SHORT DIGEST OF BILL

1. Purpose
The purpose of this Bill is to enable the Commonwealth to provide up to $15 million in 1976/77 for lending under the Beef Carry-on Loans Scheme.

This Bill amends the States Grants (Beef Industry) Act 1975 in the following ways:
— the word “Commonwealth” is to substitute for the word “Australia”; and
— the maximum amount which the Commonwealth may provide under the scheme is increased from $19,600,000 to $27,300,000.

3. Implications
In 1975, the Industries Assistance Commission recommended that the Beef Carry-on Loans Scheme be extended to provide carry-on finance for up to two years instead of the initial one year and that the terms and conditions of the loans be liberalised. The Government has accepted these recommendations.

The scheme will now operate during 1976/77 (in addition to the initial year 1975/76). The Commonwealth originally made provision for up to $19.6m to be contributed on a matching dollar for dollar basis with the States. It was subsequently committed to spend $12.3m in 1975/76. The actual amount spent was $11.3m. The total maximum Commonwealth contribution from the inception of the scheme has been extended to $27.3m. The estimated cost of the Commonwealth’s contribution in 1976/77 is $15.0m.

A loan limit of $15,000 per year for eligible producers in Queensland and $10,000 elsewhere has applied up till now. This is to be extended so that all eligible producers in the Pastoral Zone or on pastoral or similar leases may receive up to $15,000 per year and limits in all areas may be relaxed in special circumstances at the discretion of the authority administering the loan.

Rates of interest will average not less than 4% per annum for all loans.
Under this scheme short term assistance by way of carry-on loans at concessional rates of interest, is provided to specialist beef cattle producers who, while judged to be viable under more normal market conditions, lacked finance and were unable to obtain carry-on funds from normal sources.