COMMONWEALTH SHOULD NOT PROFIT FROM FARM LOANS

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Joint statement

New South Wales Minister for Primary Industries, Katrina Hodgkinson

Northern Territory Minister for Primary Industry and Fisheries, Willem Westra van Holthe

Queensland Minister for Agriculture, Fisheries & Forestry, John McVeigh

Victorian Minister for Agriculture and Food Security, Peter Walsh

Western Australian Minister for Agriculture and Food, Ken Baston

Victoria, New South Wales, Western Australia, Queensland and the Northern Territory are unanimously agreed that the Commonwealth Government should cover administration costs associated with the Farm Finance concessional loans package.

While Victoria, New South Wales, Western Australia, Queensland and the Northern Territory support the Farm Finance concessional loans package, this is a Commonwealth Government program.

It was announced by the Commonwealth on April 27, with no prior consultation with the States or Territories.

At this time, the cash rate was approximately 3 per cent.

Last week the Commonwealth advised the States and Northern Territory that the concessional interest rate for Farm Finance loans would be 4.5 per cent – a difference of 1.5 per cent.

Victoria, New South Wales, Western Australia, Queensland and the Northern Territory agree that this 1.5 per cent margin is sufficient for the Commonwealth to accommodate administration costs.

It would be clearly unfair for the Commonwealth to make financial gain from these loan arrangements, while at the same time asking the States and Northern Territory to cover administration expenses and incur real costs.
The Commonwealth must take responsibility for the program it announced, and work with rural financial organisations to strike the necessary partnerships that will allow these loans to become available for farmers as quickly as possible.

Victoria, New South Wales, Western Australia, Queensland and the Northern Territory all stand ready to deliver the Farm Finance concessional loans as soon as the Commonwealth has finalised the details and agrees to cover administration costs.

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