

**QUESTION ON NOTICE**  
**No. 220**  
**Asked on Thursday, 2 March 2006**

**MR LIVINGSTONE** asked the Minister for Primary Industries and Fisheries (MR MULHERIN)-

**QUESTION:**

Will he provide details on the Queensland Rural Adjustment Authority's Primary Industry Productivity Enhancement Scheme?

**ANSWER:**

The Primary Industry Productivity Enhancement Scheme (PIPES) is the predominant loan program administered by QRAA. The objectives of the scheme are to:

- a) strengthen the economy of Queensland regions; and
- b) increase the capability of primary producers to improve their sustainable production, to protect the environment and achieve general self-reliance.

There are three components to PIPES:

1. **Development**, which aims to:
  - i. enable the applicant to increase the productivity and long-term viability of their primary production enterprise through encouraging enterprise build-up, rationalisation, expansion or diversification to enhance viability, including value-adding and investment in supply chain activities;
  - ii. improve water quality and supply for domestic, stock or irrigation purposes; and
  - iii. support risk management strategies, including strategies to prepare for climatic risk.
2. **First Start**, which aims to enable the applicant to:
  - i. acquire, including from the applicant's parents, or other family member, a viable primary production enterprise; or
  - ii. acquire a primary production enterprise on a staged basis, as part of a longer term plan for the applicant to own a viable primary production enterprise; or
  - iii. enter into a leasing, sharefarming or sharefishing arrangement that may lead to the applicant owning a viable primary production enterprise; or
  - iv. upgrade the applicant's existing non-viable primary production enterprise that has not generated the majority of the applicant's income to one of an economically sustainable size.
3. **Resource Management**, which aims to enable an applicant to achieve sustainable development through the adoption of appropriate resource management practices, the prevention of degradation or the rehabilitation of degraded areas.

Assistance under each of the PIPES components has increased over recent years and it is anticipated that demand under the program will continue, not only in 2005-06 but through to 2006-07 and beyond, as producers, or those entering primary production, see the benefit of accessing assistance through the program.

QRAA has approved the following assistance under PIPES since 2003-04:

PIPES COMPONENT	2003-04		2004-05		2005-06 (8 months to 28.2.06)	
	Approvals	\$M	Approvals	\$M	Approvals	\$M
Development	97	15.054	86	17.191	64	11.042
First Start	49	12.665	61	16.923	33	10.960
Resource Management	29	2.263	18	1.330	12	1.976
<b>TOTALS</b>	<b>175</b>	<b>\$29.982M</b>	<b>165</b>	<b>\$35.444M</b>	<b>109</b>	<b>\$23.978M</b>

The maximum amount available under the program is a loan of \$500,000 for both the Development and First Start components, with interest rates able to be fixed for one, three or five years. With respect to the Resource Management component, the maximum amount available is \$300,000 and, again, interest rates may be fixed for one, three or five years.

The capacity for producers to fix their interest rates for these periods provides assurance with respect to the cost of their finance and that, coupled with the low interest rates, provides opportunities for producers to consolidate their position in the early years to ensure the ongoing viability of their operation.