FINANCE CORPORATION, COMMENT BY HON TOM STEPHENS

**72. Hon B.K. DONALDSON to the minister representing the Minister for Primary Industry:**

In a recent speech to the House Hon Tom Stephens claimed that the Government has stopped the Rural Adjustment and Finance Corporation funding to farmers in financial trouble. Can the minister confirm whether this is true?

**Hon M.J. CRIDDLE replied:**

The commonwealth rural adjustment scheme was administered by RAFCOR. In the 1970s and 1980s the focus of the scheme was as a lender of last resort. That focus changed in 1988 from a lender of last resort to one of assisting farmers at some degree of financial risk but who had long-term prospects of profitability. The assistance changed from the provision of low interest loans to interest subsidies for commercial loans.

With the commencement of the 1992 commonwealth rural adjustment scheme, RAFCOR ceased advancing loans and interest rate subsidies and changed its focus to helping farmers become more self-reliant by providing grants to develop farm business plans and to implement those plans.

The Commonwealth and States remain committed to the needs of farmers who have been affected by an unusual event through exceptional circumstances. The State Government responds to natural disasters through the natural disaster relief arrangements, providing support for both business and welfare. The support provided to Carnarvon and Moora are examples.