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## **Rural Assistance Schemes** and Programs

By

John Wilkinson



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## CONTENTS

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1.	Introduction
2.	Federal Government Assistance Page 3
3.	NSW Government Assistance Page 16
4.	Summary

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#### 1. INTRODUCTION

The purpose of this briefing note is to provide a survey of rural assistance schemes and programs in NSW, focusing on those which tend to provide direct support to individuals.

The onset of the rural recession in the early 1990s, when hundreds of farmers in NSW left the land, and the more recent difficulties caused by the drought in the northern part of the state, have meant that schemes of assistance for people in the countryside have assumed an even greater significance.

This note sets out to outline the various programs of assistance provided for people in the country by the Federal and NSW governments. The first section of the note deals with assistance provided by the Commonwealth Government and the second part deals with that provided by the NSW Government.

This outline is not exhaustive but simply intends to cover the principal means of assistance presently available for people in rural areas in NSW.

### 2 RURAL ASSISTANCE: FEDERAL GOVERNMENT SCHEMES AND PROGRAMS

#### (a) Overall Federal Funding

Federal government budget outlays for the rural sector during the 1990s have amounted to between \$400 million and \$500 million. In 1992-1993, for example, outlays to the agricultural sector totalled \$573 million. 60% of this amount was provided in four major programs:

- The Rural Adjustment Scheme (\$160 million)
- CSIRO Institute of Plant Production and Processing (\$94 million)
- CSIRO Institute of Animal Production and Processing (\$65 million)
- National Landcare Program (\$61 million)

Some of these expenditures, such as that for the CSIRO institutes, are money expended on the industry as a whole, others are more of benefit to individual producers.

Outlays on minor programs, of benefit to the industry as a whole, include the following:

- Wool: International Promotion (\$20 million)
- Land and Water Resources Research and Development Corporation (\$11 million)
- Rural Industries Research and Development Program (\$10 million)
- Sugar Industry Program (\$8 million)
- Australian Animal Health Laboratory (\$6 million)
- Bovine Brucellosis and Tuberculosis Eradication Campaign (\$5 million)
- Innovative Agricultural Marketing Program (\$4 million)
- Clean Food Export Strategy (\$3 million)
- Australian Horticultural Corporation (\$2 million)<sup>1</sup>

Primary producers also receive support from federal domestic pricing arrangements (where the domestic price is often higher than the price of the product overseas), federal market support arrangements, and federal tariffs and government guarantees.<sup>2</sup> Sugar, rice and dairy production, for example, are benefited by tariffs placed on competing imports.

While acknowledging the impact that some of the above industry-wide programs can have on individual producers, this briefing note will deal in detail with those programs, and other Commonwealth schemes, which tend to directly assist individuals.

## (b) The Rural Adjustment Scheme

## Background

At the heart of the difficulties which have beset rural producers during the last twenty years is the central factor of industry shrinkage: what has been termed "structural adjustment".

<sup>&</sup>lt;sup>1</sup> Industry Commission, *Annual Report* 1992-1993 (Australian Government Publishing Service, Canberra, 1993), pp.352-353.

<sup>&</sup>lt;sup>2</sup> ibid., pp.381-382.

Rural production in Australia, as it developed during the nineteenth century, and during the first half of the twentieth century, was primarily developed for export to Britain: the economic, as well as political, centre of the British Empire.<sup>3</sup>

When the cumulative financial impact of the two twentieth century world wars forced Britain to relinquish its empire and embark on economic and political union with Europe, Australian primary production became cut off from its foremost export market. Other markets were developed during the 1960s, 1970s and 1980s but essentially, since 1973 when Britain joined the European Economic Community, there have been too many producers and too much production for the remaining available customers. Added to this has been the fact that since the 1950s there has been a gradual decline in the international prices for commodities.

Gradually, through the late 1960s and the following decades, Australian primary producers got into greater and greater difficulties as prices and markets declined and, in the face of this situation, there have been repeated requests from rural producers for government assistance.

However, the McMahon government's Rural Reconstruction Scheme 1971, and particularly the Fraser government's subsequent Rural Adjustment Scheme of 1976, have focused on helping unviable producers depart from the land and, in turn, helping viable producers to remain operational. As Professor Warren Musgrave wrote in 1982, the first point about the Rural Adjustment Scheme is that "it represents an explicit acknowledgment by government that structural change requires the movement of human resources out of agriculture."<sup>4</sup>

In practice, on the other hand, the realities of being forced to quit an occupation involve considerable hardship. As Richard Stayner of the Rural Development Centre at the University of New England has commented, "The detached description of farm adjustment as an inevitable consequence of national and international forces is little comfort, of course, to those farm

<sup>&</sup>lt;sup>3</sup> During the 1930s, for example, 30% of Britain's wheat imports came from Australia - as well as 15% of its butter imports, 12-14% of its apple and pear imports and 10% of its sugar imports. This was in addition to the vast amount of wool imported into Britain from Australia. See Nancy Windett, Australia as Producer and Trader 1920-1932 (Oxford University Press, London, 1933), pp.109,118; Charles Smith, Britain's Food Supplies in Peace and War (Routledge, London, 1940), pp.25,49.

<sup>&</sup>lt;sup>4</sup> Warren Musgrave, "Rural Adjustment" in D.B. Williams (ed.), Agriculture in the Australian Economy, 2nd. ed. (Sydney University Press, Sydney, 1982), p.307.

families who unwillingly find themselves as the central characters in the process."<sup>5</sup>

Because the greatest overall hardship in the countryside comes from the reduction in the size of the rural sector, this paper will first look at financial assistance available through the Rural Adjustment Scheme. Subsequently it will examine other types of financially-based rural assistance schemes and programs.

#### **Operation** of the Scheme

Since the inception of the RAS in 1976 there have been a number of revisions of the scheme. The enabling legislation for the latest version is the Rural Adjustment Act 1992 with the new scheme becoming operational on 1 January 1993. The scheme is funded through the Department of Primary Industries and Energy (DPIE) but administered by the Rural Assistance Authority (RAA), a separate authority, in each state - each state RAA reporting to the state minister responsible for primary production. The present objectives of the scheme are concerned with providing the following:

- support to farmers who have prospects of sustainable long-term profitability;
- support to ensure that farmers become financially independent of the initially-provided support;
- grants of subsidies for interest payable on loans;
- grants of subsidies for the purposes of farm training; planning; appraisal and support services;
- support to farmers without prospects of sustainable long-term profitability, to leave the farm sector.
- a Farm Household Support Scheme to provide finance to farm families to meet living expenses if they are unable to obtain commercial finance.
- drought relief through the Pilot Drought Scheme (established in 1992)

<sup>&</sup>lt;sup>5</sup> Richard Stayner, "Adjustment on Family Farms", paper presented at the *ABARE Outlook 94* Conference, 1-3 February 1994.

The new RAS has also established a Rural Adjustment Scheme Advisory Council (RASAC).<sup>6</sup>

On an overall level, over the past three financial years (1992,1993 and 1994) the NSW Rural Assistance Authority has approved financial assistance worth \$110 million to 10,750 primary producers under all categories of the Rural Adjustment Scheme.<sup>7</sup>

During financial year 1992-1993, for example, the Rural Assistance Authority in NSW received 5,010 new applications for assistance of which 2,687 were approved. The amount received by the applicants totalled \$32.8 million or approximately \$12,000 per application.

Successful applicants received this assistance in the form of an interest subsidy grant - a cash grant paid to the applicant's bank: the bank in turn deducting it from the applicant's interest bill.<sup>8</sup>

The Pilot Drought Scheme (PDS) began in September 1992 with \$7 million being provided to NSW. In April 1993 the Minister for Primary Industries and Energy announced the provision of an additional \$1 million in assistance for NSW under the PDS.<sup>9</sup>

The Farm Household Support (FHS) Scheme began operation in March 1993. It is aimed at farmers in two particular kinds of situation: (a) those who believe they have a future in the industry but are unable to obtain any further financial support; and (b) those who have decided to leave farming but require support while they arrange the sale of their property. FHS provides assistance in meeting day to day living expenses for those farmers unable to access further commercial finance: assistance is in the form of a loan at commercial interest rates. The scheme is administered by the Department of Social Security (DSS) on behalf of the DPIE. Eligibility for FHS assistance is an inability to access further commercial finance. Loans are available for up to two years with payments made fortnightly. No repayments may be made for up to ten years in instalments. The maximum Farm Household Support available

- <sup>8</sup> ibid., p.42.
- <sup>e</sup> ibid., p.33.

<sup>&</sup>lt;sup>6</sup> See Rural Adjustment Scheme Advisory Council, *Report on Operations: 1 January - 30 June 1993* (Australian Government Publishing Service, Canberra, 1993), pp.28-29,33,38.

<sup>&</sup>lt;sup>7</sup> cumulative totals compiled by the NSW Rural Assistance Authority for the NSW Premier's Department. See *News Release*, Premier of NSW, 8 August 1994.

is the amount of Job Search Allowance a farmer could be paid, taking into account his/her present income and his/her off-farm assets. In December 1993 there were 123 people in NSW receiving FHS assistance.<sup>10</sup>

Farmers leaving farming, and receiving FHS assistance, are also eligible, through the RAS, for a re-establishment grant. A farmer must apply for the grant through his/her state office of the RAA. The grant of 45,000 is payable if, after the sale of the farm and paying of debts, the applicant's assets are worth less than 45,000.<sup>11</sup>

#### (c) Business and Taxation Assistance for Rural Areas

#### Commonwealth Development Bank

The purpose of the Commonwealth Development Bank (CDB) is to supplement loans to primary producers from conventional commercial sources where credit is not available on reasonable and suitable terms and conditions. The nonavailability of credit could be due to lack of security or to the need for extended repayment terms by the borrower.

Loan proposals are assessed on the prospects of success and the borrower's ability to repay. Loans are for fixed terms, usually from 3 - 20 years.

#### Business Advice for Rural Areas (BARA) Program

The federal government has established the (BARA) program (jointly funded by the federal, state and territory governments) to provide business advice to people in rural areas. During the 1990s funding of \$1.8 million has been given to support 37 BARA facilitators throughout Australia. BARA funding has also been provided to nearly 40 regional community groups throughout Australia.<sup>12</sup>

#### Exemptions, Rebates and Tax Deductions

Sales tax exemptions are available for a wide range of machinery, equipment

<sup>11</sup> ibid.

<sup>&</sup>lt;sup>10</sup> Information supplied by the Newstart and Special Benefit Programs section of the Department of Social Security, Canberra.

<sup>&</sup>lt;sup>12</sup> Information provided by the rural division of the Department of Primary Industries and Energy.

and materials used in primary production and for livestock imported for breeding purposes. The exemption is claimed at the time the purchase is made by providing the supplier with a signed statement outlining details of the claim. Many suppliers have standard claim forms. If these forms are not available, a handwritten statement providing the necessary information is acceptable.

Primary producers can claim a full rebate of the excise on diesel fuel used for eligible forms of primary production. Applications can be obtained from oil companies or from the Australian Customs service. The rebate can be claimed each time diesel fuel is purchased. The Customs Service will arrange for the rebate to be deposited in a nominated credit union, building society or bank account.

The Income Equalisation Deposits (IED) scheme allows primary producers to lodge cash deposits with the Commonwealth Government to build up cash reserves for unexpected events. These deposits can be cashed after a qualifying period of twelve months from the time of lodgment, or sooner if financial difficulties can be proven. Under the current scheme, deposits are 100% tax deductible in the year of deposit and assessable in the year of withdrawal. Deposits in any year are limited to taxable income from primary production for that year. The minimum deposit is \$5,000 and total deposits are limited to \$250,000 per taxpayer. Interest is on the "investment component" (currently 61%) of the deposit, paid at the medium-term Commonwealth government bond rate.<sup>13</sup>

Although capital expenditure is generally not tax deductible, the income tax law also provides for certain capital expenditure incurred in the development of and improvement of land for primary production to be deductible immediately or over relatively short periods of time.

Primary producers may also claim deductions, in equal instalments over three years, for capital expenditure on water storage and farm reticulation systems. The deductions apply to capital expenditure on the construction, acquisition, installation or extension of plant, or on a structural improvement for the purpose of conserving or conveying water for use in carrying on primary production. Items of expenditure for which deductions may be claimed include dams, earth tanks, underground tanks, concrete and metal tanks, bores, wells and irrigation channels.

The income tax law further provides for the concessional treatment of primary production income affected by natural calamities such as floods, fire, drought

<sup>&</sup>lt;sup>13</sup> See Robert Douglas and Scott Davenport, A Review of the Income Equalisation Deposit Scheme, Economic Policy Report No.2 (NSW Department of Agriculture, Orange, 1993), p.18.

and disease. These provisions allow a taxpayer to spread abnormal income receipts resulting from specified natural disasters over several years, rather than being taxed in full in the year the income is derived.<sup>14</sup>

#### (d) Education

In 1989 the Hawke government issued a statement on rural education entitled *A Fair Go: The Federal Government's Strategy for Rural Education and Training.* The statement inaugurated federal government initiatives to "provide better education and training opportunities to Rural Australia".<sup>15</sup> The objectives of this statement were as follows:

- increase non-metropolitan school retention rates to Year 12 in line with those of metropolitan students;
- increase the number of non-metropolitan students continuing their education through the TAFE or higher education systems to a level comparable with their metropolitan counterparts;
- increase participation in education and training so that the proportion of non-metropolitan workers with post-school qualifications reflects the national average.<sup>16</sup>

During the 1990s improvements have been introduced by the federal government in education services for rural residents in the following areas:

#### Austudy

In 1992 the federal government announced changes to the Austudy scheme at least two of which should benefit rural students -

• the allowable level of net parental assets increased to \$359,250

- <sup>16</sup> Minister for Employment, Education and Training and the Minister for Primary Industries and Energy, A Fair Go: The Federal Government's Strategy for Rural Education and Training (Australian Government Publishing Service, Canberra, 1989), p.14.
- <sup>16</sup> Department of Education, Training and Employment, *The Resource Book: Achievements in Employment, Education and Training* (Australian Government Publishing Service, Canberra, 1992), p.127.

<sup>&</sup>lt;sup>14</sup> Department of Primary Industries and Energy, *The Rural Book: Part of the Countrylink Program* (Australian Government Publishing Service, Canberra, 1994), pp.68-74.

with the current 50% discount on net/farm business assets retained: the discount meaning that where only business/farm assets apply, these can be worth up to \$718,500 before the benefit is affected;

• the introduction of a hardship provision so that the assets test will not apply if a student's parents or spouse are receiving a social security or veterans' pension or allowance, or Farm Household Support under the Rural Adjustment Scheme.

#### Assistance for Rural Schools

Under the Country Areas Program (CAP) the federal government is actively encouraging parents, administrators, teachers and other community members to work towards improving the delivery of education services in their areas.

During 1992 more than \$16.7 million was made available to fund the Country Areas Program, some of which was spent in the following ways:

- development of communications links between schools using computer networks, facsimile machines and satellite dishes to give students more access to education resources;
- tertiary orientation programs, careers advisory services and work experience designed to broaden students' perceptions of career and further education choices.

#### Hostels

In 1991 the federal government made nearly \$3 million available to enable non-school organisations to apply for funding to provide hostels for rural students.

#### Rural Access to Further and Higher Education

In the early 1990s the federal government set out to conclude special arrangements with TAFE authorities in Queensland and Tasmania to allow people in rural areas to commence higher education courses at a local TAFE college.

#### Distance Higher Education

Eight centres for higher education by distance have been established in the

following educational institutions:

- Deakin University (Victoria)
- Monash University (Victoria)
- University of New England (NSW)
- Charles Sturt University (NSW)
- University of Central Queensland
- University of Southern Queensland
- University of South Australia
- Curtin University (Western Australia)
- Murdoch University (Western Australia)
- Edith Cowan University (Western Australia)

In 1991 there were around 56,922 external higher education students out of a total enrolment of 534,538: or about 10.5% of all students in Australia.

A further development in distance higher education was undertaken by the federal government in 1991 when it announced the establishment of a pilot project for Television Open Learning: funded at a cost of \$2 million. In the budget for 1992-1993 the federal government announced that it would make \$47 million available, during 1993-1995, to support an Open Learning Initiative to build on the Television Open Learning Program.<sup>17</sup>

## (e) Health and Social Welfare Assistance

#### Rural Health Assistance

Financial assistance is provided to help country patients who must travel to receive medical treatment. The federal government provides funds to the governments of the states and territories to run their programs relevant to local needs in this area.

<sup>&</sup>lt;sup>17</sup> The Resource Book: Achievements in Employment, Education and Training, pp.127-139.

Commonwealth government funding is also provided to meet some of the capital and operating costs of the Royal Flying Doctor Service (RFDS). Medical chests are provided to people within radio or telephone contact with RFDS medical centres. Commonwealth government funding pays for the contents of these chests and for replacements.<sup>18</sup>

#### Rural Counselling Program

Under this program, which has been operating since 1986, rural communities receive a Commonwealth grant of up to 50% of the cost of establishing a rural counselling service (including the employment of a suitably qualified counsellor).

Rural counsellors provide advice free of charge to farm families in financial difficulties with the aim of assessing their farm financial position and identifying options for their future.

Grants to establish 81 rural counselling positions, operating from 64 communities, have been made available across NSW (39 positions), Victoria (30), South Australia (15), Western Australia (10), Queensland (4) and Tasmania (3).

Since the beginning of the program some 18,000 clients have been supported.

Nearly 2,000 farmers have been assisted to leave farming with less than half that number requiring assistance under the Rural Adjustment Scheme.<sup>19</sup>

#### *Countrylink*

The Countrylink Program was established in 1988 to provide a service aimed at improving access to federal government services and programs for nonmetropolitan Australians.

Countrylink provides information, assistance and referral regarding all federal government services and programs. It provides the following services free of charge:

- an 008 answer line
- a staffed shop-front display at country shows and field days

<sup>&</sup>lt;sup>18</sup> ibid., p.19.

<sup>&</sup>lt;sup>19</sup> ibid.

- community information stands sponsored by community and local government organisations
- a video lending library
- The Rural Book: a comprehensive cross-referenced summary of relevant federal government services and programs.<sup>20</sup>

#### Australian Country Information Service

The Australian Country Information Service (ACIS) has been established to assist rural and remote communities to provide information and assistance relating to Commonwealth and other services and programs within their communities on a face-to-face basis, in conjunction with other agencies including the Department of Education, Employment and Training, the Department of Social Security and the Commonwealth Employment Service.

Funding is provided for the appointment of a contact officer within the community and for associated running costs. Funding is also provided to administrative bodies who are responsible for the administration of the site and the employment of the contact officer. A community contribution towards the operations of the site is expected.

Grants are usually made to smaller rural and remote communities with limited access to existing Commonwealth services and programs.

Currently 21 sites operate throughout Australia. ACIS officers operate within their communities as contact points for individuals and community organisations helping local people to access Commonwealth government services and programs.<sup>21</sup>

#### Telecentres Program

Telecentres are community owned and operated facilities where members of the public can obtain access to modern computing and information technology on a user pays basis.

The aims of the program are as follows:

- increase in local employment
- <sup>20</sup> ibid.

<sup>21</sup> ibid.

- facilitation of business enterprise
- delivery of community services and information.

The Department of Primary Industries and Energy has provided grants to community bodies which cover a good deal of the capital costs and which supports the administrative costs and the co-ordinator's salary in the commencement period.

Funding began in financial year 1992-1993.

Initial telecentres were established at Walcha in NSW and at Cygnet in Tasmania. To date over 30 groups have been funded across Australia.<sup>22</sup>

#### (f) Environment

The former Federal Water Resources Assistance Program and National Soil Conservation Program have been brought together under a new program to be known as the National Landcare Program (NLP). The community grants program of the federal government's One Billion Trees Program and Save the Bush Program have also been brought into the National Landcare Program.

Under the Community Landcare component of the NLP, aimed at encouraging a self-help attitude and capability amongst locally-based landcare groups, the federal government provides financial assistance for land, water and related vegetation projects. The program encourages landowners in a district to form community landcare groups to tackle land and water degradation, and to explore sustainable land use.

Funding may be used for the following purposes:

- community education
- planning
- resources inventory
- investigations
- training
- demonstration

<sup>22</sup> ibid.

- on-ground activities (vegetable and wildlife)
- monitoring

Expenditure incurred for the purpose of combating or preventing land degradation, by a primary producer or by a taxpayer who is operating a business on rural land, is fully deductible in the year it is incurred. Expenditure on the following undertakings qualifies for an immediate deduction:

- eradication or extermination of animal or vegetable pests from the land
- destruction of weeds or plant growth harmful to the land
- preventing or combating land degradation other than by erecting fences on the land
- erection of fences to exclude livestock or vermin from the areas affected by land degradation
- construction of levee banks or similar improvements
- construction of surface or subsurface drainage works to control salinity or assist in drainage control.<sup>23</sup>

#### **3** NSW GOVERNMENT SCHEMES AND PROGRAMS

#### (a) **Overall NSW Funding**

NSW government budget outlays for the rural sector during the 1980s and the 1990s have amounted to between \$100 million and \$200 million. In 1990-1991, NSW government outlays reached a peak of \$211 million. In percentages, the main areas of state government expenditure on the rural sector, in terms of percentages of all rural expenditure by the state governments in Australia, are as follows:

- Research (33%)
- Extension Services (16%)
- Soil Conservation (13%)

<sup>&</sup>lt;sup>23</sup> The Rural Book: Part of the Countrylink Program, pp.73,90-91.

- Disease and Pest Control (12%)
- Inspection and Market Support (10%)
- Other Items (10%)
- Concessional Credit (4%)
- Natural Disaster Relief (2%)<sup>24</sup>

NSW primary producers also receive assistance from state government price support schemes and other indirect mechanisms of support.<sup>25</sup>

Most of the above expenditures are money expended on the industry as a whole. The majority of expenditures which directly benefit individual producers tends to come from the federal government.

As in the section above dealing with federal government assistance, this note will deal with those NSW schemes and programs which tend to directly assist individuals.

#### (b) Business, Marketing and Taxation Assistance for Rural Areas

The NSW government, through the NSW Department of Agriculture, provides business and marketing assistance through a number of programs as follows:

#### Farm Monitoring and Management

Advice on farm-monitoring and management is available through the Farm Cheque Program run by the NSW Department of Agriculture, aimed at improving producers' farm management skills.<sup>26</sup>

#### Beef Breeding and Marketing

The NSW Department of Agriculture's Beef Advisory Officers are available to advise on breeding and selection programs. Beef Marketing Workshops are

<sup>&</sup>lt;sup>24</sup> Industry Commission, Annual Report 1992-1993, pp.359-362.

<sup>&</sup>lt;sup>25</sup> ibid., p.360.

<sup>&</sup>lt;sup>26</sup> Country Guide: A Directory of NSW Government Services for Country People 1993, pp.6-7.

presented by the NSW Department of Agriculture's Beef Advisory Section.<sup>27</sup>

#### Milk Production

Dairy farmers can be assisted by financial and administrative advice available through the Milkonomics program run by the department. Advice is also available on improving dairy herds through the department's Dairy Herd Improvement Program.<sup>28</sup>

#### Egg Production

Egg producers can also be assisted by advice on flock monitoring and farm financial performance available from the department.<sup>29</sup>

#### Marketing Information

Information on marketing rural products is available through the Market Intelligence Unit (MIU) of the NSW Department of Agriculture.<sup>30</sup>

#### Taxation Assistance

Since 1991, land in NSW used for primary production has been exempt from land tax.<sup>31</sup>

#### (c) **Power Supply to Remote Areas**

People in remote country areas can be assisted by the Remote Area Power Assistance Scheme (RAPAS) run by the NSW Office of Energy. RAPAS is aimed at assisting residents in remote areas to obtain adequate domestic power supply - either by connection to the electricity supply grid or purchase of an independent power supply system. Grants of up to \$20,000 are available.

- <sup>28</sup> ibid., p.11-12.
- <sup>29</sup> ibid., p.18.
- <sup>30</sup> ibid., p.34.
- <sup>31</sup> Land Tax Administration Act 1956, Section 10 (1)(p).

<sup>&</sup>lt;sup>27</sup> ibid., p.12,15.

There is also an operating and maintenance subsidy available for independent power systems. The subsidy is worth up to \$300 a year.<sup>32</sup>

#### (d) Developing Industry in Rural Areas

Development of business in rural areas is assisted by the NSW Government's Department of Business and Regional Development under the Regional Business Development Scheme (RBDS). The aim of the RBDS is to foster industrial and commercial development in country NSW in the following ways:

- assisting metropolitan, interstate or overseas firms to relocate to a NSW country area
- assisting firms in country locations undertaking expansion or improving the competitiveness of existing operations
- assisting new projects established in a NSW country location.

Applications for RBDS assistance are assessed by the Office for Regional Development. The RBDS may subsidise costs incurred by firms in moving to the country in the following areas:

- consultancy costs for relocation (up to 50% reimbursement to a maximum of \$10,000)
- plant and equipment removal costs (up to 90% reimbursement to a maximum of \$50,000)
- training of unskilled employees retained for a minimum period of 6 months (up to \$600 per employee)
- key personnel removal costs (up to 90% reimbursement to a maximum of \$15,000)
- charges incurred in the provision of infrastructure, such as gas and electricity, to a site (up to 50% reimbursement to a maximum of \$20,000)
- charges incurred by business in final negotiations with local government (up to 50% reimbursement to a maximum of \$10,000)

<sup>&</sup>lt;sup>32</sup> Country Guide: A Directory of NSW Government Services for Country People 1993, p.117.

- outside costs incurred in implementing technology improvements in production processes (up to 50% reimbursement to a maximum of \$10,000)
- outside costs incurred in marketing and packaging products for an export market excluding the costs of overseas travel (up to 50% reimbursement to a maximum of \$10,000)
- outside costs incurred by a business in a rural area in using independent expertise to investigate diversification opportunities (up to 50% reimbursement to a maximum of \$5,000)
- payroll tax, land tax and stamp duty (partial or total concessions based on viability of the business and employment generated).<sup>33</sup>

### (e) Education

The NSW Department of Education provides primary-school level education to people in remote areas both through the Correspondence School and through the department's Distance Education Centres.

At a secondary level, in addition to the normal high schools which the department operates throughout the state, the department also maintains four agricultural high schools:

- James Ruse Agricultural High School (Sydney)
- Hurlstone Agricultural High School (Sydney)
- Farrer Memorial High School (Tamworth)
- Yanco Agricultural High School (near Leeton)

In addition to the above, the department also runs the C.B. Alexander Agricultural College (near Maitland) and the Murrumbidgee Agricultural College (near Leeton) which offer certificate courses in various aspects of primary production.

Adult education is also provided through a number of centres subsidised by the Board of Adult and Community Education.<sup>34</sup>

<sup>&</sup>lt;sup>33</sup> Regional Business Development Scheme (Department of Business and Regional Development, Sydney, 1993).

<sup>&</sup>lt;sup>34</sup> ibid., pp.39-48.

#### (f) Health

Free medical services for children living in isolated country areas are available under the Royal Far West Children's Health Scheme. The scheme provides families in these areas with services such as speech therapy, physiotherapy, orthodontics, remedial reading and various other paramedical services.<sup>35</sup>

Financial assistance for people who have to travel from remote areas for specialist medical treatment is provided by the federal government and administered by the NSW government under the Isolated Patients' Travel and Accommodation Assistance Scheme (IPTAAS).

IPTAAS is a reimbursement scheme and an application has to be completed by the referring doctor before the appointment with the nominated specialist.<sup>36</sup>

#### (g) Conservation

The NSW Department of Conservation and Land Management (CaLM) provides assistance to protect the land resource base of the state. CaLM provides advisory and extension services in land care, and offers other services such as farm water supply design and construction.

Loans are also available from the NSW Government, at concessional interest rates (currently 8%), for farm water supply, provision of stock (or domestic) water supply and for irrigation.<sup>37</sup>

#### 4 SUMMARY

The American rural educationists Jonathan and Katrina Sher, while advocating a greater government commitment to rural communities, have acknowledged that "the fact remains that Australian governments always have gone a long way towards treating their rural citizens in an equitable manner. . .the main rural industries have received ample support, while rural Australians have been the recipients of their fair share of government-supplied income." They qualify this observation by noting that "Rural advocates correctly note that even with all these public services and subsidies, rural Australians do not have as good a deal, as extensive a range of social, educational, cultural and economic

<sup>37</sup> ibid., pp.22-50.

<sup>&</sup>lt;sup>36</sup> ibid., p.79.

<sup>&</sup>lt;sup>36</sup> ibid., p.83.

opportunities, or as secure a safety net beneath them as is the case for their metropolitan cousins." But on an overall level they note that "In international terms, Australia has taken care of its rural citizens as well as all but a small handful of other nations."<sup>38</sup>

At least one qualifying comment on the above observation is appropriate and that is the reflection offered by Robert Douglas and his colleagues that there exists "differences in assistance between the farm sector and non-farm rural businesses", and possibly differences in levels of assistance to farmers and to rural citizens as a whole.<sup>39</sup>

Nevertheless the above view expressed by overseas rural specialists appears to provide a acceptable summary of the availability of government assistance in rural areas. While a number of rural producers will still have to encounter the inevitable adversity of "structural adjustment", people living in rural areas do have some access to a reasonable number of government services.

<sup>&</sup>lt;sup>39</sup> Jonathan Sher and Katrina Sher, "Beyond the Conventional Wisdom: Rural Development as if Australia's Rural People and Communities Really Mattered" in the *Journal of Research in Rural Education*, Vol.10, no.1, Spring 1994, p.19.

<sup>&</sup>lt;sup>39</sup> S. Davenport, J.Lynch and R. Douglas, "Country Towns and Fluctuating Rural Fortunes - Is There a Case for Assistance?" in the *Review of Marketing and Agricultural Economics*, Vol.59 no.3, December 1991, p.260.

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## (A) BACKGROUND PAPER/OCCASIONAL PAPER

#### (B) BILLS DIGEST

## (C) BRIEFING NOTE

### (D) STATISTICS

## (A) BACKGROUND PAPER/OCCASIONAL PAPER

#### TITLE

#### NUMBER

Sydney's Transport: Contemporary Issues, 1988-1992	
by John Black and Peter Rimmer	1992/1
Capital Punishment in New South Wales by Catherine Gilbert	1993/1
Women's Refuges by Jaleen Caples	1993/2
Censorship: Law and Administration by Gareth Griffith	1993/3
Lead by Rebekah Jenkin	1993/4
Cannabis: The Contemporary Debate by Gareth Griffith and Rebekah Jenkin	1994/1
NSW Elections 1984 to 1991: A Comparative Analysis by Antony Green	1994/2
Breast Cancer by Rebekah Jenkin	1994/3
Women's Health Policy in Australia by Sharon Rose	1994/4
The Rural Sector: A Changing Economy by John Wilkinson	1994/5

## (B) BILLS DIGEST

## TITLE

#### NUMBER

Legal Aid Commission (Amendment) Bill 1994 by Gareth Griffith	001/94
Maritime Services (Offshore Boating) Amendment Bill 1994 by Sharon Rose	002/94
Gaming and Betting (Race Meetings) Amendment Bill 1994 by Sharon Rose	003/94
Lotteries and Art Unions (Amendment) Bill 1994 by Gareth Griffith	004/94
Occupational Health and Safety Legislation (Amendment) Bill 1993	
by Jan Newby	005/94
Workers Compensation Legislation (Miscellaneous Amendments) Bill 1993	
by Jan Newby	006/94
Property, Stock and Business Agents (Amendment) Bill 1994 by John Wilkinson	007/94
Crimes Legislation (Unsworn Evidence) Amendment Bill 1994 by Gareth Griffith	008/94
Bush Fires (Amendment) Bill 1994 by Rebekah Jenkin	009/94
State Emergency and Rescue Management (Amendment) Bill 1994	
by Rebekah Jenkin	010/94
Police Service (Complaints) Amendment Bill 1994 by Sharon Rose	011/94
Timber Industry (Interim Protection) Amendment Bill by Rebekah Jenkin	012/94
Privacy and Data Protection Bill 1994 by Gareth Griffith	013/94
Health Legislation (Miscellaneous Amendments) Bill 1994 by Jan Newby	014/94
Retail Leases Bill 1994 by Gareth Griffith	015/94

.

Environmental Planning and Assessment (Amendment) Bill 1994	
by Rebekah Jenkin	016/94
Mental Health (Amendment) Bill 1994 by Sharon Rose	017/94
Crimes Legislation (Dangerous Articles) Amendment Bill 1994 by Sharon Rose	018/94
Native Title (New South Wales) Bill 1994 by Rebekah Jenkin & Gareth Griffith	019/94
Rural Lands Protection (Amendment) Bill 1994 by Rebekah Jenkin	020/94
Motor Accidents (Amendment) Bill 1994 by Rebekah Jenkin	021/94
Protected Disclosures Bill 1994 by Gareth Griffith	022/94
Film and Video Tape Classification (Amendment) Bill 1994 by Gareth Griffith	023/94
Constitution Further Amendment (Referendum) Amendment Bill 1994	
by John Wilkinson	024/94
Crimes (Detention After Arrest) Amendment Bill 1994 by Gareth Griffith	025/94
Courts Legislation (Mediation And Evaluation) Amendment Bill 1994	
by Rebekah Jenkin	026/94
Criminal Procedure (Indictable Offences) Amendment Bill 1994	
by Gareth Griffith	027/94
Courts Legislation (Civil Procedure) Amendment Bill 1994 by Rebekah Jenkin	028/94

## (C) BRIEFING NOTE

## TITLE

NUMBER

National Competition Policy: Report by the Independent Committee of Inquiry	
(The Hilmer Report) by Jan Newby	001/94
Unsworn Statements of Accused Persons: The Case For and Against Abolition	
by Gareth Griffith	002/94
Female Genital Mutilation by Sharon Rose	003/94
Victims Compensation: Summary of the Review of the Victims Compensation	
Act (The Brahe Report) by Gareth Griffith	004/94
Gatt Uruguay Round: Summary of the Federal Department of Foreign Affairs	
and Trade Paper 'Uruguay Round, Outcomes for Australia' by Jan Newby	005/94
Heritage Conservation in NSW: The Legal Position by Rebekah Jenkin	006/94
Fire Fisheries Management in NSW: The Fisheries Management Bill 1994	
by John Wilkinson	007/94
Bush Fire Control in NSW: Commentary on the Cabinet Committee on Bush	
Management and Control Interim Report by Rebekah Jenkin	008/94
Vocational Education in NSW: Commentary on the Board of Vocational	
Education and Training Bill 1994 by Sharon Rose	009/94
Commentary on the Building Services Corporation (Amendment) Bill	
1994 by Sharon Rose	010/94
Irrigation in Southern NSW: The Irrigation Corporations Bill 1994	
by John Wilkinson	011/94

The Regulation of Agricultural and Veterinary Chemicals: The Agriculturaland Veterinary Chemicals (New South Wales) Bill 1994 by John Wilkinson012/94The Proposed Privatisation of the State Bank of NSW: Background Issues013/94by Jan Newby013/94Corporatisation of the Water Board by Sharon Rose014/94Sentencing Guidelines and Judicial Discretion by Gareth Griffith015/94Rural Assistance Schemes and Programs by John Wilkinson016/94

#### (D) STATISTICS

#### TITLE

#### Quarterly Statistical Bulletin by Jan Newby

Vol 1 No 1 October 1993 Vol 1 No 2 March 1994 Vol 1 No 3 May 1994 Vol 1 No 4 August 1994

Electorate Profile by Jan Newby

No 001/94: Parramatta

#### NUMBER

. X . i i