



Speech by

**Hon. HENRY PALASZCZUK**

**MEMBER FOR INALA**

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Hansard 3 December 2002

### **MINISTERIAL STATEMENT**

#### **Queensland Rural Adjustment Authority**

**Hon. H. PALASZCZUK** (Inala—ALP) (Minister for Primary Industries and Rural Communities) (10.20 a.m.): I can report to the House today that the government's Queensland Rural Adjustment Authority will be cutting interest rates for its loans to assist primary producers under the Primary Industry Productivity Enhancement Scheme. The Board of QRAA officially approved the new rates yesterday. The new interest rates cuts are up to 0.79 per cent. This will be of significant benefit to our farm sector. The Primary Industries Productivity Enhancement Scheme offers concessional loans of up to \$500,000 for activities such as drought recovery, property build-up and purchase of first rural property. In particular, producers can access these loans to build farm infrastructure for the storage of grain and feed or to establish more efficient irrigation systems.

The new rates are 5.82 per cent for a one-year fixed loan, 5.98 per cent for a three-year fixed loan and 6.22 per cent for loans fixed for five years. The new rates will be effective on 1 January. These loans are offered at very good rates. But the loans are even more attractive when considering that no fees or charges apply and that QRAA pays the stamp duty on behalf of its borrowers. These new rates are in line with the interest rate policy for QRAA announced in December last year with the introduction of fixed term choices and bi-annual reviews of interest rates each year.

Last financial year, QRAA approved \$19.8 million in PIPES loans, including \$4.2 million for First Start Farm loans. QRAA has recently announced that it is prepared to consider interest only repayment options to its farm borrowers, particularly in this time of drought. I am advised that 200 of QRAA's borrowers are operating under an interest only repayment option.

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