

Chapter 3

Committee view

3.1 The committee has considered the provisions of the bill, including the merits of establishing a Regional Investment Corporation (RIC), and its operating requirements. The committee recognises that by establishing the RIC, enactment of the bill would streamline the delivery of up to \$4 billion in concessional loans for farm businesses and water infrastructure.

3.2 The RIC will administer the \$2 billion farm business loans programme and the \$2 billion National Water Infrastructure Loan Facility. Under the provisions of the bill, the RIC will be governed by an independent board and a CEO with relevant commercial experience to effectively manage public funds.

3.3 Commonwealth assistance to Australia's farming communities by way of concessional loans provides support to farmers during periods of financial stress to enable them to return to a sustainable and financially viable position. The committee recognises that the bill provides a mechanism to provide finance more effectively to farmers that would allow them to manage the feast and famine cycle that characterises the sector.

3.4 The committee recognises that the establishment of the RIC, underpinned by a streamline nationally consistent concessional loans scheme, would assist struggling rural communities to build the resilience, capabilities and financial viability required to sustain profitable farming and withstand the effects of natural disasters, market failures and inadequate commercial arrangements.

3.5 The RIC would not only streamline the administration of farm business loans, but also provide independent advice to government on projects for consideration under the National Water Infrastructure Loan Facility. It is expected to deliver approved grants of financial assistance to the states and territories to fast-track water infrastructure projects.

Recommendation 1

3.6 The committee recommends that the bill be passed.

Senator Barry O'Sullivan

Chair