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BRIGALOW LANDS AGREEMENT AMENDMENT BILL 1977

Date Introduced: 2 November 1977
House: House of Representatives
Presented by: Rt. Hon. Ian Sinclair, M.P.,
Minister for Primary Industry

Short Digest of Bill

Purpose:

To amend the agreement between the Commonwealth and Queensland relating to loans for the brigalow land settlement scheme, to provide a 12 month moratorium on repayments and accrual of interest, and to extend the loan term by 7 years.

Background:

The Brigalow Lands Development Scheme in Queensland began in 1962 and involved the clearing and development of brigalow scrub land for producing beef cattle and also other primary products. Originally, about 1.73 million hectares in the Fitzroy River Basin were to be developed.

Under the *Brigalow Lands Agreement Act 1962* the Commonwealth agreed to provide interest-bearing loans, repayable over 20 years, to Queensland, up to \$14.5 million, towards that State's expenditure on specified works on brigalow land in Queensland. Such works were to be completed over 5 years ending 30 June 1967, and included the subdividing of the area and allocating of blocks of land to settlers, the clearing of brigalow and the provision of fencing, yards, dips and watering points. The *Brigalow Lands Agreement Act 1965*, amended the original Act by extending the period for the State to conduct works from 5 to 8 years, ending 30 June 1970 and increased the area to be developed to about 2.01 million hectares. The *Brigalow Lands Agreement Act 1967*, extended the maximum Commonwealth commitment from \$14.5 million to \$23 million, extended the period for the State to conduct works from 8 to 13 years ending 30 June 1975, increased the area to be developed from about 2.01 million hectares (in the Fitzroy River Basin) to about 4.52 million hectares (the extra 2.51 million hectares being in the McKenzie-Isaacs River Basin) and amended the terms and conditions of the Commonwealth assistance. Commonwealth payments for this scheme to 30 June 1977, totalled \$20.2 million (including \$1.64 million capitalised interest). All eligible expenditure by the State has been reimbursed and no further Commonwealth payments will be made.

For general comments on the situation of the beef industry, see the Background to the Digest of the *Beef Industry (Incentive Payments) Bill 1977*. Because the brigalow

Brigalow Lands Agreement Amendment Bill 1977 (Bills Digest 146, 1977)

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holdings under this scheme are generally not yet fully established, the severe cost-price squeeze faced by the beef industry has been particularly felt by these settlers.

Provisions

This Bill amends the Principal Act the *Brigalow Lands Agreement Act 1962*, by adding to it a Fourth Schedule set out in the Schedule to this Bill. The agreement in this Schedule, the Third Amending Agreement, proposes to further vary the terms and conditions on which loans have been provided under the Act by the Commonwealth to Queensland, by waiving for 12 months, from 16 July 1977 to 15 July 1978, the repayment of such loans.

Accordingly, no interest will accrue in that period and hence, no interest will be payable on 15 January 1978 nor 15 July 1978 (clause 3 of the Agreement). Also, the two half-yearly principal instalments which would have been payable on 15 January 1978 and 15 July 1978 will not be payable and instead, spread out over the remaining term of the loan (clause 4 of the Agreement). Furthermore, the loan term has been extended by 7 years, from 20 to 27 years, thus giving a total number of half-yearly principal instalments of 54 (clause 4 of the Agreement).

Finally, Queensland must extend similar benefits to the brigalow settlers because the State is to benefit from concessions resulting from this Bill (clause 5 of Schedule). The Minister has announced (Ministerial Statement, 22 September 1977 and in the Second Reading Speech) that such concessions to the brigalow settlers, in respect of loans made to them by the State, will be made available, according to need, for an average two-year period and that the repayment period for such loans will be extended.

21 December 1977

Finance, Industries, Trade and Development Group
LEGISLATIVE RESEARCH SERVICE

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