

QUESTION ON NOTICE

No. 474

Asked on 7 June 2013

MR MULHERIN asked the Minister for Agriculture, Fisheries and Forestry (DR McVEIGH)–

QUESTION:

With reference to the range of loans provided through the QRAA, will the Minister provide details of the interest rate charged, and the base cost of sourcing funds (including interest rate) for each of the following loan categories (a) sustainability loan – one year fixed, (b) sustainability loan – three year fixed, (c) sustainability loan – five year fixed, (d) first start loan (primary producer) – one year fixed, (e) first start loan (primary producer) – three year fixed, (f) first start loan (primary producer) – five year fixed and (g) natural disaster assistance (primary producer)?

ANSWER:

The base lending rates for the Queensland Government's First Start and Sustainability Loans offered through QRAA are set in line with the Queensland Treasury Corporation (QTC) Debt Pool rates as at 31 May and 30 November each year.

From 1 July 2013, the concessional lending rates for First Start and Sustainability loans up to \$650,000 were:

- 1 year fixed 3.73% (down from 4.18% as at 1 January 2013);
- 3 years fixed 3.88% (down from 4.21% as at 1 January 2013);
- 5 years fixed 4.17% (down from 4.47% as at 1 January 2013).

The one, three and five year QTC Debt Pool rates as at 31 May 2013 were 2.833%, 2.983% and 3.273% respectively.

These rates have been discounted by the 0.103% QTC administration fee and a 1% margin has been applied by QRAA to set the new interest rates for the six months from 1 July 2013.

The reductions in interest rates is great news for Queensland producers and will help investments in infrastructure, equipment and land purchases, and will lead to more sustainable primary production over the long-term.

For primary producers and small businesses affected by declared natural disaster events since 1 July 2012, the Queensland Government has announced a record low interest rate of 1.7 per cent for Natural Disaster Assistance loans up to \$250,000.

These loans are provided under the joint Commonwealth/Queensland Government funded Natural Disaster Relief and Recovery Arrangements and are available to primary producers and small businesses directly affected by January's Tropical Cyclone Oswald and associated rainfall.

For primary producers and businesses affected by extreme flood damage, the Exceptional Disaster Assistance loan and grant package up to \$650,000 is available. This package offers loan terms of up to 10 years with no interest and no repayments required for the first two years, converting to the 1.7 per cent interest rate from the third year.